

Auditor explains fund surplus

Why don't you give your surplus money directly to the taxpayers?

That is a question I have heard frequently in the last week regarding my declaration of the surplus of \$ 5.79-million out of my Real Estate Assessment Fund.

People have wondered that since I had more revenue than I needed to operate my office and could surplus funds why I didn't give it directly to the taxpayers who paid the money in the first place and instead gave it to the schools, social service agencies, municipalities, libraries etc.?

The short answer is because Ohio law doesn't allow me to.

State law created the Real Estate Assessment Fund and provides a formula which all county auditors apply to their county tax collection so that a portion of the taxes will be withheld to pay for specific purposes.

Eligible expenses include the 6-year reappraisal of the county, the update which occurs in the third year and all the ongoing services related to abatement management, special assessments from municipalities, transfer of ownership, mapping (Geographic Information Services), Agricultural Use program, tax bill data preparation, our Web site design and maintenance plus the salaries and benefits of the related staff.

This fund pays for the computers, other equipment and supplies as well.

Each year my staff and I review the projected revenue and expenses for the following six years. Since a significant portion of our expenses increase during the appraisal years, and the revenue is fairly constant, we have to be careful to reserve sufficient funds in the non appraisal years to cover the entire cycle. Governments, however should only collect and utilize the amount of tax dollars necessary to provide excellent customer services and perform their prescribed duties.

With that in mind, we review the projected budget to determine whether I can afford to declare a surplus and turn down some of the revenue available to us. In the 16 years I have been county auditor, we have been able to declare a surplus 8 times for a total of \$27.35-million.

State law gives the county auditor three options with our funds; spend them, save them or surplus them. The discretion to select one of these three is the county auditor's alone. These monies cannot be used by any other county office.

Once a decision is made to surplus unneeded funds, the distribution is limited to the agencies who would have received the dollars as approved by the voters. It is up to that school or agency to determine how those monies will be spent or if some collection or levy can be reduced.

Where voters have approved more levies the local governments are receiving more taxes than other areas; hence they will receive the most if a surplus is declared. Therefore the public schools who receive about 65 percent of all real estate taxes receive the most if a surplus is declared followed by the major social service agencies, etc.

How are we able to refuse this revenue without jeopardizing our services? In a word: technology.

Each employee has a greater proportional impact on the services to our customers by harnessing the technology available and stretching the dollars we receive. We have met the increasing volume and complexity of demands while reducing staff size.

The Web site alone has transformed our office through accessibility of our data by individual taxpayers, businesses and other government offices at all levels. We then apply that efficiency to the benefit of the taxpayers by reducing the amount of the tax dollars we spend, and by declaring surpluses, when able to do so.

Joe Testa has served as Franklin County auditor since 1992. He can be reached by e-mail at joe_testa@franklincountyohio.gov.