

RECORD OF ORDINANCES

Dayton Legal Blank, Inc.

Form No. 30043

Resolution No. 23-13

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Passed April 1, 2013

3/20/13-tlf
(Finance & Property)

Resolution No. 23-13

A Resolution by the Mayor and Council for the City of North Canton, strongly opposing the Ohio General Assembly's passing of House Bill 5, which proposes uniformity measures for municipal income tax in the form of unfunded mandates that will result in a substantial loss of municipal revenue, and declaring the same to be an emergency.

WHEREAS, House Bill ("HB") 5, legislation sponsored by House Majority Whip Cheryl Grossman (R-Grove City) and Representative Mike Henne (R-Vandalia), is a reintroduction of HB 601 from the previous General Assembly; and

WHEREAS, the Municipal Income Tax Uniformity Coalition, headed by the Ohio Society of CPA's, with business community membership including the Ohio Chamber of Commerce, with support from Representatives Grossman, met with members of the Ohio Municipal League and municipal income tax representatives; and

WHEREAS, the purpose of the meetings was to achieve a consensus on issues regarding legislation on municipal income tax uniformity; and

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

WHEREAS, the Coalition has drafted and introduced language that is detrimental to the financial stability of municipalities, will drastically reduce revenue for all municipalities in Ohio, and includes "unfunded mandates," which will cripple the ability for municipalities to provide basic services to residents and resident businesses alike; and

WHEREAS, the reduction in the Local Government Fund has resulted in a loss of \$471,500 in revenue for North Canton; and

WHEREAS, the elimination of the Estate Tax will result in a loss of \$1,200,000 annual in revenue for North Canton; and

WHEREAS, the proposals in HB 5 will result in an additional estimated loss of revenue of \$949,500 for North Canton; and

WHEREAS, HB 5 includes provisions that require State oversight of municipal income tax administration, administrative policies and procedures for municipal income tax collection, and administration that dramatically hamper the ability to administer the tax in an effective manner; and

WHEREAS, it appears the intended long-term purpose of HB 5 is State oversight of municipal income tax operations, which likely would result in centralized collection of municipal income tax; and

WHEREAS, key pieces of HB 5 reduce municipal income tax obligations for businesses by reducing tax liabilities, which will not simplify the process of calculating municipal income tax; and

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~~Ordinance No.~~

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WHEREAS, Ohio municipalities, with the support of the Ohio Municipal League, have supported and participated in discussions of uniformity for the past 13 years, and have worked to achieve uniformity in many areas of municipal income tax; and

WHEREAS, municipalities have been responsive to efforts to streamline rules and regulations and to create uniformity in local tax codes; and

WHEREAS, municipalities possess the unique ability to provide personal service and assistance in the preparation and filing of their tax returns to their resident taxpayers; and

WHEREAS, municipalities can ensure their resident taxpayers receive prompt and proper municipal tax preparation assistance, thus ensuring that taxpayers pay their fair share without causing higher costs of compliance for all, and without the burdensome and costly restrictions included in HB 5; and

WHEREAS, municipalities aggressively pursue those non-compliant and delinquent taxpayers who, by their omission or deliberate deceit, drive up the costs of compliance for all municipal residents; and

WHEREAS, HB 5 renders all municipal income tax ordinances obsolete, reduces revenue due to "unfunded mandates," and appears to have been crafted for the benefit of specific taxpayer interests at an enormous cost to municipalities at a time when each municipality faces significant additional cuts in revenue; and

WHEREAS, HB 5 jeopardizes and restricts a municipality's right of "Home Rule," guaranteed under Article XVIII, Section 3 of the Ohio Constitution, which authorizes municipalities "to exercise all powers of self-government and to adopt and enforce within their limits such local police, sanitary and other similar regulations as are not in conflict general laws"; and

WHEREAS, HB 5 further threatens municipalities with a loss of control of their largest revenue source, which permits them to provide essential municipal services, thereby 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.

NOW, THEREFORE BE IT RESOLVED, BY THE MAYOR AND COUNCIL OF THE CITY OF NORTH CANTON, COUNTY OF STARK, AND STATE OF OHIO:

Section 1. That the Mayor and Council of the City of North Canton hereby declare their strong opposition to any effort by the Ohio General Assembly to pass legislation that creates "unfunded mandates" and a loss of revenue under the guise of municipal income tax uniformity.

Section 2. That the Mayor and Council urge their state legislators to reject HB 5, and any amendment to pending bills, and further opposes the introduction of new legislation that proposes to reduce municipal income tax revenue to Ohio municipalities.

Section 3. That HB 5 appears to cater to the requests of special interest groups and to the detriment of Ohio municipalities.

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Section 4. That the Ohio General Assembly should request the drafting of legislation that would address the multitude of issues that were agreed upon as a result of the Interested Parties meetings, which will bring uniformity and simplify the compliance process for businesses and individuals alike.

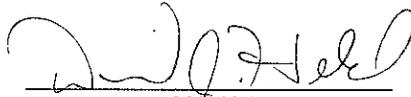
Section 5. That the Ohio General Assembly should focus on restoring previous funding levels to the Ohio Business Gateway and focus on correcting its multitude of programming problems and customer service issues to make that tool less cumbersome, more useful and relevant to municipalities, businesses, and individuals as a simple, generic, one-stop method of filing local business income tax returns.

Section 6. That the members of the Ohio House and Senate should engage in constructive dialogue with local officials to gain a consensus on revenue-neutral commonality and uniformity municipal income tax provisions.

Section 7. That this Resolution is declared to be an emergency measure necessary for the immediate preservation of the public peace, health, safety and welfare and for the further reason that the City must maintain revenue levels without threat of assault via legislation proposed by the Ohio General Assembly; therefore, this Resolution shall be in full force and effect immediately upon its adoption by Council and signature of the Mayor.

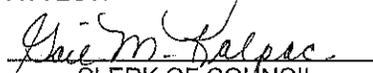
North Canton, OH

Passed: 4/1/13


MAYOR

SIGNED: April 1, 2013

ATTEST:


CLERK OF COUNCIL