

A RESOLUTION DETERMINING TO SUBMIT TO THE ELECTORS OF THE SCHOOL DISTRICT THE QUESTION OF (A) IMPOSING AN ADDITIONAL 0.50% SCHOOL DISTRICT INCOME TAX, AND (B) REDUCING THE RATE OF AN EXISTING 1.9-MILL PROPERTY TAX BEING LEVIED FOR A CONTINUING PERIOD OF TIME FOR THE PURPOSE OF CURRENT EXPENSES, PURSUANT TO SECTION 5748.02 OF THE REVISED CODE.

WHEREAS, on July 17, 2018, this Board adopted Resolution No. 18-151, pursuant to Section 5748.02 of the Revised Code, requesting the State Tax Commissioner to estimate and certify to it (i) the property tax rate that would have to be imposed in the current year, and the school district income tax rate (pertaining to the taxable income of individuals as defined in Section 5748.01(E)(1)(b)) that would have had to have been in effect for the current year, to produce an amount equivalent to \$1,494,994 annually, and (ii) with respect to the Board's proposal (as set forth in Resolution No. 18-151) to reduce the School District's existing 1.9-mill property tax levy for current expenses, being levied for a continuing period of time and approved by the electors of the School District at the election held on November 6, 2012 (the "Existing Property Tax Levy"), to 0.0 mills, the reduction in the total effective tax rate for current expenses for each class of property that would have resulted if the proposed reduction in the rate had been in effect the previous tax year, a certified copy of which resolution was delivered to the State Tax Commissioner; and

WHEREAS, on July 27, 2018, the State Tax Commissioner certified that a school district income tax rate of 0.5263% (using the tax base specified in Resolution No. 18-151 and in this Resolution) or a property tax rate of 4.96 mills (using the 2017 valuation) would be required to produce \$1,494,994 annually, and that the proposed reduction in the total effective tax rate for current expenses for each class of property would be as follows: (a) residential/agricultural real property ("Class I" real property) – 1.768 mills; (b) nonresidential/[non]agricultural real property ("Class II" real property) – 1.784 mills; and (c) public utility tangible personal property – 1.900 mills; and

WHEREAS, this Board is now authorized, pursuant to Section 5748.02(B) of the Revised Code, to adopt a resolution (a) proposing an annual tax for School District purposes on the taxable income of individuals as defined in Section 5748.01(E)(1)(b) of the Revised Code, at the rate set forth in the State Tax Commissioner's certification rounded to the nearest one-fourth of one percent, and (b) proposing to reduce the Existing Property Tax Levy to 0.0 mills;

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of Norton City School District, County of Summit, Ohio, that:

Section 1. Board Declarations. This Board finds, determines and confirms that the amount of taxes that may be raised by this Board within the ten-mill limitation by property tax levies on the current tax list and duplicate will be insufficient to provide for the necessary requirements of the School District, that it is necessary to raise additional moneys for School District purposes, and that it is necessary to levy, for the purpose of current expenses, an annual school district income tax at the rate of one-half of one percent (0.50%) on the taxable income of individuals as defined in Section 5748.01(E)(1)(b) of the Revised Code, for a continuing period of time.

Section 2. Proposal to Reduce Property Tax Rate. In connection with these election proceedings for a tax under Section 5748.02 of the Revised Code, this Board proposes to reduce the Existing Property Tax Levy (as defined hereinabove) to 0.0 mills. Under Section 5748.02(B)(2) of the Revised Code, this Board (in Resolution No. 18-151) has specifically designated, determined, and declared that: (a) the Existing Property Tax Levy is the specific levy to be reduced; (b) the Existing Property Tax Levy is levied for a continuing period of time; (c) the maximum rate that the Existing Property Tax Levy may be levied, as approved by the electors of this School District, is 1.9 mills per one dollar in valuation (subject to reduction factors); and (d) the maximum rate that the Existing Property Tax Levy could be levied after the aforesaid reduction is 0.0 mills per one dollar in valuation (until any repeal of the aforesaid school district income tax), being a reduction of the full rate of the property tax levy for each class of property as described hereinabove. As set forth in Section 5748.02(B)(2) of the Revised Code: “The reduction in the rate of a tax shall first take effect for the tax year that includes the date on which the school district income tax first takes effect, and shall continue for each tax year that both the school district income tax and the property tax levy are in effect.” Thus, the reduction in the rate of the aforesaid property tax would continue until any such time as the aforesaid school district income tax might be repealed, as reflected in Section 5748.03(B)(3).

Section 3. Determination to Submit. Pursuant to Chapter 5748 of the Revised Code, the single question of (a) imposing an additional annual 0.50% school district income tax on the taxable income of individuals as defined in Section 5748.01(E)(1)(b) of the Revised Code, for the purpose of current expenses, to take effect on January 1, 2019, and run for a continuing period of time, and (b) reducing the rate of an existing tax on property, currently levied for the purpose of current expenses at the rate of 1.9 mills (namely, the Existing Property Tax Levy), to 0.0 mills, until any such time as the income tax is repealed, shall be submitted to the electors of the School District at the election to be held on November 6, 2018.

Section 4. Certification and Delivery of Resolution. The Treasurer is directed to deliver or cause to be delivered immediately, and in any case before the close of business on Wednesday, August 8, 2018, a certified copy of this Resolution to the Summit County Board of Elections.

Section 5. Compliance with Open Meeting Requirements. This Board finds and determines that all formal actions of this Board and of any of its committees concerning and relating to the adoption of this Resolution were taken, and that all deliberations of this Board and of any of its committees that resulted in those formal actions were held, in meetings open to the public in compliance with the law.

Section 6. Captions and Headings. The captions and headings in this Resolution are solely for convenience of reference and in no way define, limit or describe the scope or intent of any Sections, subsections, paragraphs, subparagraphs or clauses hereof.

Section 7. Effective Date. This Resolution shall be in full force and effect from and immediately upon its adoption.