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Understand the Truth: Read the Amendment

Citizens for Tax Reform have made a series of claims about the proposed TABOR/TEL amendment that aren't supported by the actual language of the amendment. What follows are some of the claims they've made followed by the actual language of the constitutional amendment.

CTR Claims: Local governments can pass a local ballot issue to increase taxes or spending with a majority of those voting in the election.

Amendment Says: "No political subdivision of the state shall (a) increase aggregate political subdivision expenditures... (b) levy a new tax, or (c) increase the rate of an existing tax, without first obtaining the approval of a majority of electors in that political subdivision." *Note: In contrast, the amendment uses the standard phrase "majority of electors voting" to describe how voters can approve STATEWIDE spending over the limit. The Ohio Constitution defines "elector" as a person who is registered to vote. In local elections, the amendment counts every registered voter who does not cast a ballot as a "no" vote.*

CTR Claims: Amendment doesn't cover the Ohio Turnpike, state universities, workers compensation, capital improvement expenditures, and revolving funds for agencies, boards and commission.

Amendment Says: "Aggregate state expenditures" means the sum of all state expenditures... shall not include expenditures of moneys (a) received from a revenue source other than taxes, licenses, permits, fees or sales, (b) received from the federal government, (c) for refunds of any kind, or (d) made pursuant to a bill which (i) authorizes temporary expenditures for the sole purpose of providing relief directly related to an emergency"

Amendment Says: At the end of each fiscal year...ten per cent of the unencumbered moneys in all non-general revenue funds shall be appropriated as follows: one half of the moneys shall be refunded by the treasurer of state, on a pro rata basis, to each individual taxpayer who paid Ohio income tax in the preceding calendar year, and one half of the moneys shall be transferred to the budget reserve fund.

CTR Claims: Supremacy clause in the amendment is typical in legal documents of this kind, and that the General Assembly will work out the details.

Amendment Says: "In any case of a conflict between any provision of this section and any other provision contained in this constitution, the provisions of this section shall control ...The general assembly shall repeal or amend all laws that are not consistent with the provisions of this section" *Note: There are no previously approved state constitutional amendments that contain both a constitutional supremacy section and a statutory supremacy section. Some analysts have suggested that the supremacy language could undermine state constitutional provisions requiring a thorough and efficient method of funding education, municipal home rule, and full faith and credit clause*

CTR Claims: Capital expenditures by local governments on durable items and infrastructure aren't covered and the local governments can create a revolving account that wouldn't be covered by the TEL to save the money for such purposes.

Amendment Says: “Aggregate political subdivision expenditures” means the sum of all expenditures made by a political subdivision ... shall not include expenditures of moneys (a) received from the federal or state government, (b) for refunds of any kind, (c) received as grants, gifts, donations or bequests which are to be expended for purposes specified by the donor, or (d) made pursuant to an ordinance or resolution which (i) authorizes temporary expenditures for the sole purpose of providing relief directly related to an emergency” *Note: There is no exclusion of capital funds in the amendment.*

CTR Claims: Public universities and hospitals are not covered by the TEL.

Amendment Says: Political subdivision” means any county, municipality, village, township, education district, library district, other special district, or any other taxing district of the state which is directly supported by tax funds *Note: If the institution meets this definition of a political subdivision they are covered by TEL. Some community colleges and local public hospitals are funded in part with local levies.*

CTR Claims: The amendment doesn’t cut spending for libraries.

Amendment Says: Political subdivision” means ... library district. *Note: As noted below libraries would have to compete with thousands of other political subdivisions for local government funds. For 176 libraries in the state, the local government fund is their only source of revenue.*

CTR Claims: TEL Local Government Fund will be distributed as current local government fund dollars have been “distributed for years.”

Amendment Says: “A local government fund is hereby created in the state treasury for the purpose of providing a minimum level of state funding to political subdivisions” *Note: There are 3,653 political subdivisions in the state.*

They Claim: Turnpike authority revenues and expenditures are not covered by TEL, nor are proposed JOB Fund expenditures.

Amendment Says: Aggregate state expenditures” means the sum of all state expenditures. *Note: Not only would JOB Fund expenditures be included, a portion of any revenue in the JOB Fund that wasn’t encumbered would be swept into a reserve fund at the end of each year. Voter approval could be required to spend the turnpike proceeds if such spending pushed total state expenditures over the TABOR/TEL cap*

CTR Claims: Local governments commercial and industrial development initiatives wouldn’t be affected by the TEL.

Amendment Says: Aggregate political subdivision expenditures” means the sum of all expenditures made by a political subdivision *Note: The amendment covers virtually all expenditures made with local revenue, this would put limits on the economic development activities of port authorities, airports, and local governments.*

CTR Claims: Local governments would be protected from unfunded mandates.

Amendment Says: A political subdivision may not be required to fulfill any mandate imposed by the state unless ... moneys are provided to the political subdivision by the state for that purpose. *Note: Federal mandates are not prohibited and the state would be free to pass these along to local governments without any fiscal relief.*