

## LEVIES

*“What is politics but persuading the public to vote for this and support that and endure these for the promise of those?”*

- Gilbert Highet

### **General**

The “taxing authority” for each ADAMH/ADAS/CMH Board is permitted to levy taxes annually, subject to some limitations, on the real and personal property within the subdivision for the purpose of paying the Board’s operating expenses, for the acquiring or constructing permanent improvements by the Board, or to supplement the general fund for the purpose of making appropriations for human or social services.

For a single-county ADAMH/ADAS/CMH Board, the taxing authority is considered to be the Board of County Commissioners. In a multi-county Board area, the ADAMH Board itself is the taxing authority. Therefore, a joint-county alcohol, drug addiction and mental health services Board or a Board of County Commissioners, on behalf of a single-county ADAMH/ADAS/CMH Board, may seek a tax levy.

### **Tax Levy Statutes**

Ohio’s tax levy statutes can be found in Sections 5705 of the Ohio Revised Code and the Ohio Administrative Code. ORC 5705.19 authorizes the Board of County Commissioners in a single-county Board area or the Board itself in a multi-county area, upon a vote of two-thirds of all members, to declare by resolution and certify to the Board of Elections, that it is necessary to levy a tax to supplement the general fund for the purposes of making appropriations for human or social services. Levies sought under this section may not be for a period longer than five years.

A Board of County Commissioners may also seek a levy pursuant to ORC 5705.221 for either the ADAMH/ADAS/CMH Board in that county or for the county’s contribution to the joint-county service district of which it is a member. Such levies may be for the operation of mental health and alcohol and drug addiction programs and for the acquisition, construction, renovation, financing, maintenance and operation of such facilities. Levies sought under this section may not be for a period longer than ten years.

Additionally, pursuant to ORC 5705.19, a joint-county ADAMH Board may place on the ballot the question of levying a tax for the current expenses of the Board or for the construction or acquisition or any specific permanent improvement or class of improvements that may be included in a single bond issue. Such levies may not be for a period longer than five years.

## **Types of Levies**

*New* – A new levy may be based on the ballot in any election. The millage (tax rate) and duration (number of years) are set by the resolution adopted either by the County Commissioners (in a single-county Board area) or by a multi-county Board. The year in which the levy is passed becomes the “recognized value” base year for calculating the taxable value of the property. Tax reduction factors are applied to the remaining years of the levy so that the property owner does not pay more in taxes due to any increased assessment value of the property.

*Renewal* – Ohio Revised Code Section 5705.25 provides the authority to renew an existing levy. A renewal levy may be placed on the ballot in a general election during the last year in which that levy is in effect and/or during the ensuing year. A renewal of a human/social services levy may be placed on the ballot during a primary election as well (ORC 5705.191). Under a renewal levy, the year in which the levy was originally passed becomes the “recognized value” base year for calculating the taxable value of the property. Neither the millage nor the taxable values of property are changed from the existing levy.

*Replacement* – Replacement levies may be placed on the ballot in a general election during the last year in which that levy is in effect and/or during the ensuing year. A renewal of a human/social services levy may be placed on the ballot during a primary election as well (ORC 5705.191). Under a replacement levy, the year in which the replacement is passed becomes the “recognized value” base year for calculating the taxable value of the property. The taxable value of the property will increase. The millage under the replacement levy may be unchanged, increased, or decreased from the existing levy.

## **Use of Public Funds to Support a Levy Campaign**

In general, Ohio law permits political subdivisions to expend public funds to communicate information but not to support or oppose the passage of a levy or bond issue. Sections 340.03(A)(7) and 340.033 (A)(12) of the Ohio Revised Code, however, authorize ADAMH/ADAS/CMH Boards to “recruit and promote local financial support” from private and public sources for mental health and alcohol and drug addiction programs. Those grants of authority are specifically referenced as exceptions in the statute that prohibits all other political subdivisions from using public dollars to support or oppose the passage of a levy issue.

In addition, two Attorney General opinions (79-022 and 99-030) have held that “A board of alcohol, drug addiction, and mental health services is permitted under the terms of R.C. 340.03(A)(7) and R.C. 340.033(A)(12) to expend funds to promote the approval by the electorate of a tax levy for mental health programs or alcohol and drug addiction programs, provided that the board has public funds available that may lawfully be expended for that purpose.”

## **Budget Commissions**

County Budget Commissions consist of the County Auditor, the County Treasurer, and the County Prosecutor. In addition, two elected members may be added by vote of the people. A joint-County Budget Commission consists of the members of the budget commissioners of all

counties within the territory of the joint county district. Sections 5705.27 to .59 of the Ohio Revised Code govern County Budget Commissions. Commissions' responsibilities include estimating the rate of taxes that need to be levied to fund the budget of political subdivisions, certifying the unencumbered balances as determined by the fiscal officer, adopting an official certificate of estimated resources for each jurisdiction, and dividing the local government, library and local government support fund, and local government revenue assistance funds. ORC Section 5705.27

The Budget Commission reviews the tax budgets of political subdivisions that levy taxes in its county or counties. If the Board has levied a tax, a tax budget must be filed with the County Auditor on or before the twentieth of July. In a single-county Board area, the Board of County Commissioners must prepare and file the budget. In a multi-county Board area, the Board itself prepares and files the budget directly with the County Auditor. The County Auditor will submit the budget to the Budget Commission before its meeting on the first Monday in August. The commission must also be given "such other information as the commission requests or the commissioner of tax equalization prescribes". ORC §5705.31

If an ADAMH/ADAS/CMH Board does not levy a tax, it is not required to adopt a tax budget. Instead, on or before the fifteenth day of July each year, a multi-county Board must adopt an operating budget for the taxing unit for the ensuing fiscal year. In a single-county Board area, the county commissioners must adopt the operating budget for the Board. The operating budget must include an estimate of receipts from all sources, a statement of all taxing unit expenses that are anticipated to occur, and the amount required for debt charges during the fiscal year. The operating budget is not required to be filed with the County Auditor or the County Budget Commission.

### **Recommendations for Conducting a Levy Campaign**

There are several key areas in preparing for a levy campaign. If possible, it is best to start 12 months in advance of the election date. This will afford adequate opportunity to define the need, access the ballot, engage volunteers, educate the community, and secure funds to run the campaign.

#### **Defining your Need**

Prior to requesting that the Board of Trustees or local County Commissioners place this issue on the ballot, first define why the Board needs to begin receiving funds (a new levy), continue receiving current funds (a renewal levy) or increase current funds (a replacement levy). For renewal and replacement levies, determine if your county has changing demographics and if your current access capacity fits the needs of your community.

#### **Engaging Volunteers**

Volunteers are critical to a campaign. An advisory committee of volunteers who will serve as "campaign chairs" and help raise funds is suggested as well as a larger list of field volunteers to help with field activities such as literature drops, yard signs, friend-to-friend letters/emails, and door-to-door projects.

### **Establish a Campaign Committee**

Passing a community levy requires a broad base of grassroots support. Invite community leaders who have a stake in the outcome of the election to be part of the campaign planning process. Consider representatives from providers, Board members/staff, community partners, previous key levy volunteers and consumers/family members to participate in a campaign committee. Potential roles for this group include objectives such as: establishing a budget, selecting vendors to run aspects of the campaign, assisting with fundraising, securing key endorsements, etc.

### **Community Education**

After placement on the ballot is secured, it is time to get the message out to the general electorate as well as community stakeholders. Endorsements and public presentations provide a way to accomplish that goal. Seek endorsements from critical public opinion leaders and organizations, such as newspaper editorial boards, labor unions, ministerial alliances, trade associations and elected officials.

Develop and utilize a standard public presentation, which ADAMH/ADAS/CMH staff, volunteers, Board members or consumers/family members can easily use. Schedule them to speak at service organizations (e.g., Rotaries, Kiwanis, Lions Clubs etc), local Chambers of Commerce, city councils and township trustee meetings.

Develop a comprehensive field and Get Out the Vote (GOTV) campaign. Have yard signs and brochures (with the issue number) ready to go out 30-60 days prior to the election date. Coordinate absentee ballot education and make sure consumers and family members are registered to vote.

### **Fundraising**

Whether using your own funds to run a levy, or working with a Political Action Committee to secure outside funds, fundraising is a vital part of a levy campaign. Remember to talk with legal counsel to determine the most appropriate and legal way for ADAMH/ADAS/CMH staff and Board members to participate in fundraising activities.

It can become expensive to try and get the message out to the community. Advertising and brochures can be important, but costly. Utilize the Campaign Committee to develop a list of potential key donors. Key prospects should include the provider community, local foundations, businesses and key individuals.

### **Additional Considerations**

Other Considerations regarding levies include:

- Have special legal counsel draft and review ballot language to ensure compliance with all applicable laws.
- Talk to fellow Board Directors about their experiences with levy campaigns.
- Review the “County Levies” section of the Board Association’s Web site for a list of current Board levies, Board levy history, levy campaign strategies and other information relating to Board levies.

- It is important for new Board Directors to know that the authority to use public funds for levy campaign purposes is not always looked favorably upon by the public or by other governmental entities that have not been given statutory authority to do so. The Association recommends that the new Director get a sense of the local preference on this issue before proceeding.
- Keep the Association informed of levy passages and failures so Web site information can be kept current.
- Although state law establishes a Budget Commission in every county in Ohio, not all counties have an existing Budget Commission, and those that do often vary in the functions and operations that the Commission performs. This sometimes results in multi-county Boards having Budget Commissions in some of the counties in their Board area and not in others.
- Board directors filing a tax budget should consult with the County Auditor regarding the Board's budget and the budget evaluation process.