

July 8, 2026

The Honorable Brigham M. Anderson
Lawrence County Prosecuting Attorney
111 South 4th Street
Ironton, Ohio 45638

SYLLABUS:

2026-005

1. Under R.C. 9.20, a board of county commissioners may receive funds from another political subdivision for the county's benefit, including contributions related to furthering economic development, subject to compliance with all statutory requirements governing the receipt and application of such funds.
2. A municipality may, pursuant to its home-rule authority, contribute funds to a county to further economic development when its legislative authority determines that the expenditure serves a public municipal purpose.
3. A municipality may allocate income tax revenue to such a contribution if the tax was enacted for the general benefit of the municipality and the expenditure aligns with the purpose reflected in the income tax ordinance(s) and any voter-approved ballot language affecting the tax.



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OPINION NO. 2026-005

The Honorable Brigham M. Anderson
Lawrence County Prosecuting Attorney
111 South 4th Street
Ironton, Ohio 45638

Dear Prosecutor Anderson,

On behalf of the Lawrence County Commissioners, you have requested my opinion on two questions:

1. Whether the City of Ironton may enter into a contract with Lawrence County to further an economic development project, whereby the city would pay the county an annual sum of money.
2. Whether the City of Ironton may share municipal income tax revenue with Lawrence County to further an economic development project.

Based on the analysis that follows, I conclude that the City of Ironton may contribute funds to Lawrence County if its legislative authority determines that doing so serves a public municipal purpose in furthering economic development within the city. The city may also use revenue from its municipal income tax for this purpose, provided the tax was approved for the general

benefit of the city and not for a more specific or restricted purpose.

I

Your questions arise from a proposed arrangement under which the City of Ironton would share a portion of its municipal income tax revenue with Lawrence County. You have advised my office that a local business plans to significantly expand its operations and workforce, an undertaking that requires purchasing the public land where the Lawrence County Engineer's garage is located. The county property is adjacent to the private business's existing property and located within Ironton. The expansion, in turn, would generate additional tax revenue for the city.

Under the proposal, Lawrence County would sell its existing county engineer's garage property to the business. You estimate that relocating and establishing a new garage would cost the county approximately three million dollars more than the expected sale proceeds. The county commissioners therefore seek additional funding from the city to offset this cost.

Ironton levies a one-percent income tax on all city residents and individuals who work within the city. Based on the additional tax revenue that Ironton expects from the business expansion, Lawrence County

seeks from the city approximately ten percent of the projected increase.

You provided a document titled “Intergovernmental Economic Development Cost-Sharing Agreement” outlining the parties’ proposed contractual obligations. The county commissioners believe the proposal would foster mutually beneficial economic development and offset the county’s additional cost of relocating the county engineer’s garage. Significantly, however, the agreement does not identify any statutory basis for the proposed arrangement. Because of that omission, I must determine whether any such authority exists.

II

A

Having set out the relevant background, I turn to several established principles that bind county officials and guide the analysis that follows.

First, county officers possess only those powers that are expressly conferred by statute or “necessarily implied” from such authority. *See* 2025 Ohio Atty.Gen.Ops. No. 2025-015, Slip Op. at 10; 2-108, *quoting* 1986 Ohio Atty.Gen.Ops. No. 86-105, at 2-575. Accordingly, there must be a statutory basis for Lawrence County to accept funds from the City of Ironton.

Second, as prior opinions have often stated, “Public money may be expended only by clear authority of law and in compliance with applicable statutory provisions.” 2002 Ohio Atty.Gen.Ops. No. 2002-031, at 2-206. It follows that “[d]oubts as to the authority to expend public funds should be resolved in favor of the public and against the ability to expend the funds.” 2011 Ohio Atty.Gen.Ops. No. 2011-036, at 2-289; *see also* 2007 Ohio Atty.Gen.Ops. No. 2007-036, at 2-373.

And third, the county commissioners possess “general contracting authority for the county.” 2024 Ohio Atty.Gen.Ops. No. 2024-006, Slip Op. at 8; 2-44, citing *Am. Fedn. of State, Cty. & Mun. Emps. v. Polta*, 59 Ohio App.2d 283, 286 (6th Dist. 1977). The board’s authority goes far beyond contracting. It “is the representative and guardian of the county, having the management and control of its property and financial interests, and has exclusive and original jurisdiction over all matters pertaining to county affairs,” except matters assigned by law to another officer. *Dall v. Cuyahoga Cty. Bldg. Comm.*, 24 Ohio Dec. 9, 11 (C.P. 1913); *accord Levy Court v. Coroner*, 69 U.S. 501, 507-508 (1865).

Within that framework of general principles, I turn first to the sale of county property housing the engineer’s garage, which is a key element of the economic development project. R.C. 307.09 provides the county commissioners with specific authority to sell county

property. The statute provides that “[i]f the interests of the county so require, the board of county commissioners may sell any real property belonging to the county and not needed for public use, including all or portions of buildings acquired by the board to house county offices.” R.C. 307.09(A). R.C. 307.09(C) further permits the commissioners to deposit the proceeds from such a sale “in a separate fund to be used only for construction, equipment, furnishing, maintenance, or repair of the county buildings and the acquisition of sites therefor.” The board may sell its real property to the highest bidder or at public auction. R.C. 307.10.

If the Lawrence County Commissioners follow the required statutory process, they have clear authority to sell the county engineer’s garage and relocate its facilities. You did not raise any question on that matter in your request. I therefore turn to whether the county may accept funds from a municipality. Generally, the answer is “yes.”

R.C. 9.20 provides political subdivisions, including counties and municipalities, with broad authority to “receive by gift, devise, or bequest moneys, lands, or other properties, for their benefit or the benefit of any of those under their charge.” The money or property must be held and applied “according to the terms of the gift, devise, or bequest.” *Id.* The statute specifically identifies the board of county commissioners as the entity authorized to receive a gift of money for the

county's benefit. *Id.*; accord 2011 Ohio Atty.Gen.Ops. No. 2011-036, at 2-291; 1989 Ohio Atty.Gen.Ops. No. 89-074, at 2-341. This statute therefore supplies the county's general authority to accept funds from the City of Ironton.

B

The next question is whether the City of Ironton may contribute funds to Lawrence County in furtherance of economic development. Ordinarily, I do not advise municipal officials on their powers or duties. *See* 1991 Ohio Atty.Gen.Ops. No. 91-023, at 2-121; R.C. 109.14. However, addressing the county's authority requires me to address the *city's* corresponding powers. Thus, I begin with the more general question—whether the city may agree to pay the county an annual sum of money to further an economic-development project.

As one of my predecessors explained, “[t]here is no general authority for one political subdivision to donate money to another political subdivision.” 2007 Ohio Atty.Gen.Ops. No. 2007-036, at 2-373. You have acknowledged that the proposed arrangement between Lawrence County and Ironton is not rooted in any specific statutory provision but results from the respective interests of the county and the city. My review of the statutes governing economic-development partnerships between counties and municipalities confirms that no such statutory basis exists.

However, the General Assembly has created several specific mechanisms through which public entities may jointly pursue economic development. For example, R.C. 715.691 to 715.72 authorize the creation of joint economic development zones or districts. Municipalities and townships—though not counties—may form a “joint economic development district . . . for the purpose of facilitating economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the people in this state and in the area of the contracting parties.” R.C. 715.70(B); *see also* R.C. 715.71(B) and 715.72(C). For a brief window of time, R.C. 715.72(D) permitted counties to participate in such arrangements, but that authority expired on June 30, 2009. These mechanisms, however, do not authorize a municipality to transfer funds directly to a county in the manner proposed here.

In addition, R.C. 701.07 allows for “cooperative economic development agreements” between municipalities, townships, and counties, but the purpose of such agreements is distinct from the one proposed. *See* R.C. 701.07(C). Furthermore, that statute expressly prohibits such agreements from being used “to share proceeds of any tax levy.” R.C. 701.07(D). Thus, although R.C. 701.07 authorizes certain cooperative agreements, it does not furnish authority for the arrangement now under consideration.

If this request concerned the authority of a township or of another county to contribute funds under these circumstances, the absence of statutory authorization would end the inquiry. Municipalities, however, operate under a different constitutional framework. Thus, “a city or village is not restricted to powers granted by statute, but has constitutional powers that” extend beyond those available to other political subdivisions. 2007 Ohio Atty.Gen.Ops. No. 2007-036, at 2-373, fn. 10; Ohio Const., art. XVIII, §3. Those powers permit a municipality to donate money to another public body when its legislative authority determines that doing so serves a public municipal purpose. 2007 Ohio Atty.Gen.Ops. No. 2007-036, at 2-373, fn. 10, citing *Bazell v. City of Cincinnati*, 13 Ohio St.2d 63 (1968); 1991 Ohio Atty.Gen.Ops. No. 91-071, at 2-338.

However, a city or village “may not simply donate funds to the county, but must achieve some public purpose by making the funds available.” 1988 Ohio Atty.Gen.Ops. No. 88-039, at 2-191, fn. 3, citing *City of Cleveland v. Public Library Bd.*, 94 Ohio St. 311, 316 (1916). The benefit must be distinct from advantages the municipality shares generally with the county as a whole. *Id.* “The adequacy of that benefit as a public purpose, or as consideration, is a matter which rests within the sound discretion of the legislative body of the municipality.” *Id.*

So the question, as clarified by this background, is whether economic development (such as creating private-sector job growth and securing additional income tax revenue) may reasonably be considered a public purpose.

It can. A valid public purpose exists “when a statute authorizes a public body to make an expenditure of public moneys or to receive public moneys from another entity for a particular purpose.” 2015 Ohio Atty.Gen.Ops. No. 2015-007, Slip Op. at 6; 2-76. For example, one of my predecessors concluded that promoting tourism and convention centers is a public purpose because R.C. 5739.09 authorizes the use of public money for that purpose. 2003 Ohio Atty.Gen.Ops. No. 2003-039, at 2-327. Similarly, counties and townships may contribute public money to a community improvement corporation that is designated as an economic agent of the county or township to advance “the industrial, economic, commercial, and civic development of a community or area.” R.C. 1724.01(B)(1); *accord* R.C. 307.78 and 505.701. Even though “no corresponding statute grant[s] a municipal corporation authority to make monetary contributions” to a community improvement corporation, these provisions (R.C. 307.78 and 505.701) establish that such contributions serve a public purpose. 1991 Ohio Atty.Gen.Ops. No. 91-071, at 2-337 (clarified by 2019 Ohio Atty.Gen.Ops. No. 2019-024, Slip Op. at 6, fn. 4; 2-174).

Likewise, R.C. 307.07(A), authorizes a board of county commissioners to create a county office of economic development and permits money “from the county general fund to be used for the purpose of developing and promoting economic growth.” *Centerville v. Curran*, 1992 Ohio App. LEXIS 304, *6-7 (2nd Dist. Jan. 27, 1992). By enacting R.C. 307.07, the General Assembly has signaled that supporting economic development constitutes a valid public purpose.

Based on the facts as presented, the anticipated private business expansion will substantially benefit Ironton and Lawrence County. If that expansion is contingent on the county receiving adequate funds to relocate the county engineer’s garage, the city may reasonably conclude that contributing money to the county for that reason serves a public municipal purpose. The contribution would benefit city residents by increasing employment opportunities and improving the city’s services through resulting increases in tax revenue.

C

Next, I address whether the City of Ironton may, specifically, transfer a portion of its income tax revenue to Lawrence County for the purposes discussed above. The answer turns on the purpose for which the income tax was originally approved, as reflected in municipal

ordinances and any voter-approved ballot language affecting the tax.

As explained in a prior attorney general opinion, “[t]he authority of a municipal corporation to adopt a tax is derived from the Ohio Constitution, which grants a municipal corporation general home rule powers, including the ability to ‘exercise all powers of local self-government.’” 2005 Ohio Atty.Gen.Ops. No. 2005-011, at 2-113 to 2-114, citing Ohio Const., art. XVIII, §3; *see also State ex rel. Zielonka v. Carrel*, 99 Ohio St. 220, 227 (1919). At the same time, the Constitution also permits the General Assembly to limit municipal taxing authority. Ohio Const., art. XVIII, § 6 and 13. Most relevant here, a municipality’s power to tax income is governed by R.C. Chapter 718. 2005 Ohio Atty.Gen.Ops. No. 2005-011, at 2-114. When a municipality adopts an income tax, the ordinance or resolution establishing the tax must state its purposes. R.C. 718.04(A)(5); *see, e.g., Ironton City Ord. 890.012*. A municipal income tax in excess of one percent must be approved by voters, and if approved, the levy proceeds may be used only for the purposes specified on the ballot. 2005 Ohio Atty.Gen.Ops. No. 2005-001, at 2-115; R.C. 718.04(C).

If Ironton’s municipal income tax was adopted for the general benefit of the city, rather than a narrower or more specific purpose, the city may contribute a share of its revenue to the county, provided the payment

serves “a public municipal purpose.” 2007 Ohio Atty.Gen.Ops. No. 2007-036, at 2-373, fn. 10. Ultimately, I must leave that determination to the City of Ironton and its legislative authority.

Finally, I emphasize that I lack authority to interpret the terms or the rights and obligations embodied in any particular contract between the city and county. Determining the legal effect of specific contractual language is a judicial function, not one performed through the Attorney General’s opinion process. *See* 1983 Ohio Atty.Gen.Ops. No. 83-087, at 2-342; *accord* 1989 Ohio Atty.Gen.Ops. No. 89-010, at 2-40.

Conclusion

Accordingly, it is my opinion, and you are hereby advised that:

1. Under R.C. 9.20, a board of county commissioners may receive funds from another political subdivision for the county’s benefit, including contributions related to furthering economic development, subject to compliance with all statutory requirements governing the receipt and application of such funds.
2. A municipality may, pursuant to its home-rule authority, contribute funds to a county to further economic development when its legis-

lative authority determines that the expenditure serves a public municipal purpose.

3. A municipality may allocate income tax revenue to such a contribution if the tax was enacted for the general benefit of the municipality and the expenditure aligns with the purpose reflected in the income tax ordinance(s) and any voter-approved ballot language affecting the tax.

Respectfully,



D. ANDREW WILSON
Ohio Attorney General