

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING, dated _____, 2007, by and among the County of Medina, Ohio (the County), a political subdivision existing pursuant to the Constitution and the laws of the State of Ohio, and Black River Local School District, Ohio, Brunswick City School District, Ohio, Buckeye Local School District, Ohio, Cloverleaf Local School District, Ohio, Highland Local School District, Ohio, Medina City School District, Ohio, Medina County Career Center Joint Vocational School District, Ohio, North Central Local School District, Ohio, Rittman Exempted Village School District, Ohio, and Wadsworth City School District, Ohio (together, the School Districts), each a political subdivision existing pursuant to the Constitution and laws of the State of Ohio, is entered into pursuant to Section 307.15 of the Revised Code and other authorizing provisions of law:

WITNESSETH:

WHEREAS, there is currently levied in the County a sales and use tax at the rate of 6%; and

WHEREAS, Section 5739.026(A)(4) of the Revised Code permits a county to levy an additional tax of up to one-half of one percent ($\frac{1}{2}\%$) on every retail sale in the county, with certain exceptions, to provide additional revenue for permanent improvements within the county to be distributed by a community improvements board to be appointed by the board of county commissioners; and

WHEREAS, Section 5741.023 of the Revised Code provides that any county that levies a sales tax pursuant to Section 5739.026 of the Revised Code shall levy a tax at the same rate on the storage, use, or other consumption of certain property and services in the county; and

WHEREAS, on _____, 2007, this Board adopted Resolution No. 07-_____ creating a community improvements board, which resolution sets forth the intended procedures and guidelines for the use of the revenues received from a proposed one-half of one percent ($\frac{1}{2}\%$) sales tax to be levied pursuant to Section 5739.026(A)(4) of the Revised Code, for the School Districts; and

WHEREAS, on _____, 2007, this Board adopted Resolution No. 07-_____ determining to submit to the electors of the County the question of levying a County sales tax at the rate of one-half of one percent ($\frac{1}{2}\%$) pursuant to Section 5739.026(A)(4) of the Revised Code, for the School Districts; and

WHEREAS, on _____, 2007, this Board adopted Resolution No. 07-_____ determining to submit to the electors of the County the question of levying a County use tax at the rate of one-half of one percent ($\frac{1}{2}\%$) pursuant to Section 5741.023 of the Revised Code, for the School Districts; and

WHEREAS, 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

that tax the laws of the State of Ohio are amended such that (i) the levy of the proposed sales and use tax for School District permanent improvements, in the opinion of the County and the School Districts, is no longer warranted and/or (ii) an Ohio school district becomes authorized to levy, directly or indirectly, its own sales and use tax (e.g. as with that proposed in House Bill 356, introduced in the 125th General Assembly but not ultimately enacted into law) for the purpose of School District permanent improvements;

NOW, THEREFORE, IN CONSIDERATION of the promises and of the mutual covenants hereinafter set forth and of other good and valuable considerations, the County and the School Districts hereby promise and agree that:

Section 1. If the proposed sales and use tax is approved by the electors of the County at the election on May 8, 2007, and thereafter during its 30-year term the laws of the State of Ohio are amended such that:

- (A) The levy of the sales and use tax for School District permanent improvements, in the opinion of the County and the School Districts, is no longer warranted, and/or
- (B) An Ohio school district becomes authorized to levy, directly or indirectly, its own sales and use tax (e.g. as with that proposed in House Bill 356, introduced into the 125th General Assembly but not ultimately enacted into law) for the purpose of School District permanent improvements,

the School Districts acknowledge that the County, if determined by the Board of County Commissioners in its sole discretion to be in the best interests of the County at that time, may initiate proceedings to place the question of the repeal of the sales and use tax before its electors. Before so acting, the Board of County Commissioners agrees that it will provide the School Districts a reasonable and sufficient period of time to make necessary allowance for the potential loss of grants from sales and use tax revenues, be it through seeking appropriate voter approvals or otherwise.

Further, the County and School Districts acknowledge that in levying the proposed one-half of one percent (1/2%) sales and use tax for the School Districts, the County, under current law, is thereby unable to levy a tax under Section 5739.026 for any other County purpose during such time as that sales and use tax is in effect, and that the County is currently willing to levy the sales and use tax only so long as the School Districts (i) have need of the sales and use tax for School District permanent improvements and (ii) cannot directly or indirectly levy a sales and use tax for that purpose.

President, Medina County Board
of Commissioners

President, Black River Local
School District Board of Education

President, Brunswick City School
District Board of Education

President, Buckeye Local School
District Board of Education

President, Cloverleaf Local School
District Board of Education

President, Highland Local School
District Board of Education

President, Medina City School
District Board of Education

President, Medina County Joint Vocational
School District Board of Education

President, Medina County Board of
MR&DD

President, North Central Local School
District Board of Education

President, Rittman Exempted Village
School District Board of Education

President, Wadsworth City School
District Board of Education