



Hamilton County Municipal League
10500 Reading Road
Evendale, Ohio 45241

**RESOLUTION STRONGLY OPPOSING THE PASSAGE OF LEGISLATION
SUBSTITUTE HOUSE BILL 5(SUB. H.B.5) BY THE OHIO GENERAL ASSEMBLY**

WHEREAS, Hamilton County Municipal League’s membership includes all cities and villages in Hamilton County; and

WHEREAS, HCML’s Board of Directors serves as the policy and decision making body through which local governments guide the Region’s Cincinnati Area; and

WHEREAS, many HCML member jurisdictions will be negatively impacted by this proposed legislation (known as Sub. H.B.5), as written, because of language that is detrimental to the financial stability of municipalities, thereby limiting the ability for municipalities to provide basic services to Hamilton County residents and resident businesses alike; and

WHEREAS, Sub. H.B. 5 would also adversely affect Joint Economic Development Districts (JEDD) and Joint Economic Development Zones (JEDZ) to the point where an originally-established tax revenue sharing arrangement between a township and a municipality would not be possible due to the massive reduction in available revenue; and

WHEREAS, the reductions in the Local Government Fund distributions, and the accelerated phase-out of promised reimbursement for the loss of revenue due to the repeal of the Tangible Personal Property Tax, plus the revenue losses with the elimination of Public Utilities taxes and the Estate Tax, resulted in a loss of millions of dollars in revenue for the municipalities represented on HCML’s Board; and

WHEREAS, Sub. H.B.5 includes provisions that require that cities offer businesses a five-year “carry forward” for net operating losses(NOL) which cuts future tax liability tremendously, especially as the businesses benefit from the services provided by the municipality in which their business is located; and

WHEREAS, Sub. H.B.5 changes the law so that a non-resident must work in a city twenty (20) days before an individual's employer must withhold tax for that municipality, with **no** requirement to withhold back to the first day of work, while the current twelve (12) day rule requires withholding back to the first day of work when the twelve (12) day threshold is

exceeded, creating tax-free days for non-residents working within a city while benefiting from the services provided by that city; and

WHEREAS, Sub. H.B.5 introduces a highly-questionable proposition whereby losses incurred by a pass-through entity could be made attributable to an individual's ownership to offset other net profits even if the losses aren't tied to the taxing community; and

WHEREAS, under the umbrella of the Ohio Municipal League (OML), municipalities have drafted an alternative to Sub.H.B.5 that addresses uniformity in a revenue-neutral way that would significantly benefit businesses working in multiple jurisdictions in Ohio, and would not jeopardize the revenues of municipalities; and

WHEREAS, municipalities must fight to protect their single largest revenue source, which provides essential municipal services, promoting a positive quality of life that residents and businesses alike rely upon, and any forced reduction in this revenue will have a negative impact on residents and businesses, creating an environment detrimental to retaining and attracting business in Ohio.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Hamilton County Municipal League located in Hamilton County, Ohio that:

Section 1. The HCML Board does hereby declare its strong opposition to any effort by the Ohio General Assembly to pass legislation that creates a loss of revenue for municipalities or any member jurisdictions.

Section 2. The HCML Board urges Ohio state legislators to reject Sub. H.B.5 and any amendment to pending bills and opposes the introduction of new legislation that proposes to reduce municipal income tax revenue to municipalities in Ohio.

Section 3. The HCML Board urges the Ohio General Assembly to adopt the alternative HB5 language drafted by the OML and municipalities, an alternative that addresses uniformity in a revenue-neutral way and that addresses the multitude of issues that are outlined in this resolution.

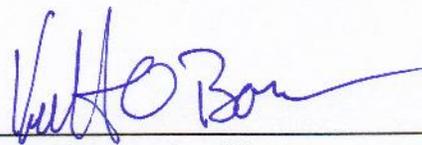
Section 4. The HCML Board urges members of the Ohio House and Senate to engage in constructive dialogue with local officials to gain consensus on correction of the perceived issues of potential revenue-neutral uniformity in the municipal income tax provisions.

Section 5. The HCML Board declares this Resolution to be an emergency measure necessary for the immediate preservation of the public peace, health, safety and welfare and for the Hamilton County Municipalities; therefore, this Resolution shall be in full force and effect immediately upon its adoption by HCML's Board of Directors.

Stiney Vonderhaar

Stiney Vonderhaar
Executive Director
Hamilton County
Municipal League

04/02/2014



Kenneth Born, President
of the Hamilton
County Municipal League