

AN ORDINANCE TO SUBMIT TO THE ELECTORS OF THE CITY OF HUDSON THE QUESTION OF AMENDING THE CHARTER AT ARTICLE VI, SECTION 6.02, TO REVISE THE INCOME TAX CREDIT FOR CITY RESIDENTS WHO PAY INCOME TAX TO ANOTHER MUNICIPALITY OR JOINT ECONOMIC DEVELOPMENT DISTRICT; ~~AND DECLARING AN EMERGENCY.~~

WHEREAS, the Mayor and this Council have recommended to place the issue of amending the Charter at Article VI, Section 6.02, before the electorate on May 2, 2017 ~~November 8, 2016~~, in order to revise the income tax credit for City residents who pay tax on income to another municipality or a Joint Economic Development District (“JEDD”) from a 100% credit on the full amount of the lower amount based on the City’s tax rate or the other municipality’s or JEDDs’ tax rate to a 75% credit of the taxable income earned in, or attributable to, the municipality or JEDD of employment or business activity of the taxpayer; and this Council proposes to do so in order to protect the fiscal status of the City and for the purposes of funding the City’s public infrastructure and promoting connectivity between the various areas of the City , along with the funding of road and other capital improvements; and

WHEREAS, current Charter Article VI, Section 6.02, also refers to income taxes paid to a Joint Economic Development Zone and such Zones do not currently exist in Hudson and can no longer be created under State law and, therefore, it is unnecessary to retain the reference to such Zones in the Charter; and

WHEREAS, pursuant to Charter Article XIII, Section 13.01, Council has the authority to submit this proposed amendment to the electorate;

NOW, THEREFORE, Be It Ordained by the Council of the City of Hudson, Summit, 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 ~~8<sup>th</sup>~~ 2<sup>nd</sup> day of ~~November, 2016~~ May, 2017, as prescribed by general law, the question of the amendment of the Charter of the City of Hudson at Article VI, Section 6.02, “Tax Credit”, so that, as amended, it shall read in pertinent part as follows:

“ARTICLE VI  
FINANCES  
\* \* \*

SECTION 6.02. TAX CREDIT.

Commencing with an effective date of July 1, 2017 ~~the tax year beginning January 1, 2017~~, ~~W~~hen the taxable income of a resident of the Municipality is subject to a municipal income tax in another municipality and/or Joint Economic Development District ~~or Joint~~

~~Economic Development Zone~~ on the same income taxable by the Municipality, Council shall make provision for granting the resident a credit of the amount of income tax paid on such taxable income to such other municipality or Joint Economic Development District ~~or Joint Economic Development Zone~~ equal to ~~one hundred~~ **seventy-five** (400 **75**%) percent of the amount obtained by multiplying the lower of the tax rate of such other municipality or Joint Economic Development District ~~or Joint Economic Development Zone~~ or of the Municipality by the taxable income earned in or attributable to the municipality or Joint Economic Development District ~~or Joint Economic Development Zone~~ of employment or business activity. Council may not decrease the amount of such credit without having obtained the approval for such decrease by a majority of the electors of the Municipality voting on the question at a general election.”

Section 2: The Board of Elections of Summit County is directed to provide for the voting upon this amendment and the ballots for the ~~May 2, 2017~~ **November 8, 2016**, election shall, at the top thereof, be entitled “Proposed Charter Amendment City of Hudson”, and the question to be submitted on said ballot shall be substantially in the following words:

“Shall Article VI, Section 6.02, of the Hudson Charter be amended to establish a credit limit on City of Hudson income taxes paid by a City of Hudson resident who pays income taxes to another municipality or Joint Economic Development District, so as to **reduce the credit limit from 100% to provide for a credit limit of 75%** of the total taxable income earned or attributable to another municipality or Joint Economic Development District of employment or business activity **for a term of 10 years?; after which the tax credit limit of 75% will terminate and be replaced by a tax credit limit of 90%, with all funds from this reduction in the credit limit being deposited in a special fund which shall be dedicated to Hudson’s capital improvement projects involving its connectivity and multi-use path development, road programs, and storm water improvement programs?”**

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 Summit County, Ohio, as provided by law.

Section 4: The Finance Director is authorized and directed to appropriate from the General Fund a sum sufficient to pay the cost of publishing the 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 Hudson 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, this Ordinance shall be in full force and effect immediately upon its passage provided it receives the affirmative vote of five (5) members of Council, except that six (6) affirmative votes shall be required if all members are present; otherwise, it~~ shall be in full force and effect from and after the earliest period allowed by law.

PASSED: \_\_\_\_\_

\_\_\_\_\_  
David A. Basil, Mayor

ATTEST:

\_\_\_\_\_  
Elizabeth Slagle, Clerk of Council

I certify that the foregoing Ordinance was duly passed by the Council of said Municipality on \_\_\_\_\_, 2016.

\_\_\_\_\_  
Elizabeth Slagle, Clerk of Council

First Reading: June 21, 2016

Second Reading: July 19, 2016

Third Reading: August 2, 2016