



SCHOOL SALES TAX FACT SHEET

DRAFT Ballot Language for May 8, 2007 Election

PROPOSED ADDITIONAL SALES AND USE TAX COUNTY OF MEDINA

A majority affirmative vote is necessary for passage.

An additional sales and use tax in the amount of one-half of one percent shall be levied for a period of thirty years for the purpose of providing additional revenue for permanent improvements within Medina County, to be distributed by the community improvements board established by Resolution # 07-150 for school districts, effective October 1, 2007.

1. **Increases current sales and use tax by 0.5 percent (1/2%) under ORC Section 5739.026 and ORC 5741.023 for 30 years.** While the sales tax does not apply to sales of motor vehicles, outboard motors or watercraft in Medina County, the use tax portion (ORC 5741.023) does apply to the use of those purchases. The county does not have the authority to enact the sales tax without the companion “use” tax also being enacted. See www.tax.ohio.gov/fags for more information on taxable items, services and exemptions.

- a. Current rate of 6% - lowest county in state along with Hancock and Stark Counties.
- b. At the proposed 6.5% rate, 52 counties would still be higher, 7 would be lower, and 28 counties would equal Medina County. (The sales and use tax rate for Henry County is scheduled to increase April 1, 2007, from 6.5% to 7.0%)

Recent History of Sales Tax Revenues

Medina County 0.5% Sales Tax		
Year	Amount	Change
2000	\$7,587,776	7.38%
2001	\$7,541,937	-0.60%
2002	\$8,277,152	9.75%
2003	\$8,353,320	0.92%
2004	\$8,795,069	5.29%
2005	\$9,249,950	5.17%
2006	\$9,495,075	2.65%
20 year Average		6.92%
20 Year Median		6.66%

2. **Costs of May 8th election will be shared with other issues and races:**
 - a. Brunswick City Council Ward 4 primary & Precinct 2G Local Option
 - b. Brunswick City Schools, 2.5 mill Emergency renewals
 - c. Buckeye Local, 1% Earned Income Tax
 - d. Chatham Township – five year, 2 mill renewal cemetery
 - e. Homer Township – 1 mill, replacement for fire and ambulance
 - f. Lafayette Township – 2.6 mills Police District Levy Replacement with Reduction
 - g. Medina County District Library – 1.25 mill replacement
 - h. Spencer Village – 4.5 mill additional for police
 - i. Wadsworth City - five-year, 2.3-mill EMS replacement levy; 1.2 mill Recreation Center operating levy; 2.3mills Recreation Center Construction Bond Issue
3. **Shifting the Local Costs of Public Schools away from Real Property Taxes.**
 - a. School districts have committed in writing to various tax reduction measures, upon passage and receipt of revenues from the 0.50% sales and use tax, including elimination of permanent improvement levies and defined reductions in future levy requests.
4. **Revenues will be used ONLY for the purpose of public school district permanent improvements within Medina County – not salaries or operating expenses.**
 - a. Permanent Improvements defined under ORC Section 5705.01 (E): "Permanent improvement or improvement means any property, asset, or improvement with an estimated life or usefulness of five years or more, including land and interests therein, and reconstructions, enlargements, and extensions thereof having an estimated life or usefulness of five years or more."
5. **Revenues will be distributed by a Community Improvements Board,** created under ORC 307.282 and distributed in accordance with ORC 307.283 for school districts through annual grants. Annual grants from the sales tax revenue would be limited to permanent improvements within

the county for each public school district. County Commissioners have proposed guidelines regarding the distribution of sales tax revenues by the Community Improvement Board to be considered for enactment before the May 8th election. (Resolution # 07-150)

6. **Community Improvements Board – nine (9) members.** 3 appointed by City of Brunswick; 6 appointed by County Commissioners – includes mayors of municipal corporations (cities & villages), township trustees, representative of major business trade association located in the county or a labor organization located in the county, & general public. Members of a community improvements board may hold other elective or appointive public office. Terms shall be for three years. Members of the CIB are volunteers and will not be paid a salary.

7. **Proposed distribution of Sales Tax Revenues on the basis of school enrollment.**

As recommended by the Board of County Commissioners, in order to assure a fair and equitable distribution of Grant Revenue to each of the school districts, the Available Grant Revenue will be awarded each Year to a school district for a Permanent Improvement Project in accordance with the certified number students enrolled in that school district.

8. **Amendments to Distribution of Sales Tax Revenues by CIB.**

As proposed, would only be modified upon the approval of (i) Board of County Commissioners, (ii) the Community Improvement Board (CIB), and (iii) a majority of the school districts.

9. **Sales Tax Can Only be Repealed by the Voters**

– Ohio Department of Taxation legal counsel advises that the tax could only be repealed by a vote of the Board of County Commissioners placing a repeal measure on the ballot to stop collection.

10. **Memorandum of Understanding to Repeal Tax if Conditions Change**

- Given the 30-year term of the proposed sales and use tax, the County and the School Districts desire to set forth their mutual understanding in the event that during the term of the sales and use tax the laws of the State of Ohio are amended such that an Ohio school district becomes authorized to levy directly its own sales and use tax the County may initiate proceedings to place the question of the repeal of this sales and use tax to the electors.

11. **Proposed Uses of Permanent Improvement Grants**

- a. Current school building improvements: HVAC system replacement, electrical upgrades, water pressure improvements, additional classrooms, building safety and security improvements, window replacements, roof repairs, general building repair
- b. Parking lot and athletic field expansions and replacements
- c. New textbooks and computers; information technology upgrades
- d. New school buses
- e. Handicapped accessibility improvements

SAMPLE OF PROPOSED SALES TAX DISTRIBUTION USING 2006 DATA FOR PERMANENT IMPROVEMENTS

District	School Enrollment *		1/2% Sales Tax Revenue (2006 CY)	Per Student
	Number	% of Total		
Black River Local SD**	746	2.5%	\$240,958	\$322.93
Brunswick City SD	7,134	24.3%	\$2,303,799	\$322.93
Buckeye Local SD	2,266	7.7%	\$731,812	\$322.93
Cloverleaf Local SD	3,173	10.8%	\$1,024,668	\$322.93
Highland Local SD	2,967	10.1%	\$958,080	\$322.93
Medina City SD	7,264	24.7%	\$2,345,922	\$322.93
Medina County MRDD	32	0.1%	\$10,334	\$322.93
Medina JVS	1,007	3.4%	\$325,152	\$322.93
North Central**	38	0.1%	\$12,110	\$322.93
Rittman Exempted**	24	0.1%	\$7,750	\$322.93
Wadsworth City SD	4,752	16.2%	\$1,534,491	\$322.93
Total	29,403	100.0%	\$9,495,075	\$322.93

* Average Daily Membership (6/2006) ** Medina County Students Only

For more information see “2007 School Sales Tax” on Medina County website: www.co.medina.oh.us.