



City of Hudson, Ohio

Staff Report With Text

File #: 16-112 **Version:** 2 **Name:**

Type: Ordinance **Status:** Failed

File created: 4/14/2016 **In control:** City Council

On agenda: 8/16/2016 **Final action:** 8/16/2016

Title: 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.
Executive Summary: This Ordinance is being introduced at Council's request.

Sponsors: David A. Basil

Indexes: General Government

Code sections:

Attachments: 1. Ordinance No. 16-112, 2. Proposed Amended Version (8-16-2016)

Date	Ver.	Action By	Action	Result
8/16/2016	2	City Council	adopted on third reading	Fail
8/9/2016	2	City Council Workshop	item forwarded	
8/2/2016	1	City Council	third reading	
8/2/2016	1	City Council	tabled	Pass
7/19/2016	1	City Council	second reading	
6/21/2016	1	City Council	first reading	

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.~~

Executive Summary: This Ordinance is being introduced at Council's request.

Legislative History

Res. No. 16-58, declaring the intent to place this ballot issue before voters, introduced April 5, 2016; withdrawn June 21, 2016.

Res. No. 14-12, adopting in concept the Connectivity Plan, passed on February 19, 2014.

Purpose & Explanation

In considering implementation and construction of the Connectivity Plan, Council is exploring financing

options, one of which may be a reduction to the City's income tax credit.

During a recent Council session, members requested language for amending this Ordinance, including the following possibilities:

1. Change election date to May 2, 2017.
2. Sunset at 10 years.
3. Sunset a percentage.
4. Tie the revenue to specific capital projects including connectivity, road program and storm water improvements.

Changing the election date would require amending the Ordinance to reflect May 2, 2017, with collections commencing either on July 1, 2017, or with the tax year beginning January 1, 2018.

Changing the Ordinance to establish a sunset and/or tie the revenue to specific capital projects would require amending the proposed ballot language in Section 2. Current language and proposed changes are as follows:

Current proposed ballot language:

"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 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?"

Optional language (showing text changes from 8/9/16 Council workshop) :

1. Ballot language detailing the use of additional funds:

"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 incomes taxes to another municipality or Joint Economic Development District, so as to reduce the credit limit from 100% to 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? Funds from this reduction in the credit limit shall be **set up in a separate fund which shall be dedicated to** ~~used for~~ capital projects involving Hudson's connectivity and multi-use path development, Hudson's road program, and Hudson's storm water improvement program."

2. Ballot language detailing the use of funds and sunseting credit reduction:

"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 incomes taxes to another municipality or Joint Economic Development District, so as to reduce the credit limit from 100% to 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 the tenth year, the tax credit limit will return to 100%. Funds from this reduction in the credit limit shall be **set up in a separate fund which shall be dedicated to** ~~used for~~ capital projects involving Hudson's connectivity and multi-use path development, Hudson's road program, and Hudson's storm water improvement program."

3. **Ballot language detailing the use of funds and sunseting a portion of the credit reduction:**

“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 incomes taxes to another municipality or Joint Economic Development District, so as to reduce the credit limit from 100% to 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 the tenth year, the tax credit limit will be increased to 90%. Funds from this reduction in the credit limit shall be **set up in a separate fund which shall be dedicated to** ~~used for~~ capital projects involving Hudson’s connectivity and multi-use path development, Hudson’s road program, and Hudson’s storm water improvement program.”

Timing Considerations

This Ordinance has received three readings (June 21, July 19, and August 2, 2016).

A certified copy of this Ordinance must be filed with the Summit County Board of Elections no later than 60 days prior to the election (a deadline of September 9 for the November 8, 2016, General Election or March 3 for a May 2, 2017 Special Election), pursuant to requirements for ballot issues concerning municipal Charter amendments.

Submitted by,

Hal DeSaussure, President of Council

Jane Howington, City Manager