

CITY OF VANDALIA
MONTGOMERY COUNTY, OHIO
RESOLUTION 13-R-62

**A RESOLUTION OPPOSING THE PASSAGE OF HOUSE BILL 5 BY THE OHIO
GENERALASSEMBLY AND ENCOURAGING THE ADOPTION OF THE
CHANGES RECOMMENDED BY THE OHIO MUNICIPAL LEAGUE**

WHEREAS, Cities 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 other purposes; and

WHEREAS, Municipalities agree that revenue neutral uniformity on municipal income tax issues would be of benefit to some businesses in Ohio; and

WHEREAS, House Bill 5 as passed by the Ohio House of Representatives contains language that is detrimental to the financial stability of municipalities, will reduce revenue for all municipalities in Ohio, increases the administrative burden for all municipalities, removes already existing uniformity, which will limit the ability of municipalities to provide basic services to residents and resident businesses alike; and

WHEREAS, The recent reduction in the Local Government Fund, 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 already resulted in a loss of \$765,268 in revenue for the City of Vandalia; and

WHEREAS, The items in House Bill 5 as adopted by the Ohio House will result in an additional annual estimated loss of revenue of \$731,268 for the City of Vandalia; 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, Local governments in Ohio are united in their efforts to craft a revenue neutral bill that provides uniformity for business; 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; and

WHEREAS, the Ohio Municipal League has crafted recommended improvements to House Bill 5 as adopted by the House to achieve tax uniformity with revenue neutrality; now, therefore,

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF VANDALIA, MONTGOMERY COUNTY, OHIO, THAT:

SECTION 1. The City of Vandalia opposes House Bill 5 as passed by the Ohio House of Representatives.

SECTION 2. The City of Vandalia supports the Ohio Municipal League recommended changes to the passed version of House Bill 5.

SECTION 3. Members of the Ohio House and Senate should engage in constructive dialogue with local officials to develop a bill that provides business friendly municipal income tax uniformity provisions while remaining revenue neutral.

SECTION 4. 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 5. This Council urges members of the Ohio Senate to reject HB 5 as passed, and make the changes suggested by the Ohio Municipal League Coalition (see attachment).

SECTION 6. This Council directs the City Manager to take action necessary to achieve the objectives articulated.

SECTION 7. This resolution shall become effective immediately upon its passage.

Passed this 16 day of December, 2013.

APPROVED:

Arlene Setzer, Mayor

ATTEST:

Doug Knight, Interim Clerk of Council