

TEMPORARY RESOLUTION NO. 87-19\*

PERMANENT RESOLUTION NO.     -19

A RESOLUTION DECLARING THE NECESSITY OF AN ELECTION ON THE QUESTION OF APPROVING THE PASSAGE OF AN ORDINANCE TO AMEND SECTIONS 183.012, 183.013 AND 183.02 OF THE CODIFIED ORDINANCES OF THE CITY OF LANCASTER, OHIO, IN ORDER TO INCREASE THE CITY INCOME TAX RATE BY FORTY-FIVE HUNDREDTHS OF ONE PERCENT (0.45%) FROM THE CURRENT RATE OF ONE AND SEVENTY-FIVE HUNDREDTHS PERCENT (1.75%) TO A RATE OF TWO AND TWENTY HUNDREDTHS PERCENT (2.20%), BEGINNING JANUARY 1, 2020, TO SPECIFY THE ALLOCATION OF FUNDS FROM SUCH TAX AND DECLARING AN EMERGENCY

WHEREAS, in December, 2018, the Mayor appointed a Financial Advisory Ad Hoc Committee, the members of which had expertise in banking, investment, finance, and business ownership, to review, evaluate and discuss the existing City Budget, including all known or anticipated modifications to expenses and revenues, and to recommend short-term and long-term solutions to the budgetary issues faced by the City; and

WHEREAS, the Ad Hoc Committee delivered its report (dated June 10, 2019) to this Council and determined therein that a structural imbalance exists in the City's budget and that such imbalance could be eliminated through a series of revenue increases or expenditure decreases; and

WHEREAS, based on the information and analysis provided by the Financial Advisory Ad Hoc Committee, and in accordance with the Ohio Revised Code, this Council has determined to propose to the electors of the City that the City's income tax rate be increased by forty-five hundredths of one percent (0.45%) from the current rate of one and seventy-five hundredths percent (1.75%) to a rate of two and twenty hundredths percent (2.20%);

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Lancaster, Fairfield County, Ohio, that:

SECTION 1. This Council hereby authorizes and directs the submission to the electors of the City of Lancaster, Ohio at the general election to be held at the usual places of voting in said City on Tuesday, November 5, 2019, between the hours of 6:30 a.m. to 7:30 p.m. of said day, the question of approving the passage of an ordinance to amend Sections 183.012, 183.013 and 183.02 of the Codified Ordinances of the City of Lancaster, Ohio to increase the City income tax rate by forty-five hundredths of one percent (0.45%) from the current rate of one and seventy-five hundredths percent (1.75%) to a rate of two and twenty hundredths percent (2.20%), beginning on January 1, 2020, and to specify the allocation of funds from such tax, which ordinance is set forth in full in Section 2 hereof.

SECTION 2. The proposed ordinance to be submitted to the electors of the City for their approval hereunder shall be as follows:

TEMPORARY ORDINANCE NO. 11-19\*

PERMANENT ORDINANCE NO.     -19

AN ORDINANCE TO AMEND SECTIONS 183.012, 183.013 AND 183.02 OF THE CODIFIED ORDINANCES OF THE CITY OF LANCASTER, OHIO, IN ORDER TO INCREASE THE CITY INCOME TAX RATE BY FORTY-FIVE HUNDREDTHS OF ONE PERCENT (0.45%) FROM THE CURRENT RATE OF ONE AND SEVENTY-FIVE HUNDREDTHS PERCENT (1.75%) TO A RATE OF TWO AND TWENTY HUNDREDTHS PERCENT (2.20%), BEGINNING JANUARY 1, 2020, AND TO SPECIFY THE ALLOCATION OF FUNDS FROM SUCH TAX, ~~AND TO DECLARE AN EMERGENCY~~

WHEREAS, pursuant to city budget analysis and review, City Council wishes to seek an increase of the City income tax rate by forty-five hundredths of one percent (0.45%) from the current rate of one and seventy-five hundredths percent (1.75%) to a rate of two and twenty hundredths percent (2.20%), beginning on January 1, 2020, on earnings and income subject to the municipal income tax for the purpose of general municipal operations;

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Lancaster, Fairfield County, Ohio, that:

SECTION 1. Section 183.012 of the Codified Ordinances of the City of Lancaster, Ohio, is hereby amended to read as follows:

183.012 PURPOSES OF TAX; RATE.

(A) To provide funds for the purpose of general municipal operations, maintenance, new equipment, extension and enlargement of municipal services and facilities and capital improvements of the City of Lancaster, Ohio, there shall be, and is hereby, levied a tax on salaries, wages, commissions and other compensation, and on net profits as hereinafter provided.

(B) Rate of tax is two and twenty hundredths percent (2.20%) for taxable years that begin on or after January 1, 2020, and the rate of tax is one and seventy-five hundredths percent (1.75%) for taxable years that begin before January 1, 2020.

SECTION 2. Section 183.013 of the Codified Ordinances of the City of Lancaster, Ohio is hereby amended to read as follows:

183.013 ALLOCATION OF FUNDS.

(A) To provide funds for the purposes of operating, maintaining, repairing and providing capital facilities for municipal park and recreational activities and facilities, there shall be and is hereby levied an annual tax, in addition to the tax levied by Section 183.012, and any other section imposing a tax on earnings and income, for the period January 1, 2018 through December 31, 2022 upon those classes of earnings and income set forth in Section 183.012 at the rate of fifteen hundredths of one percent (0.15%).

(B) Of the remaining total imposed tax at the rate of ~~two and five hundredths percent (2.05%)~~, forty-five hundredths of one percent (0.45%) is to provide funds for the purpose of operating, maintaining, repairing and providing capital facilities for the Fire and Police Departments of the City.

(C) Of the remaining total imposed tax at the rate of ~~one and six tenths percent (1.6%)~~, fifteen hundredths of one percent (0.15%) is, effective July 1, 2005, to provide funds for the purpose of providing fire services within the City and acquiring equipment for such services and paying principal and interest on securities issued and public obligations incurred to finance such equipment.

(D) Of the remaining total imposed tax at the rate of one and forty-five hundredths percent (1.45%), for the period beginning January 1, 2020, and continuing thereafter, such tax shall be used for the following purposes and in the respective percentages:

General Fund ~~1.41%~~~~0.6%~~

Parks ~~Improvement Bond Retirement Fund 0.01%~~~~1%~~

Cemetery Fund ~~0.01%~~~~1%~~

City Capital Improvement ~~Law Enforcement Building Fund 0.02%~~~~2%~~

SECTION 3. Section 183.02 of the Codified Ordinances of the City of Lancaster, Ohio is hereby amended to read as follows:

183.02 EFFECTIVE DATE.

(A) ~~Permanent Temporary~~ Ordinance No. 3-18, effective January 1, 2018, and corresponding changes to ORC 718, apply to municipal taxable years beginning on or after January 1, 2018. All provisions of this Chapter 183 apply to taxable years beginning 2018 and succeeding taxable years.

(B) ~~Permanent Temporary~~ Ordinance No. 3-18 does not repeal the existing sections of Chapter 181 for any taxable year prior to 2016, and Chapter 182 for taxable years 2016 and 2017 but rather amends Chapter 181 and 182 effective January 1, 2018. For municipal taxable years beginning before January 1, 2018, the Municipality shall continue to administer, audit, and enforce the income tax of the Municipality under ORC 718 and ordinances and resolutions of the Municipality as those chapters and those ordinances and resolutions existed before January 1, 2018."

(C) Temporary Ordinance No. 11-19\*, effective January 1, 2020, applies to municipal tax years beginning on or after January 1, 2020.

SECTION 4. Effective January 1, 2020, Sections 183.012, 183.013 and 183.02 of the Codified Ordinances of the City of Lancaster, Ohio, as they have heretofore existed, are hereby repealed and Sections 183.012, 183.013 and 183.02 as set forth herein shall become effective. Provided, however, that no provision of this Ordinance, including the repeal of 183.012, 183.013 and 183.02 of the Codified Ordinances of the City of Lancaster, Ohio, as they have heretofore existed, shall in any way affect any rights or obligations of the City, any taxpayer, or any other person, official or entity, with respect to the one and seventy-five hundredths percent municipal income tax authorized by predecessor Sections 183.012, 183.013 and 183.02.

SECTION 5. It is found and determined that all formal actions of this Council concerning and relating to the passage of this Ordinance were adopted in open meetings 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 the law.

SECTION 6. This Ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health and safety of the City and for the further reason that the immediate effectiveness of this Ordinance is necessary to provide funds in order to adequately carry out necessary municipal functions and to meet increasing costs and other financial obligations of the City; wherefore, this Ordinance shall be in full force and effect from and immediately after its passage and approval by the Mayor.

Passed: \_\_\_\_\_ after \_\_\_\_\_ reading. Vote: Yeas \_\_\_\_\_ Nays \_\_\_\_\_

Approved: \_\_\_\_\_

\_\_\_\_\_  
President of Council

Attest: \_\_\_\_\_

\_\_\_\_\_  
Mayor

Requested by Finance Committee

The foregoing is a true and correct copy of Permanent Ordinance \_\_\_\_\_-19 as adopted by the Council of the City of Lancaster, Ohio at its meeting on \_\_\_\_\_, 2019.

Offered by: \_\_\_\_\_

Second by: \_\_\_\_\_

I, Teresa Lee Sandy, Clerk of Council do hereby certify that on \_\_\_\_\_, 2019 and \_\_\_\_\_, 2019 the Lancaster Eagle Gazette published the summary of this Ordinance in accordance with Ohio Revised Code 731.24.

\_\_\_\_\_  
Clerk of Council

SECTION 3. It is the desire of this Council that the ballots presented to the electors of the City of Lancaster shall be substantially in the following form:

A majority affirmative vote is necessary for passage.

Shall Proposed Temporary Ordinance No. 11-19\* of the Lancaster City Council providing for an increase in the City income tax by forty-five hundredths of one percent (0.45%) from the current rate of one and seventy-five hundredths percent (1.75%) to a rate of two and twenty hundredths percent (2.20%), beginning January 1, 2020, with the two and twenty hundredths tax rate apportioned as follows: (i) tax at the rate of fifteen hundredths of one percent (0.15%) used for operating, maintaining, repairing and providing capital facilities for municipal park and recreational activities and facilities, for the period January 1, 2018 through December 31, 2022, (ii) tax at the rate of forty-five hundredths of one percent (0.45%) next used for operating, maintaining, repairing and providing capital facilities for the Fire and Police Departments of the City; (iii) tax at the rate of fifteen hundredths of one percent (0.15%) next used for providing fire services within the City and acquiring equipment for such services and paying principal and interest on securities issued and public obligations incurred to finance such equipment; (iii) tax at the rate of one and forty-five hundredths percent (1.45%) finally used for general municipal operations, be passed?

FOR THE INCOME TAX	
AGAINST THE INCOME TAX	

SECTION 4. The Clerk of this Council shall file a copy of this Resolution with the Board of Elections in Fairfield County, Ohio no later than 4:00 p.m. on August 7, 2019.

SECTION 5. It is found and determined that all formal actions of this Council concerning and relating to the adoption of this Resolution were adopted in open meetings of this Council, and that all deliberations of this Council and of any its committees that resulted in such formal action, were in meetings open to the public, in compliance with the law.

SECTION 6. This Resolution is declared to be an emergency measure necessary for the immediate preservation of the public peace, health and safety of the City and for the further reason that this Resolution is required to be immediately effective in order to place this issue on the ballot at the November 5, 2019 general election; wherefore, this Resolution shall be in full force and effect from and immediately after its adoption and approval by the Mayor.

Passed: \_\_\_\_\_ after \_\_\_\_\_ reading. Vote: Yeas \_\_\_\_\_ Nays \_\_\_\_\_

Approved: \_\_\_\_\_

\_\_\_\_\_  
President of Council

Attest: \_\_\_\_\_

\_\_\_\_\_  
Mayor

Requested by Finance Committee

The foregoing is a true and correct copy of Permanent Resolution \_\_\_\_-19 as adopted by the Council of the City of Lancaster, Ohio at its meeting on \_\_\_\_\_, 2019.

Offered by: \_\_\_\_\_

Second by: \_\_\_\_\_

I, Teresa Lee Sandy, Clerk of Council do hereby certify that on \_\_\_\_\_, 2019 and \_\_\_\_\_, 2019 the Lancaster Eagle Gazette published the summary of this Resolution in accordance with Ohio Revised Code 731.24.

\_\_\_\_\_  
Clerk of Council