

**RESOLUTION NO. 006-17**

**A RESOLUTION STRONGLY OPPOSING THE STATE OF OHIO GOVERNOR'S PROPOSED 2017-2018 BUDGET, WHICH PROPOSES CENTRALIZED COLLECTION OF NET PROFIT TAX RETURNS AND OTHER PROVISIONS RELATED TO THE MUNICIPAL INCOME TAX WHICH WILL CAUSE A SUBSTANTIAL LOSS OF REVENUE NEEDED TO SUPPORT THE HEALTH, SAFETY, WELFARE AND ECONOMIC DEVELOPMENT EFFORTS OF OHIO MUNICIPALITIES; AND DECLARING AN EMERGENCY**

**WHEREAS**, the Mayor and Council have been advised of a proposal by Ohio Governor Kasich and his administration to institute a state-operated program for the centralized collection of Ohio Municipal Income Tax; and

**WHEREAS**, the proposal for a state takeover of collection of the municipal income taxes of municipal corporations such as the City of Napoleon, Ohio is a clear attack on the home rule powers granted to municipal corporations by the Ohio Constitution; and

**WHEREAS**, this proposed language also includes a provision that would eliminate a portion or portions of the sales factor, known as "throwback", substantially reducing reportable tax revenue to municipalities with warehouses, distribution centers, and any business providing online sales; and

**WHEREAS**, the City of Napoleon, Ohio strenuously objects to this latest attack on municipal home rule under consideration by the State of Ohio and urges all municipal corporations to make it clear to the Governor and General Assembly that this proposed usurpation of constitutionally granted local municipal power shall not take place without a vigorous legal challenge by affected municipal corporations; and

**WHEREAS**, the recent reduction in the Local Government Fund, elimination of Estate Tax, and accelerated phase-out of promised reimbursement for loss of revenues due to the repeal of the Tangible Personal Property Tax have all resulted in an annual loss of revenue of \$470,000; and

**WHEREAS**, municipalities can and will provide the personal service and assistance to its taxpayers in the preparation and filing of their tax reports and returns; and

**WHEREAS**, only municipalities can ensure the prompt and proper auditing of local tax returns to ensure all applicable deductions and declarations are reported, thus also ensuring that all taxpayers pay their fair share without causing higher costs of compliance for all, and must be able to do so without burdensome and costly restrictions included in the Governor's budget proposal created with the only purpose of restricting municipalities from correcting and/or auditing business return filings or making assessments; and



**WHEREAS**, provisions in this proposal will hamper municipalities' ability to audit and correct municipal income tax business returns, to equitably enforce the municipal income tax laws and has been crafted as a vehicle to control the administrative process of municipal income tax to the benefit of specific taxpayer interests; and

**WHEREAS**, the municipal income tax is the 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. **Now Therefore**,

**BE IT RESOLVED BY THE COUNCIL OF THE CITY OF NAPOLEON, OHIO:**

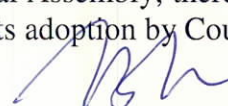
Section 1. That, the Ohio General Assembly should request the immediate removal of all language pertaining to municipal income tax collection and administration, and should promote upcoming changes to the Ohio Business Gateway as a solution for businesses to file municipal income tax returns in a more simple and efficient manner, with the Ohio Business Gateway continuing to act only as a portal to remit payments and filing information directly to municipalities, and not to the Ohio Department of Taxation for processing.

Section 2. That, it is found and determined that all formal actions of this City Council concerning and relating to the adoption of this Resolution were adopted in open meetings of this City Council, and that all deliberations of this City Council and any of its committees that resulted in such formal actions were in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code and the Codified Ordinances of Napoleon Ohio.

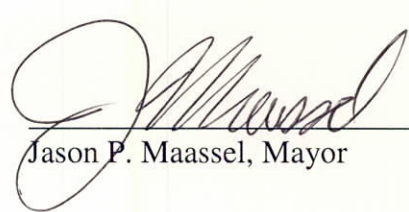
Section 3. That, if any other prior Ordinance or Resolution is found to be in conflict with this Resolution, then the provisions of this Resolution shall prevail. Further, if any portion of this Resolution is found to be invalid for any reason, such decision shall not affect the validity of the remaining portions of this Resolution or any part thereof.

Section 4. 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.

Passed: February 20, 2017

  
Travis B. Sheaffer, Council President

Approved: February 20, 2017

  
Jason P. Maassel, Mayor

VOTE ON PASSAGE 7 Yea 0 Nay 0 Abstain

Attest:

  
Gregory J. Heath, Clerk/Finance Director

I, Gregory J. Heath, Clerk/Finance Director of the City of Napoleon, do hereby certify that the foregoing Resolution No. 006-17 was duly published in the Northwest Signal, a newspaper of general circulation in said City, on the 4th day of March, \_\_\_\_\_; & I further certify the compliance with rules established in Chapter 103 of the Codified Ordinances Of Napoleon Ohio and the laws of the State of Ohio pertaining to Public Meetings.

\_\_\_\_\_  
Gregory J. Heath, Clerk/Finance Director

### CERTIFICATION

I, Gregory J. Heath, Finance Director/Clerk of Council for the City of Napoleon, Ohio, do hereby certify that this document is a true and correct copy of Resolution No. 006-17, passed February 20, 2017.

  
Gregory J. Heath  
Finance Director/Clerk of Council

02/22/2017  
Date



<u>=ACCOUNT NUM.#=</u> <u>FUND-DEPT-ACCNT</u>	<u>FUND SOURCE,</u> <u>REVENUE / RECEIPT ACCOUNTS</u> <u>ACCOUNT DESCRIPTION</u>	<u>2008</u> <u>ACTUAL</u> <u>RECEIPTS</u>	<u>2016</u> <u>ACTUAL</u> <u>RECEIPTS</u>	<u>2008 to</u> <u>2016 Loss</u> <u>in Revenues</u>
<b>COMPARISON OF REVENUES RECEIVED IN 2008 TO 2016 -NET LOSS DUE TO STATE CHANGES</b>				
<b><u>100 GENERAL FUND</u></b>				
100.0000.41400	Real Estate Tax	255,836	246,939	-8,897
100.0000.41410	Trailer Tax	3,416	1,594	-1,822
100.0000.41420	Rollback Tax-State	21,755	20,859	-896
100.0000.41430	Homestead Tax-State	10,630	11,875	1,245
100.0000.41440	2.5% Tax-State	4,190	3,799	-391
100.0000.41450	Personal Property Tax (1)	42,040	0	-42,040
100.0000.41451	Commerical Activity Tax - CAT	0	2,161	2,161
100.0000.42010	Local Government Fund-State (2)	46,503	17,941	-28,562
100.0000.42020	Local Government Fund-County (2)	340,221	172,211	-168,010
100.0000.42030	Local Govt. Fund-St.Rev. Assit. (2)	0	0	0
100.0000.42100	Estate Tax (3)	200,664	241	-200,423
<b>*** TOTAL - 100 GENERAL FUND</b>		<b>925,255</b>	<b>477,620</b>	<b>-447,635</b>
<b><u>290 POLICE PENSION FUND</u></b>				
290.0000.41400	Real Estate Tax	72,280	74,085	1,805
290.0000.41410	Trailer Tax	1,025	478	-547
290.0000.41420	Rollback Tax-State	6,479	6,258	-221
290.0000.41430	Homestead Tax-State	3,189	3,563	374
290.0000.41440	2.5% Tax-State	1,257	1,140	-117
290.0000.41450	Personal Property Tax	16,267	0	-16,267
290.0000.41451	Commerical Activity Tax - Cat Tax	0	648	648
<b>*** TOTAL - 290 POLICE PENSION FUND</b>		<b>100,497</b>	<b>86,172</b>	<b>-14,325</b>
<b><u>291 FIRE PENSION FUND</u></b>				
291.0000.41400	Real Estate Tax	36,140	37,037	897
291.0000.41410	Trailer Tax	512	239	-273
291.0000.41420	Rollback Tax-State	3,311	3,129	-182
291.0000.41430	Homestead Tax-State	1,594	1,781	187
291.0000.41440	2.5% Tax-State	629	570	-59
291.0000.41450	Personal Property Tax	9,357	0	-9,357
291.0000.41451	CommericalActivity Tax - CAT	0	324	324
<b>*** TOTAL - 291 FIRE PENSION FUND</b>		<b>51,543</b>	<b>43,080</b>	<b>-8,463</b>
<b>**** TOTAL ALL</b>		<b>1,077,295</b>	<b>606,872</b>	<b>-470,423</b>





# City of **NAPOLÉON**, Ohio

255 West Riverview Avenue • P.O. Box 151

Napoleon, Ohio 43545-0151

Phone: (419) 592-4010 • Fax: (419) 599-8393

Web Page: [www.napoleonohio.com](http://www.napoleonohio.com)

February 23, 2017

**Mayor**

Jason Maassel

**Members of Council**

Travis B. Sheaffer, President

Patrick McColley, President Pro-Tem

Jeff Comadoll

Rita Small

Daniel L. Baer

Joseph D. Bialorucki

Jeff R. Mires

**City Manager**

Joel L. Mazur

**Finance Director**

Gregory J. Heath

**Law Director**

Billy D. Harmon

**Director of Public Works**

Chad E. Lulfs, P.E., P.S.

Senator Cliff Hite

Senate Building

1 Capitol Square, 1<sup>st</sup> Floor

Columbus, Ohio 43215

Dear Senator Hite:

We write today in opposition of the Governor's proposal to institute a state-operated central-collection program for the Ohio municipal income tax. We also voice opposition of the proposed elimination of the uniformly applied "throwback" rule.

Municipalities have faced an array of financial challenges in recent years. State policy changes have meant reduced revenue through a variety of cuts. The Local Government Fund was slashed approximately in half in 2011, followed swiftly by the elimination of the estate tax and the tangible property tax.

For the vast majority of cities and villages, their financial bedrock is the municipal income tax. With the passage of HB 5 in 2014, alterations to the structure of the municipal income tax is estimated to cause a further loss of revenue and increased financial strain. The impacts of the changes to the municipal tax won't be fully realized until after this tax filing season.

The Governor's proposal of instituting centralized collection will only increase the financial burdens shouldered by municipalities by further reducing revenue and by effectively severing municipalities from their financial lifeblood. Quarterly distributions would severely damage cities' and villages' ability to meet the daily challenges of both typical and unforeseen financial obligations.

There is also the grave concern regarding local communities' inability to audit and enforce accurate filings and correct returns. Centralized collection offers zero accountability in ensuring the state returns the correct amount of revenue back to the municipality.

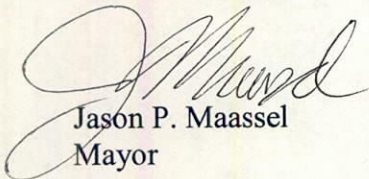


The other financially dangerous proposition in the Governor's budget is the elimination of the "throwback" rule. This rule ensures sales tax on a product manufactured in one municipality and delivered in another are "thrown back" to the municipality of origin. A 2011 sampling of just 12 Columbus businesses showed an elimination of this provision would have meant a staggering loss of over \$500,000. The loss of this revenue would be virtually crippling to many municipalities.

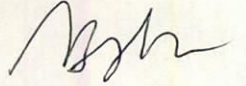
We respectfully ask that you consider our strong objections to these proposals and that you stand with municipalities as the economic engines of our state. We ask that you oppose these proposals and vote instead to strengthen and invest in our local communities for a safer, stronger, more prosperous Ohio.

Sincerely,

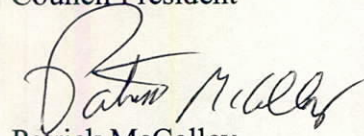
**City of Napoleon, Ohio**



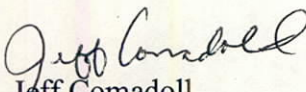
Jason P. Maassel  
Mayor




Travis B. Sheaffer  
Council President




Patrick McColley  
President Pro-Tem



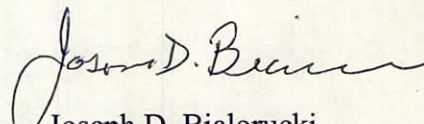
Jeff Comadoll  
Councilman



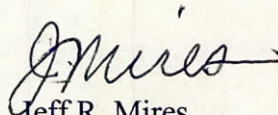
Rita Small  
Councilperson



Daniel L. Baer  
Councilman



Joseph D. Bialorucki  
Councilman



Jeff R. Mires  
Councilman





# City of NAPOLEON, Ohio

255 West Riverview Avenue • P.O. Box 151

Napoleon, Ohio 43545-0151

Phone: (419) 592-4010 • Fax: (419) 599-8393

Web Page: [www.napoleonohio.com](http://www.napoleonohio.com)

February 23, 2017

**Mayor**  
Jason Maassel

**Members of Council**  
Travis B. Sheaffer, President  
Patrick McColley, President Pro-Tem  
Jeff Comadoll  
Rita Small  
Daniel L. Baer  
Joseph D. Bialorucki  
Jeff R. Mires

**City Manager**  
Joel L. Mazur

**Finance Director**  
Gregory J. Heath

**Law Director**  
Billy D. Harmon

**Director of Public Works**  
Chad E. Lulfs, P.E., P.S.

Representative Robert McColley  
District 81  
77 S. High St., 14<sup>th</sup> Floor  
Columbus, Ohio 43215

Dear Representative McColley:

We write today in opposition of the Governor's proposal to institute a state-operated central-collection program for the Ohio municipal income tax. We also voice opposition of the proposed elimination of the uniformly applied "throwback" rule.

Municipalities have faced an array of financial challenges in recent years. State policy changes have meant reduced revenue through a variety of cuts. The Local Government Fund was slashed approximately in half in 2011, followed swiftly by the elimination of the estate tax and the tangible property tax.

For the vast majority of cities and villages, their financial bedrock is the municipal income tax. With the passage of HB 5 in 2014, alterations to the structure of the municipal income tax is estimated to cause a further loss of revenue and increased financial strain. The impacts of the changes to the municipal tax won't be fully realized until after this tax filing season.

The Governor's proposal of instituting centralized collection will only increase the financial burdens shouldered by municipalities by further reducing revenue and by effectively severing municipalities from their financial lifeblood. Quarterly distributions would severely damage cities' and villages' ability to meet the daily challenges of both typical and unforeseen financial obligations.

There is also the grave concern regarding local communities' inability to audit and enforce accurate filings and correct returns. Centralized collection offers zero accountability in ensuring the state returns the correct amount of revenue back to the municipality.

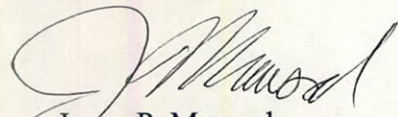


The other financially dangerous proposition in the Governor's budget is the elimination of the "throwback" rule. This rule ensures sales tax on a product manufactured in one municipality and delivered in another are "thrown back" to the municipality of origin. A 2011 sampling of just 12 Columbus businesses showed an elimination of this provision would have meant a staggering loss of over \$500,000. The loss of this revenue would be virtually crippling to many municipalities.

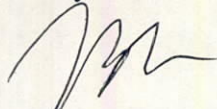
We respectfully ask that you consider our strong objections to these proposals and that you stand with municipalities as the economic engines of our state. We ask that you oppose these proposals and vote instead to strengthen and invest in our local communities for a safer, stronger, more prosperous Ohio.

Sincerely,

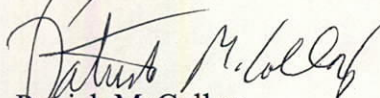
**City of Napoleon, Ohio**




Jason P. Maassel  
Mayor




Travis B. Sheaffer  
Council President




Patrick McColley  
President Pro-Tem



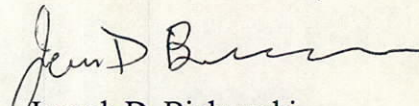
Jeff Comadoll  
Councilman



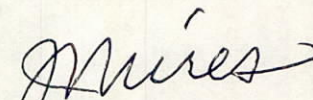
Rita Small  
Councilperson



Daniel L. Baer  
Councilman



Joseph D. Bialorucki  
Councilman



Jeff R. Mires  
Councilman



STATE OF OHIO  
COUNTY OF HENRY

Kimberly Imm, being first duly sworn, states that she is the Assistant Publisher of The Bryan Publishing Company, owner of The Northwest Signal, a daily newspaper, published and of general circulation in the county of Henry aforesaid, and that the annexed notice was published in one issue in said paper, on the 4th day of March, 2017.

Kimberly Imm  
Kimberly Imm

Subscribed and sworn to before me this 6th day of March, 2017

Beverly Griteman  
Beverly Griteman  
Notary Public, State of Ohio  
My Commission Expires February 13, 2021

Printer's Fee: \$155.40

Notary Fee: \$1.50

**SUMMARY OF RESOLUTION NO.(S) 005-17, 006-17**

(PURSUANT TO ARTICLE II, SECTION 2.15 OF THE CITY CHARTER, CHAPTER 121 OF THE CODE OF ORDINANCES AND COUNCIL RULE 6.2.4.1, AS WELL AS APPLICABLE PROVISIONS OF ORC CHAPTER 731)

**NOTICE**

A copy of the complete text of the above named Ordinance(s) and Resolution(s) are on file in the office of the City Finance Director and may be viewed or obtained during business hours of 7:30 AM to 4:00 PM, Monday through Friday, at the office of the Finance Director, the location being 255 West Riverview Avenue, Napoleon, Ohio. A copy of all or part of the above named Ordinances and Resolutions, or any item mentioned in this notice, may be obtained from the City Finance Director upon the payment of a reasonable fee therefore.

**Resolution 005-17**

**A RESOLUTION AUTHORIZING THE EXPENDITURE OF FUNDS OVER TWENTY-FIVE THOUSAND DOLLARS (\$25,000.00) FOR THE PURCHASE OF A YEAR 2017 OR NEWER PICKUP TRUCK FOR THE CITY PARKS & RECREATION DEPARTMENT, UTILIZING THE STATE COOPERATIVE PURCHASING PROGRAM, WHICH WAS NOT INCLUDED IN THE 2017 MASTER BID RESOLUTION; AND DECLARING AN EMERGENCY**

In this legislation, the City of Napoleon authorized the expenditure over \$25,000.00 for the purchase of a 2017 or newer pickup truck for the City Parks & Recreation Department, which was not included in the 2017 Master Bid Resolution.

**Resolution 006-17**

**A RESOLUTION STRONGLY OPPOSING THE STATE OF OHIO GOVERNOR'S PROPOSED 2017-2018 BUDGET, WHICH PROPOSES CENTRALIZED COLLECTION OF NET PROFIT TAX RETURNS AND OTHER PROVISIONS RELATED**