

SCHOOL SALES TAX FACT SHEET



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%

OFFICIAL BALLOT LANGUAGE

PROPOSED SALES AND USE TAX MEDINA COUNTY

A majority affirmative vote is necessary for passage.

The Board of County Commissioners of MEDINA COUNTY proposes to levy a sales and use tax in the amount of one-half of one percent (1/2%) for the purpose of PROVIDING ADDITIONAL REVENUE FOR PERMANENT IMPROVEMENTS FOR SCHOOL DISTRICTS WITHIN THE COUNTY TO BE DISTRIBUTED BY THE COMMUNITY IMPROVEMENTS BOARD for a period of thirty (30) years, effective October 1, 2007.

SHALL THE RESOLUTION OF THE MEDINA COUNTY COMMISSIONERS PROPOSING A ONE-HALF OF ONE PERCENT (1/2%) SALES AND USE TAX BE APPROVED? YES NO

- 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 those purchases. The law requires a sales tax to be concurrently enacted with a "use".
 - Common purchases not subject to the proposed sales and use tax:** food consumed off-premises where sold such as groceries, prescription drugs and durable medical equipment, motor vehicle fuel (gasoline & diesel), items purchased with food stamps, newspaper and magazine subscriptions, public utilities like gas, water, sanitary sewer, and electricity delivered through pipes, conduits, or wires. See www.tax.ohio.gov/faqs for more information.
 - Current rate of 6% - lowest county in state along with Hancock and Stark Counties.
 - At the proposed 6.5% rate, 53 counties would still be higher, 7 would be lower, and 27 counties would equal Medina County. (Updated as of April 1, 2007)
- Costs of May 8th election will be shared with other jurisdictions:** City of Brunswick, Brunswick City Schools, Buckeye Local Schools, Chatham Township, Homer Township, Lafayette Township, Medina County District Library, Spencer Village, and City of Wadsworth.
- For Schools and only Schools: Medina County Voters can restrict use of the sales and use tax to public school districts.** According to the Ohio Attorney General Opinion 2007-002, a board of county commissioners may propose to the electors of the county a sales tax levy under R.C. 5739.026(A)(4) limited to permanent improvements for school districts only.
- Revenues will be used ONLY for the purpose of school district permanent improvements within Medina County – not salaries or operating expenses.**
 - As adopted by the Community Improvement Board on March 13, 2007 qualified Permanent Improvements will be as defined under ORC Section 5705.01 (E); i.e., any property, asset, or improvement with an estimated life or usefulness of five years or more.
- Shifting the Local Costs of Public Schools away from Real Property Taxes.** School districts have committed in writing to various tax reduction measures; including elimination of permanent improvement levies and defined reductions in future levy requests.
 - Black River Local** – No current facilities in Medina County, therefore no plans to reduce local property taxes. Comparatively small number of students from Medina County would entitle district to limited and restricted funding. Likely uses of restricted funding would be purchase of textbooks, student technology and school buses. Qualified for reserve funds; see number 12 below.
 - Brunswick City** – Eliminate collection of 1.45 mill Permanent Improvement Levy (2007 collection estimated at \$694,661) as adopted by School District Resolution number R06-12S-212.
 - Buckeye Local** – No current permanent improvement levy, but will lessen the millage needed for future operating levy. Current 1.0 inside millage used as Permanent Improvement revenues.
 - Cloverleaf Local** – Current 2.0 mill permanent improvement levy (2007 collection estimated at \$960,748) would be submitted to voters for renewal at reduced effective millage, instead of replacement at full 2.0 mills.
 - Highland Local** – No current permanent improvement levy, will reduce next operating levy request by equivalent millage of anticipated sales tax income, estimated reduction 1.55 mills.
 - Medina City** – Revenues will offset anticipated request for additional property tax dollars associated with facility needs resulting from nearly 800 students in modular classrooms within the district. Any remaining sales tax funds would be used to replace or upgrade technology, purchase textbooks and repair current facilities.
 - North Central Local & Rittman Exempted** - no current facilities in Medina County. Districts will qualify for funds to be held in reserve by the CIB for up to 10 years, see number 12 below.
 - Wadsworth City** – Eliminates need for 4.0 mill permanent improvement levy (2007 collection estimated at \$679,805) will be allowed to expire at end of 2007 if sales tax issue passes; reduce future requests for improvements to Wadsworth High School.3/20/2007

6. **Revenues will be distributed by a Community Improvements Board (CIB),** 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, as adopted by the Community Improvement Board and in accordance with state law.
7. **Community Improvements Board (CIB) – nine (9) members.** As mandated by state law, 3 members appointed by the largest municipality City of Brunswick (no more than 2 of the same political party); 6 appointed by County Commissioners (no more than 3 of the same political party). 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.
 - a. **Appointed by City of Brunswick (3/5/07)** - Robert Zienkowski (Brunswick City Manager), Donald Moll (retired Federal Reserve Bank of Cleveland and former Brunswick City Board of Education member), Nancy Zelei (retired teacher Brunswick City Schools). Partisan balance: 2 Democrats, 1 Republican.
 - b. **Appointed by Medina County Commissioners (3/7/07)**- William Koran (Medina County Schools Education Services Center Superintendent) elected Chairman; Quinten Tifft (Clinical Research Management, Inc./ Medina County Economic Development Corporation Board of Trustees) elected Secretary; Jane Leaver (Mayor of Medina City); Michael Kovack (Medina County Auditor, Wadsworth City); Richard Monroe (York Township Trustee); Thomas James (former Cloverleaf Local School District Board of Education member/ Director, Medina County Park District). Partisan balance: 2 Democrats, 2 Republicans, 2 Non-Partisan.
8. **Long-term assured funding: Sales Tax Can Only be Repealed by the Voters** – The tax can only be repealed by a vote of the County Commissioners placing a repeal measure on the ballot to stop collection, according to the Ohio Department of Taxation.
9. **Memorandum of Understanding to Repeal Tax if Conditions Change** - Given the 30-year term of the proposed sales and use tax, County Commissioners and the School Districts have a mutual understanding that the County may place the question of the repeal of this sales and use tax to the electors in the event that 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.

10. **Proportional distribution of Sales Tax Revenues based on school enrollment.** As adopted by the Community Improvement Board on March 13, 2007, in order to assure a fair and equitable distribution to each of the school districts, the annual grants will be awarded proportional to the number students enrolled in that school district.

11. **Proportional Distribution of Sales Tax Revenues Protected.** As adopted by the Community Improvement Board the proportional distribution formula can only be modified upon the approval of the (i) County Commissioners, (ii) CIB, and (iii) a majority of the school districts.

12. **Reserved Accounts – CIB will reserve funds for MRDD, Black River Local, Rittman Exempted and North Central Districts**

- a. If a school district does not apply for a Grant in any Year or it does not qualify for a Grant in any Year, the amount of a Grant that could have been made shall be reserved by the CIB for that school district in a separate account for a period of ten (10) Years. If the school district has not applied and qualified for a Grant within that period, the amount so reserved shall be removed from that account and shall become available for use by the CIB in awarding Grants in accordance with the proportional distribution formula for that year.

13. **Proposed Uses of Permanent Improvement Grants** – includes:

- a. Property acquisition for future buildings; New school building construction; 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; Parking lot and athletic field expansions and replacements; New textbooks and computers; information technology upgrades; New school buses; and Handicapped accessibility improvements
- b. Some School Districts may consider in the future borrowing against the annual grants using Tax Anticipation Notes (TAN) to fund building construction or other permanent improvement projects, but they will not be able to issue conventional bonds.

SCHOOLS SALES TAX DISTRIBUTION BY CIB USING 2006 DATA FOR PERMANENT IMPROVEMENTS				
District	Enrollment *		½% 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 Medina County website: www.co.medina.oh.us.