

Tax hearing attracts officials

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About 20 people were in attendance Tuesday morning as Lake County commissioners conducted the second hear-

ing on their proposal to raise the county's sales tax rate by 0.5 percent, while reducing unvoted property taxes and stormwater management fees. Many attendees were public officials or county staff, but resident John Williams

said he is a businessman in the county and that increasing the sales tax would drive some business out of the county.

"Small business is on the ropes in Lake County, and I believe this is not going to help," Williams said. "I'll tell

you how I see it — Amazon is going to grow by leaps and bounds."

Commissioner Raymond E. Sines said he appreciated Williams' comments, but he doubted many people would go outside the county to shop

because of the 0.5 percent increase to 6.75 percent, which would be lower than Cuyahoga County's 7.75 percent rate but higher than Geauga and Ashtabula counties' rates of 6.5 percent.

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Part of the commissioners' plan consists of reducing property tax inside millage dedicated to the county's general fund and a 50 percent reduction in stormwater management fees to property owners who live in communities served by the county Stormwater Management Department.

The reduction in the stormwater fees would decrease revenue into the program by about \$1 million annually, said Tim Miller, the department's director. The annual budget for the program is currently about \$2.1 million and the reduction would take effect next year.

The sale tax and property tax changes would be effective April 1.

The county's total sales tax rate is 6.25 percent, of which the county receives 0.50 percent and Lakertan receives 0.25 percent.

The state receives 5.5 percent.

If the increase goes into effect, 25 counties will have rates that are lower, 14 will be the same and 48 will be higher than Lake County, Sines said.

Property tax inside millage dedicated to the county's general fund is 2.1 mills and commissioners would reduce the rate to property owners to 1 mill.

A reduction can only be done by an act of the commissioners.

For each \$100,000 of property valuation, 2.1 mills generates \$64.31 per year; 1 mill would generate \$30.63 per year, according to the county Auditor's Office. The reduction would be reflected on tax bills in 2013 and would be somewhere around a \$7 million reduction to the county coffers.

Painesville resident Shirley Onderisin-Fees told commissioners at their 2 p.m. regular meeting Tuesday that she sup-

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Raymond E. Sines, Lake County Commissioner

ports their plan.

"The proposal set forth by you is a good one, it will serve for many years to come and as the county continues to grow so will the taxes generated by sales," she said. "Though property values have declined, past history shows this is temporary."

Commissioners had their proposal on their regular meeting agenda Tuesday afternoon, but decided to wait until next week — either Tuesday or Thursday — to take official action to allow for additional input.

A sales tax rate increase of 0.5 percent would bring in an estimated \$14 million in additional revenue annually, officials have said.

Commissioner Robert E. Aufidish said about half of the county's sales tax revenues come from residents who live outside the county.

"We know this is not an easy issue for anyone, the last thing anyone of us wants to do is raise any tax in this environment," Sines said.

"To provide the services that everyone is accustomed

to we feel it is necessary to do some adjustments in the way we do business in Lake County."

Aufidish said as part of the county's effort to reduce expenses more than 100 employees have been terminated.

"This budget we're looking at now has approximately about a \$3 million hole," he said. "If we did not plug this hole we would probably lose another 75 employees. This puts us in a difficult position to conduct services that we are mandated."

Commissioner Daniel P. Troy said the county is not a local government that provides an array of discretionary services.

"Basically what we do is administer state-mandated functions," Troy said.

With 2012 serving as a presidential election year, it will cost more to conduct voting along with other required services, he said.

"We have to administer justice, the jail has to be operated under strict state and federal requirements," Troy said.