

IN THE SUPREME COURT OF OHIO

CITY OF ELYRIA, <i>et al.</i> ,)	CASE NOS. 06-2293, 06-2389 and 06-2390
)	
Appellants,)	On Appeal from the
)	Ohio Board of Tax Appeals
vs.)	
)	
LORAIN COUNTY BUDGET)	
COMMISSION, <i>et al.</i> ,)	
)	
Appellees.)	

MERIT BRIEF OF APPELLEE
SHEFFIELD VILLAGE, OHIO

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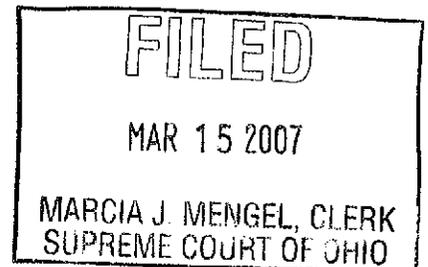


TABLE OF CONTENTS

TABLE OF AUTHORITIES ii

STATEMENT OF THE CASE AND OF THE FACTS.....1

ARGUMENT.....3

APPELLEE’S PROPOSITION OF LAW NO. 1:3

THE APPELLANTS FAILED TO FOLLOW THE PROCEDURAL REQUIREMENTS OF O.R.C. SECTION 5747.55, TO THE PREJUDICE OF ALL PARTIES WHO WERE EITHER OVER-ALLOCATED OR WOULD RECEIVE LESSER AMOUNTS OF LGF AND RAF UNDER A STATUTORY METHOD OF APPORTIONMENT, AND SUCH PROCEDURAL FAILURES ARE FATAL TO SUBJECT MATTER JURISDICTION.

CONCLUSION.....6

CERTIFICATE OF SERVICE7

TABLE OF AUTHORITIES

Cases

<i>City of Lorain v. Lorain Cty. Budget Comm.</i> , BTA No. 2002-T-1865	1
<i>Shawnee Township v. Allen County Budget Commission</i> (1991), 58 Ohio St.3d 14, 567 N.E2d 1007	4
<i>Cincinnati v. Budget Comm. Of Hamilton Cty.</i> (1979), 59 Ohio St.2d 43, at 45-46	5

Statutes

R.C. 5747.55	1,5
R.C. 5747.53	3
R.C. 5747.51	4

STATEMENT OF THE CASE AND OF THE FACTS

Appellee Sheffield Village (the “Village”) adopts *in toto* the “Statement of the Case and of the Facts” set forth in the Merit Brief of Appellees Lorain County, Lorain County Board of County Commissioners, City of Lorain and Lorain County Budget Commission.

In addition, the Village notes that Appellants, in their Merit Brief, have repeatedly misunderstood or mischaracterized the consequences of the settlement of *City of Lorain v. Lorain Cty. Budget Comm.*, BTA No. 2002-T-1865 (the “Lorain Appeal”) (See Appellants’ Merit Brief, Appx. Vol. II, page 141). The Lorain Appeal was the appeal by the City of Lorain of the Lorain County Budget Commission’s allocation of Lorain County Undivided Local Government Fund (“LGF”) and Undivided Local Government Revenue Assistance Fund (“RAF”) amounts pursuant to the alternative formula that had been in place since 1984 (the “1984 Formula”). The City of Lorain claimed that it was under-allocated under the 1984 Formula.

The settlement of the Lorain Appeal entailed the adoption in 2003 of a new alternative formula to govern allocations for tax year 2004 and thereafter (the “2004 Formula”). (See Appellants’ Merit Brief, Appx. II, pages 171 *et seq.*) The 2004 Formula was adopted in conformance with all applicable statutory requirements and is lawful.

The 2004 Formula governs allocations to *all* political subdivisions in Lorain County from the Lorain County LGF and RAF.¹ Appellants have acknowledged in their Merit Brief that the resolution of the Lorain Appeal (i.e., the adoption of the 2004 Formula) foreclosed the possibility of any modification to the allocation for the City of Lorain of LGF and RAF amounts. (See

¹ The Appellants have improperly cited Ohio Revised Code Section 5747.55(D) for the proposition that their allocation of amounts under the LGF and RAF cannot be reduced since they were not named as appellees under the Lorain Appeal. The Lorain Appeal was dismissed by the City of Lorain. Appellants’ LGF and RAF allocations were reduced by the adoption of the 2004 Formula, not as a result of the formal disposition of the Lorain Appeal. Therefore, R.C. Section 5747.55(D) is inapposite.

Appellants' Merit Brief at pages 4, 10-11). This contention by Appellants would seem to support the position that the 2004 Formula was properly adopted. However, the Appellants apparently do not agree that the 2004 Formula was properly adopted. Instead, Appellants argue that the 2004 Formula was "unlawful." In their Notice of Appeal to the Board of Tax Appeals, the Appellants stated:

[the Budget Commission] erred by adopting an unlawful alternative method of apportionment of the LGF and the RAF which reduces the respective allocable shares of Elyria, North Ridgeville, Avon Lake, Amherst Twp. and MetroParks of such funds resulting from and implementing of settlement of a tax appeal proceeding before this Board brought by Appellee, the City of Lorain ("Lorain"), Case No. 02-T-1865, in which Elyria, North Ridgeville, Avon Lake, Amherst Twp. and MetroParks were not named parties, in violation of the provisions of Section 5747.55(D) of the Ohio Revised Code and Ohio law. (See Appellants' Merit Brief, Appx. Vol. I, pages 40-41).

In fact, the Appellants have argued before the Board of Tax Appeals (the "BTA") that the 2004 Formula is unlawful. Appellants nevertheless simultaneously argue that settlement of the Lorain Appeal (i.e., the adoption of the 2004 Formula) precludes a challenge to the allocation of LGF and RAF amounts for the City of Lorain (but does not preclude a challenge to the allocation for any other Lorain County political subdivision). Because such a challenge is precluded, the Appellants' argument continues, they could not include the City of Lorain as an over-allocated subdivision in their Notice of Appeal to the BTA.

Thus, the Appellants apparently argue that the 2004 Formula is unlawful, except when it is not. Under the Appellants' tortured logic as presented in their Merit Brief, the adoption of the 2004 Formula both (i) precludes a challenge to the allocation of LGF and RAF amounts to the City of Lorain and (ii) is unlawful and therefore inapplicable. This position is absurd.

ARGUMENT

The Village adopts *in toto* the Argument and Propositions of Law Nos. 1 through 4 as set forth in the Merit Brief of Appellees Lorain County, Lorain County Board of County Commissioners, City of Lorain and Lorain County Budget Commission, as if the same were re-written herein in their entirety. The Village also adopts *in toto* the Appendix to the Merit Brief of Appellees Lorain County, Lorain County Board of County Commissioners, City of Lorain and Lorain County Budget Commission, as if the same were re-written herein in its entirety.

APPELLEES' PROPOSITION OF LAW NO. 1:

THE APPELLANTS FAILED TO FOLLOW THE PROCEDURAL REQUIREMENTS OF O.R.C. SECTION 5747.55, TO THE PREJUDICE OF ALL PARTIES WHO WERE EITHER OVER-ALLOCATED OR WOULD RECEIVE LESSER AMOUNTS OF LGF AND RAF UNDER A STATUTORY METHOD OF APPORTIONMENT, AND SUCH PROCEDURAL FAILURES ARE FATAL TO SUBJECT MATTER JURISDICTION.

Appellants cannot argue both that the 2004 Formula is unlawful *and* that as a result of the adoption of the 2004 Formula, the County is the only political subdivision that has been over-allocated. Nor does it seem plausible that the BTA would adopt appellants' position that the 2004 Formula applies to Lorain but not to the remaining political subdivisions in Lorain County.

The 2004 Formula was adopted in accordance with the requirements of O.R.C. Section 5747.53. The board of county commissioners, the legislative authority of the city, located wholly or partially within the county, with the greatest population (here, Lorain), and a majority of the boards of township trustees and legislative authorities of municipal corporations all formally adopted the 2004 Formula as required by statute.

Moreover, the 2004 Formula was drafted by counsel for the townships and legislative authorities (other than appellants and Lorain). (See Appellants' Merit Brief, Appx. II, page 218). The 2004 Formula protects the interests of all political subdivisions in Lorain County. Less is

CERTIFICATE OF SERVICE

I hereby certify that copy of this Merit Brief of Appellee Sheffield Village, Ohio, was sent by ordinary U.S. mail, postage pre-paid, this 15th day of March 2007, to all parties as herein listed:

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