

CITY OF OAKWOOD  
STATE OF OHIO  
FEBRUARY 26, 2018

The Council of the city of Oakwood, State of Ohio, met in a regular session at 5:00 p.m. in the council chambers of the city of Oakwood, 30 Park Avenue, Oakwood, Ohio, 45419. Council then met in a work session and an executive session immediately following, in the conference room of the city of Oakwood.

The Mayor, Mr. William Duncan, presided, and the Clerk of Council, Ms. Lori Stacel, recorded. Mayor Duncan opened the meeting by asking all present to participate in the Pledge of Allegiance.

Upon call of the roll, the following members of Council responded to their names:

- MR. WILLIAM D. DUNCAN.....PRESENT
- MR. STEVEN BYINGTON.....PRESENT
- MR. ROBERT P. STEPHENS.....PRESENT
- MRS. ANNE S. HILTON.....PRESENT
- MR. CHRISTOPHER B. EPLEY.....PRESENT

Officers of the city present were the following:

- Mr. Norbert S. Klopsch, City Manager
- Mr. Robert F. Jacques, City Attorney
- Mrs. Cindy Stafford, Finance Director
- Mrs. Jennifer Wilder, Personnel and Properties Director
- Mr. Ethan Kroger, Code Enforcement Officer
- Ms. Linda Merker, Income Tax Administrator
- Ms. Lori Stacel, Clerk of Council

The following visitors registered:

- Brian Barr, *Oakwood Register*

VISITORS – NONE

LEGISLATION

AN ORDINANCE  
 BY VICE MAYOR BYINGTON NO. 4854  
 AN ORDINANCE TO AMEND THE CITY INCOME TAX CODE  
 TO ADOPT SECTIONS 718.80 THROUGH 718.95 OF THE OHIO  
 REVISED CODE AND TO DECLARE AN EMERGENCY.

A copy of the ordinance, having been placed on the desks of each member of Council prior to introduction, was read by title.

Vice Mayor Byington explained that this is an ordinance to update the Oakwood income tax code. It will allow businesses who file net profits tax returns to file directly through the State of Ohio’s Department of Taxation instead of filing with the Oakwood Income Tax Division, which was done for countless years. This change has been mandated by the State of Ohio through House Bill 49, which the City believes is an unconstitutional act that usurps Home Rule and local control of municipal income taxation.

When House Bill 49 was adopted, it included language requiring Ohio municipalities to adopt certain provisions of state law as part of their local income tax ordinances. Those provisions allow businesses that file net profit tax returns to file directly with the State. They also authorize the State to take over local collection and administration of those taxes, and impose reporting requirements on the city to assist this assault on local Home Rule. Municipalities were required to adopt these provisions by January 31, 2018, or risk losing all local taxing authority. Basically, it is governance through retribution.

In November, the city of Oakwood joined a coalition of approximately 160 other Ohio municipalities to file a lawsuit in Franklin County Common Pleas Court challenging House Bill 49. The State agreed to extend the January 31<sup>st</sup> deadline until February 24<sup>th</sup>, pending a ruling on a motion for a preliminary injunction. That ruling was issued last week, and unfortunately the court decided in favor of the State. The City believes that decision was wrong and are planning an appeal, but for now Council must adopt the H.B. 49 provisions or risk losing the taxing authority. In doing so, the City does not concede its right to continue challenging this unconstitutional state law.

The Ohio Constitution allows the General Assembly to limit a city's power to levy taxes, but the City does not believe that authority allows the State to collect and administer a tax levied by the city. That power rests with the city of Oakwood as an exercise of its constitutional Home Rule authority, and the City remains hopeful that the appellate court will vindicate this important local right.

In order to comply with the state-mandated deadline, this ordinance is being introduced as an emergency ordinance and no second reading is required.

Thereupon, it was moved by Vice Mayor Byington and seconded by Mrs. Hilton that the ordinance be passed as an emergency measure, with no second reading required.

Mayor Duncan added that when the City testified against centralized income tax collection, the State indicated that the Ohio Business Gateway was not adequately prepared to handle it. If the State feels that this is such a great opportunity for businesses, they should not have to require cities to adopt this ordinance or threaten cities with the loss to tax whatsoever. This attack on Home Rule continues, and cities no longer have partners in Columbus, but threats to local governments. Cities have fought for Home Rule provisions in the past with success, most recently the speed camera case. Now, because of this loss, state officials are being spiteful. There is currently legislation in Columbus stating that cities cannot charge court costs for people found violating the speed camera law, and if so, the State can deduct dollar-for-dollar those fines directly from the Local Government Fund distribution. Representative Seitz, the person sponsoring this legislation, was quoted during House Bill 5 stating that if the cities do not quit complaining about this, the ability to tax municipalities will be eliminated altogether. Unfortunately, Representative Butler is co-sponsoring. Mayor Duncan feels that Representative Butler should not be working with Representative Seitz because he is not a supporter of local governments.

Upon call of the roll on the question of the motion, the following vote was recorded:

MR. WILLIAM D. DUNCAN.....	YEA
MR. STEVEN BYINGTON .....	YEA
MR. ROBERT P. STEPHENS.....	YEA
MRS. ANNE HILTON .....	YEA
MR. CHRISTOPHER EPLEY.....	YEA

There being five (5) yea votes and no (0) nay votes thereon, said ordinance was declared duly passed and it was so ordered.

The public meeting concluded at 5:07 p.m.



MAYOR

ATTEST:



CLERK OF COUNCIL