

## FROM YOUR STATE REPRESENTATIVE

# VOTER INSIGHT ON TAXES IS ALWAYS IMPORTANT IN MEDINA COUNTY

By: State Representative, STEVE HAMBLEY



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Giving public officials the authority to raise taxes without requiring a vote of the electorate has typically been a complicated and controversial issue throughout the history of Ohio. On one side, the traditional argument has been that elected officials need to be authorized to perform some basic functions of government – spend, borrow and tax – with reasonable restraints and the eventual reckoning for their performance at the polls. On the other side, there has been an anti-tax streak in the American culture dating back to our founding. The axiomatic writing of US Supreme Court Chief Justice John Marshall in *McCulloch v. Maryland* – “the power to tax involves the power to destroy” – articulates the underlying fear that compels restrictions on that authority. Ohio law has frequently balanced these ongoing and seemingly irretractable but important differences.

Provisions of the Ohio Constitution adopted in 1912, prohibits the General Assembly from putting statewide tax issues on the ballot, except for those that directly fund public

education. However, over the last century the Legislature has regularly enacted laws that limit the ability of local governments to enact various taxes – income, sales, lodging, and property – without submitting them for voter approval. The debate continues to rage between the two opposing viewpoints, thus effecting local and county public finances.

Current legislation pending in the 133rd General Assembly deals specifically with this issue. It is House Bill 92, sponsored by Representatives Niraj Antani and J. Todd Smith. Simply stated, it requires voter approval before the rate of any county sales and use tax may be increased. Although this bill was prompted by a sales tax increase enacted by Montgomery County Commissioners in 2018, similar proposals have been introduced in every general assembly for years. Typically, the Board of Trustees of the County Commissioners Association of Ohio strongly opposes such limitations, while some anti-tax groups support it with equal vigor.

In Medina County since the 1960’s, driven largely by our robust population growth and a demand for more public services, we have seen this debate with some regularity as critical county projects frequently come down to borrowing versus increasing tax revenues. In June 1991, the County Commissioners by a two to one vote enacted a ½% sales tax increase for 3.5 years to fund a Medina County Justice Center. However, a citizen’s campaign led by the County Auditor gathered over 6,200 signatures and forced the issue on the ballot. Despite bi-partisan support (Democrat Sheriff and two Republican Commissioners) for the temporary increase, the issue went down with 56% opposing. Much of the political debate over the issue in 1991, and a subsequent Commissioners race in 1992, came down to the decision to enact the tax without a vote of the people. Political lesson learned by many at the time: just because you have

the authority to enact the tax without a referendum, doesn’t mean you should.

House Bill 92 would effectively place into law what the political culture of Medina County has already demonstrated – don’t increase taxes unless you get voter approval first. However, HB 92 could have a profound impact on Medina County’s bond rating, i.e. credit rating, and the cost of borrowing. Higher bond ratings mean a lower cost of borrowing, just like your typical consumer loan. In 2018, S&P Global Ratings raised its rating on Medina County’s general obligation debt to AA+ from AA for a number of reasons. One of the major factors listed, was the ability of the County to raise the sales tax ½% without voter approval. In the event of a fiscal emergency, like a major economic downturn or another drastic cut in state funding, the County Commissioners could then enact such a tax increase – even temporarily – to make certain that

the legally required debts or bonds are paid. Clearly, just having the authority but not exercising it has a significant financial benefit to the county.

So, what do you think? House Bill 92 is currently in the House State and Local Government Committee in which I am a member. Your thoughts and questions on the legislation would be welcomed. Our system was designed to be a representative democracy in which the voters regularly weigh-in at the ballot box whilst the elected officials are given authority to act on behalf of the public on a wide range of matters. In my experience, Medina County has a proud tradition of voter involvement that every elected official recognizes. Our history is replete with examples of what Ronald Reagan once said, “When you can’t make them see the light, make them feel the heat.” I am thankful that in Medina County the “light” from voter insight is usually enough.



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