

ORDINANCE NO.: 43 -2016

INTRODUCED BY: Mayor and All of Council

AN ORDINANCE TO SUBMIT TO THE ELECTORS OF THE CITY OF RICHMOND HEIGHTS THE QUESTION OF AMENDING THE CHARTER AT ARTICLE XII, SECTION 2, TO REVISE THE INCOME TAX CREDIT FOR CITY RESIDENTS WHO PAY INCOME TAX TO ANOTHER MUNICIPALITY; AND DECLARING AN EMERGENCY.

WHEREAS, the Mayor and Council Committee-of-the-Whole have recommended to place the issue of amending the Charter at Article XII, Section 2, before the electorate on November 8, 2016, in order to revise the income tax credit for City residents who pay tax on income to another municipality from a 100% credit on the full amount of the lower amount based on the City's tax rate or the other municipality's tax rate to a limit of 100% of a maximum of 1.25% of the taxable income earned in, or attributable to, the municipality of employment or business activity in order to protect the fiscal status of the City going forward; and

WHEREAS, pursuant to Charter, Article XIII, Section 2, Council has the authority to submit this proposed amendment to the electorate;

NOW, THEREFORE, Be It Ordained by the Council of the City of Richmond Heights, Cuyahoga County, State of Ohio, that:

Section 1: There shall be submitted to a vote of the qualified electors of the City, at the general election to be held on Tuesday, the 8th day of November, 2016, as prescribed by general law, the question of the amendment of the Charter of the City of Richmond Heights at Article XII, Section 2, "Tax Credit", so that, as amended, it shall read in pertinent part as follows:

"ARTICLE XII
LIMITATION ON THE RATE OF TAXATION

* * *

SECTION 2. TAX CREDIT.

Commencing with the tax year beginning January 1, 2017, ~~When~~ when the taxable income of a resident of the City of Richmond Heights is subject to a municipal income tax in another municipality on the same income taxable under the ordinances of the City of Richmond Heights, such resident shall be allowed a credit of the amount of income tax paid on such taxable income to such other municipality, equal to 100 percent of the amount obtained by multiplying the lower of the tax rate of such other municipality or of the City of Richmond Heights by the taxable income earned in or attributable to the municipality of employment or business activity, but in no event shall such credit be applied to a rate in excess of one and one quarter percent (1.25%) of the taxable income earned or attributable to the municipality of employment or business activity. For the purposes of

this section, taxable income shall include the distributive share of net profits of a resident partner or owner of an unincorporated business entity.

The 100 percent tax credit provided for herein shall not be reduced unless any such proposed reduction receives an affirmative majority vote from the voters at an election called for such purpose.”

Section 2: The Board of Elections of Cuyahoga County be, and it is hereby, directed to provide for the voting upon said Amendment and the ballots for said election shall, at the top thereof, be entitled “Proposed Charter Amendment City of Richmond Heights”, and the question to be submitted on said ballot shall be substantially in the following words:

“Shall Article XII, Section 2, of the Richmond Heights Charter be amended to establish a credit limit on City of Richmond Heights income taxes paid by a City of Richmond Heights resident who pays income taxes to another municipality so as to provide for a credit limit of 100% of up to 1.25% of the total taxable income earned or attributable to another municipality of employment or business activity?”

Section 3: The Clerk of Council is directed to give notice of the above proposed Charter Amendment to the electors of the City in accordance with general law, and as soon as possible to certify a copy of this Ordinance to the Board of Elections of Cuyahoga County, Ohio, as provided by law.

Section 4: The Director of Finance is authorized and directed to appropriate from the general fund a sum sufficient to pay the cost of publishing said notice referred to in Section 3.

Section 5: It is found and determined that all formal actions of this Council concerning and relating to the adoption of this Ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

Section 6: This Ordinance is declared to be an emergency measure immediately necessary for the preservation of the public peace, health, safety and welfare of the City of Richmond Heights for the reason that it is necessary to timely submit the proposed Charter Amendment to the Board of Elections for placement upon the ballot for the general election to be held on November 8, 2016, in compliance with the Ohio Constitution and the City Charter, and, therefore, provided it receives the affirmative vote of at least five (5) members of Council, it shall take effect and be in force immediately upon its passage and approval by the Mayor.

PASSED: _____

David H. Roche, Mayor

APPROVED: _____

ATTEST: _____

Betsy Traben

Eloise Cotton-Henry
President of Council