

TEMPORARY RESOLUTION NO. 62-14

PERMANENT RESOLUTION NO. 64-14

A RESOLUTION OPPOSING THE PASSAGE OF HOUSE BILL 5 BY THE OHIO GENERAL ASSEMBLY WHICH WOULD SIGNIFICANTLY AND NEGATIVELY IMPACT THE ABILITY OF OHIO MUNICIPALITIES TO GENERATE ADEQUATE REVENUE THROUGH THE MUNICIPAL INCOME TAX TO SUPPORT EXISTING SERVICES BY INCLUDING UNFUNDED MANDATES, TAX INCREASES TO OFFSET REVENUE LOSSES TO MUNICIPALITIES, UNNECESSARY BURDENS AND NEEDLESS BARRIERS RESULTING IN A DECREASE IN SERVICE LEVELS OR INCREASE IN INDIVIDUAL TAX LEVELS AT THE LOCAL LEVEL COUNTERINTUITIVE TO A STATEWIDE ECONOMIC RECOVERY POLICY AND DECLARING AN EMERGENCY

WHEREAS, Municipalities in Ohio exist primarily as a tool of self-governance to provide high quality services to the citizens which live in them and to the constituents who visit for work, entertainment, educational and economic development purposes; and

WHEREAS, Municipalities agree that revenue-neutral uniformity on issues that will ease compliance burdens for businesses in and potentially locating to Ohio would be of great benefit to all of Ohio; and

WHEREAS, HB 5 as introduced and the subsequent substitute draft offered by the Sponsors contains language that is detrimental to the financial stability of municipalities; will reduce revenue for all municipalities in Ohio; includes "unfunded mandates" which will limit the ability for municipalities to provide basic services to residents, businesses, and visitors; creates special tax breaks while raising taxes on other taxpayers; and, creates additional state level bureaucracy; and

WHEREAS, the recent confiscation of Local Government Funds, elimination of the Estate Tax, and the elimination of promised reimbursement for the loss of revenues due to the repeal of the Tangible Personal Property and Public Utilities Taxes has resulted in an unsustainable loss of already depleted revenues for Ohio cities and villages to operate effectively; and

WHEREAS, Municipalities have been responsive in the past to efforts to streamline the rules and regulations and create uniformity in the overwhelming majority of local tax codes creating a streamlined process for all taxpayers; and

WHEREAS, municipalities across the state, in cooperation with the Ohio Municipal League, business interest representatives and select members of the Ohio General Assembly, have drafted a comprehensive legislative proposal that addresses all areas identified in HB5 seeking greater uniformity and predictability in the current municipal income tax system which represents solutions far more revenue-neutral to municipalities; and

WHEREAS, Municipalities must fight to protect their single largest revenue source, which provides essential municipal services, promoting a positive quality of life that residents

and businesses alike rely upon, and any forced reduction in this revenue will have a negative impact on residents and businesses, creating an environment detrimental to retaining and attracting business in Ohio.

BE IT RESOLVED BY COUNCIL OF THE CITY OF LANCASTER, STATE OF OHIO

SECTION 1. That Resolution urges state legislators to reject HB 5, and to adopt the provisions crafted by select members of Ohio's General Assembly who have worked extensively with business and municipal leaders to create solutions benefited to all Ohioans

SECTION 2. The Ohio General Assembly should focus on restoring previous funding levels to the Ohio Business Gateway and focus on correcting its multitude of programming problems and customer service issues to make that tool less cumbersome, more useful and relevant to municipalities and businesses as a simple, generic, one-stop method of filing local business income tax returns in one location.

SECTION 3. Members of the Ohio House and Senate should reject HB 5 and instead continue to engage in constructive dialogue with local officials to gain consensus on the correction of the perceived issues of potential revenue-neutral commonality and uniformity in those few remaining differences in municipal income tax provisions.

SECTION 4. That this Resolution is an emergency measure necessary for the immediate preservation of the public peace, health and safety of Ohio cities and villages, and for the further reason of the urgency of communicating to the Ohio General Assembly prior to any short-sighted or harmful action being taken by that legislative body. That this resolution shall be effective immediately upon its adoption and approval by the Mayor.

Passed: 4/28/14 after 3rd reading. Vote: Yeas 6 Nays 3

Date Approved: 4/28/14

Clerk: Jeressa Lee Sandy

Cathy J. Fetter
President of Council

Offered by: Jonathan

Don Huth
Mayor

Second by: Gene M. Beuthe

Requested by Law Committee