The Role of an Ohio
COUNTY BUDGET COMMISSION

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The Ohio County Budget Commission serves an important administrative role in the state's local government finance system. The work of the Budget Commission is sometimes misunderstood. It does not function as a legislative body, nor does it approve local government spending or what is traditionally thought of as an expense budget. Instead, it performs duties assigned by the Ohio Revised Code to help administer property tax levies and allocate certain revenues among local governments.

Membership of the Budget Commission

Each Budget Commission consists of three county officers:

County Auditor	County Treasurer	County Prosecuting Attorney

The Budget Commission's composition and general duties are established in Ohio Revised Code Chapter 5705, which governs local government taxation and budgeting.

These three officials serve by virtue of their elected offices and collectively perform the statutory responsibilities assigned to the Budget Commission.

Meetings under ORC § 5705.27

As provided under ORC § 5705.27, the Budget Commission meets the first Monday in February and the first Monday in August to ensure that certain work is completed on or before the first day of September.

For example, the August meeting typically consists of the following:

- Political subdivisions—including counties, municipalities, townships, and other districts—submit financial information required by law to the Budget Commission.
- The Budget Commission reviews this information to determine the tax rates and calculate amounts that may be certified within constitutional and statutory limits.

The Budget Commission's reviews help ensure that:

- ✓authorized levies are properly reflected
- ✓statutory limitations are observed
- ✓tax rates are correctly calculated
- ✓certifications can be provided for the county tax duplicate

The August meeting is not a hearing to approve or reject a local government's spending plan. Rather, it is an administrative step in the annual property tax process. In addition, each political subdivision provides information to justify that their property tax rates are not excessive and are necessary. The February meeting focuses on school districts. The Budget Commission will certify the property tax revenues schools are expected to receive, ensuring that voted and inside millage are properly calculated so districts can prepare accurate annual budgets and financial forecasts.

- In separate meetings, the Budget Commission certifies the revenues available to the health district, helping it plan funding for public health services, inspections, disease prevention, and other operations.

The Budget Commission Does Not Approve Appropriations or Local Government Budgets

There are common misconceptions about the Budget Commission. The Budget Commission **does not**:

- ✘ approve annual appropriations
- ✘ authorize expenditures
- ✘ determine departmental spending
- ✘ amend local operating budgets
- ✘ serve as the appropriating authority for any political subdivision

Those responsibilities belong to **each political subdivision's own governing body**. Examples include:

- Boards of County Commissioners
- City Councils
- Village Councils
- Township Boards of Trustees
- Boards of Education
- Library Boards of Trustees

These governing bodies adopt annual appropriation measures that legally authorize expenditures.

Budget Commission vs. Appropriating Authority

Although both participate in local government finance, their responsibilities are distinctly different. An appropriating authority is the governmental body that has legal authority to make an appropriation of public money, or authorize expenditures. Understanding this distinction helps clarify that the Budget Commission administers portions of Ohio's tax system but does not govern the day-to-day finances of local governments.

Budget Commission	Appropriating Authority
Reviews property tax information submitted under state law	Adopts the annual appropriation measure or expense budget
Certifies tax rates within authorized limits	Authorizes expenditures
Allocates certain revenues as required by law	Determines spending priorities
Does not control departmental budgets	Establishes and amends appropriations throughout the fiscal year

Property tax rates arise from the limitations contained in the Ohio Constitution and additional levies approved by local voters.

The Budget Commission applies these legally authorized rates when fulfilling its statutory responsibilities.

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Inside Millage

The Ohio Constitution authorizes a limited amount of property taxation without a vote of the people. This constitutional authority is commonly known as **inside millage.**

Inside millage generally consists of up to **10 mills** of unvoted property tax within a taxing district. Those mills are allocated among eligible local governments according to constitutional and statutory provisions.

Ohio Constitution, Article XII, Section 2, establishes the constitutional limitation on unvoted property taxation.

Outside Millage

Property taxes exceeding the constitutional 10-mill limitation are commonly known as **outside millage.**

Outside millage consists of levies that have been approved by voters for specific governmental purposes, including but not limited to:

- current operating expenses
- roads and bridges
- parks
- fire & emergency medical services
- police services
- senior services
- social services
- developmental disabilities programs
- ADAMH programs
- schools
- public libraries
- permanent improvements
- debt retirement

These levies require voter approval.

Allocation of Certain State Shared Revenues

Ohio law assigns the Budget Commission duties related to the allocation of certain state-shared revenues among political subdivisions within the county. Depending on the type of funds involved, the commission may determine allocations among:

- counties
- municipalities
- townships
- libraries*
- other eligible political subdivisions

In many instances, these allocations are based on agreed-upon formulas.

***Public Libraries**

Ohio's public libraries are independent political subdivisions that receive funding from multiple sources.

When required by statute, the Budget Commission participates in allocating certain revenues affecting public libraries and certifies property tax rates for library levies in the same manner as for other eligible political subdivisions.

The Budget Commission's role is administrative and statutory; it does not oversee library operations or approve library expenditures.

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A Codified and Essential Administrative Role

The Budget Commission serves a vital role in maintaining the orderly administration of Ohio's local finance system.

By reviewing required financial submissions, certifying authorized tax rates, allocating certain state-shared revenues, and carrying out responsibilities established by the Ohio Revised Code, the Budget Commission helps ensure that local governments receive revenues in accordance with the Ohio Constitution and state law.

While appropriating authorities decide how public funds will be spent, the Budget Commission helps ensure that authorized revenues are properly certified and distributed. The distinction is an important one and reflects the separate responsibilities assigned by Ohio law to each entity within the state's system of local government finance.

Minutes and agendas of the Fairfield County Budget Commission are found here:
Budget Commission | Fairfield County Auditor's Office, Lancaster, Ohio

https://www.co.fairfield.oh.us/auditor/Budget-Commission.html