



Legislation Text

File #: R-641-23, Version: 1

Continuation of the $\frac{1}{4}\%$ Income Tax Levy

Providing for an election on the question of the approval of the passage of an ordinance to amend Chapter 1905 of the Toledo Municipal Code to provide for the continuation of the City's existing temporary one-quarter percent ($\frac{1}{4}\%$) municipal income tax for a period commencing January 1, 2025 and ending December 31, 2028, to continue to provide funds to pay costs of improving the City's system of roads, streets and bridges and to continue to provide for all of the proceeds of that tax to be credited to a separate Road Improvements Fund and the net proceeds, after the costs of its administration, enforcement and collection, to be dedicated and applied solely for that purpose; and declaring an emergency.

WHEREAS, Chapter 1905 of the Toledo Municipal Code currently provides for, among other things, the levying of one percent and one-half percent municipal income taxes that are in effect for a continuing period of time (the Continuing Levies); and

WHEREAS, on November 3, 2020, the voters of the City of Toledo approved, and on November 17, 2020 the Council passed, Ordinance 283-20, providing for an additional temporary one-quarter percent ($\frac{1}{4}\%$) municipal income tax, with all net levy proceeds, after its costs of administration, enforcement and collection, dedicated and credited to a separate City Road Improvements Fund and applied solely to pay costs of improving the City's system of roads, streets and bridges, including related debt charges, which tax is in addition to the Continuing Levies and any other income tax levied for a purpose set forth in an ordinance approved by the electors of the City and this Council; and

WHEREAS, that temporary one-quarter percent ($\frac{1}{4}\%$) municipal income tax is scheduled to expire on December 31, 2024; and

WHEREAS, this Council desires and believes it necessary to approve an ordinance to provide for the continuation of the one-quarter percent ($\frac{1}{4}\%$) municipal income tax during a period commencing on January 1, 2025 and ending December 31, 2028 and for maintaining the current provisions with respect to the allocation of the proceeds of that tax; and

WHEREAS, the provisions of Chapter 718 of Ohio Revised Code require that the passage of such an ordinance receive the approval of the electors of the City; NOW, THEREFORE,

Be it resolved by the Council of the City of Toledo:

SECTION 1. That the Council hereby authorizes and directs that there be submitted to the electors of the City of Toledo at an election to be held on March 19, 2024, the question of the approval of the passage of an ordinance to amend Section 1905.011 of the Toledo Municipal Code in order to provide, among other things, (i) for the continuation of the City's existing temporary one-quarter percent ($\frac{1}{4}\%$) municipal income tax for a period commencing January 1, 2025 and ending December 31, 2028, in order to continue to provide funds

necessary to pay costs of improving the City's system of roads, streets and bridges, including related debt charges; (ii) for all of the proceeds of that tax to continue to be credited to a separate Road Improvements Fund and the net proceeds, after costs of its administration, enforcement and collection, to be dedicated and applied solely for that purpose, and (iii) for a prohibition of the transfer or use of any such net proceeds for any other purpose, and which temporary one-quarters percent ($\frac{1}{4}\%$) income tax shall be in addition to the Continuing Levies and any other income tax levied for a purpose set forth in an ordinance approved by the electors of the City and this Council.

SECTION 2. That the proposed ordinance submitted to the electors of the City for their approval pursuant to this resolution shall be as follows:

ORD. 642-23

Amending Section 1905.011 of the Toledo Municipal Code to provide, among other matters, for the continuation of the City's existing temporary one-quarter percent ($\frac{1}{4}\%$) municipal income tax for a period commencing January 1, 2025 and ending December 31, 2028, to continue to provide funds to pay costs of improving the City's system of roads, streets and bridges and to continue to provide for all of the proceeds of that tax to be credited to a separate Road Improvements Fund and dedicated and applied solely for that purpose after provision for the costs of collection, administration and enforcement of the tax.

Be it ordained by the Council of the City of Toledo:

SECTION 1. That Section 1905.011 of the Toledo Municipal Code, as presently written, to wit:

"1905.011 Declaration of Purpose and Levying of an Additional Tax for Improvements to the City's System of Roads, Streets and Bridges and for the Imposition, Crediting, Allocation and Use of the Proceeds of that Tax.

(A) In addition to the income taxes levied pursuant to Section 1905.01, for a period commencing January 1, 2021 and ending December 31, 2024, there shall be and is hereby levied an annual tax at the uniform rate of one-quarter percent ($\frac{1}{4}\%$) per year on the income of every person residing in or earning or receiving income in the Municipality in order to provide funds necessary to pay costs of improving the City's system of roads, streets and bridges, including related debt charges.

(B) That tax shall be imposed on the municipal taxable income of every person who resides in or who earns or receives income in the Municipality measured in the same manner as set forth in Section 1905.03 with respect to the City's municipal income taxes levied pursuant to Section 1905.01; and as provided in Section 1905.01 (C) and (D) shall be levied in accordance with the provisions of Chapter 718 of the Ohio Revised Code, the provisions of which are thereby and hereby incorporated by reference.

(C) Notwithstanding any other provision of this Chapter 1905, all of the funds collected under the provisions of this Section 1905.011 shall be credited to a separate Road Improvements Fund and allocated and used for the following purposes and in the

following order:

(1) Administration. Such part thereof as shall be necessary to defray all costs of collecting, administering and enforcing the provisions of this Chapter 1905, as the same would relate to the income tax levied pursuant to this Section, shall be appropriated by Council to the Income Tax Division.

(2) Allocation of Net Proceeds. The balance of funds resulting from that income tax, being the net proceeds thereof, shall be available for appropriation, as deemed necessary by the Council of the Municipality, solely to pay costs of improving the City's system of roads, streets and bridges, including related debt charges, that are costs of capital improvements as defined in Section 1905.14(E).

From those net proceeds of that income tax, there shall be appropriated each year into a debt service fund or funds such sum or sums as may be determined by Council to be required to meet principal and interest charges on indebtedness for capital improvements to the City's system of roads, streets and bridges.

The transfer or use of any such net proceeds for any other purpose is prohibited.”

be and is hereby amended to read as follows:

"1905.011 Declaration of Purpose and Levying of Tax for Improvements to the City's System of Roads, Streets and Bridges and for the Imposition, Crediting, Allocation and Use of the Proceeds of that Tax.

(A) In addition to the income taxes levied pursuant to Section 1905.01, for a period commencing January 1, 2025 and ending December 31, 2028, there shall be and is hereby levied an annual tax at the uniform rate of one-quarter percent ($\frac{1}{4}\%$) per year on the income of every person residing in or earning or receiving income in the Municipality in order to provide funds necessary to pay costs of improving the City's system of roads, streets and bridges, including related debt charges.

(B) That tax shall be imposed on the municipal taxable income of every person who resides in or who earns or receives income in the Municipality measured in the same manner as set forth in Section 1905.03 with respect to the City's municipal income taxes levied pursuant to Section 1905.01; and as provided in Section 1905.01 (C) and (D) shall be levied in accordance with the provisions of Chapter 718 of the Ohio Revised Code, the provisions of which are thereby and hereby incorporated by reference.

(C) Notwithstanding any other provision of this Chapter 1905, all of the funds collected under the provisions of this Section 1905.011 shall be credited to a separate Road Improvements Fund and allocated and used for the following purposes and in the following order:

(1) Administration. Such part thereof as shall be necessary to defray all costs of collecting, administering and enforcing the provisions of this Chapter 1905, as the same

would relate to the income tax levied pursuant to this Section, shall be appropriated by Council to the Income Tax Division.

(2) Allocation of Net Proceeds. The balance of funds resulting from that income tax, being the net proceeds thereof, shall be available for appropriation, as deemed necessary by the Council of the Municipality, solely to pay costs of improving the City's system of roads, streets and bridges, including related debt charges, that are costs of capital improvements as defined in Section 1905.14(E).

From those net proceeds of that income tax, there shall be appropriated each year into a debt service fund or funds such sum or sums as may be determined by Council to be required to meet principal and interest charges on indebtedness for capital improvements to the City's system of roads, streets and bridges.

The transfer or use of any such net proceeds for any other purpose is prohibited.”

SECTION 2. That a Road Improvements Fund has been previously established for the receipt and expenditure of income taxes levied under Toledo Municipal Code Section 1905.011, with such levy proceeds, after provision of the costs of collection, administration and enforcement related to the same, to be authorized for expenditure solely for the purpose of improving the City's system of roads, streets and bridges as provided in Section 1905.011.

SECTION 3. That effective January 1, 2025, Section 1905.011 of the Toledo Municipal Code, as has heretofore existed, be and the same is hereby repealed. Provided, however, that no provision of this Ordinance, including the repeal of Sections 1905.011 of the Toledo Municipal Code, as has 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 .25% municipal income tax levied and imposed by Section 1905.011 of the Toledo Municipal Code, as it has heretofore existed and shall remain in effect until January 1, 2025.

SECTION 4. That this Council finds and determines that all formal actions of this Council and of any of its committees concerning and relating to the passage of this Ordinance were taken, and all deliberations of this Council and of any of its committees that resulted in such formal action were held, in meetings open to the public in compliance with the law, including as applicable Section 121.22 of the Ohio Revised Code and Am. Sub. H.B. 197.

SECTION 5. That this Ordinance shall be in full force and effect from and after January 1, 2025.”

SECTION 3. That it is the desire and request of this Council that the ballot language presented to the electors of the City for said question shall be substantially in the following form:

A Majority Affirmative Vote is Necessary for Passage.

Shall the ordinance (Ordinance No. 642-23) providing for a continuation of the City's existing temporary one-quarter percent (¼%) levy on income for the period commencing on January 1, 2025 and ending December 31, 2028, for the proceeds of that levy to continue to be used to provide funds necessary to pay costs of improving the City's system of roads, streets and bridges, including related debt charges, and for all of net

proceeds of that tax to continue to be credited to a separate Road Improvements Fund to be dedicated and applied solely for that purpose, and for the transfer or use of any such net proceeds for any other purpose to be prohibited, which tax shall continue to be in addition to all of the City's other levies on income, be passed?

_____ For the Income Tax

_____ Against the Income Tax

SECTION 4. That the Clerk of Council be and is hereby authorized and directed to file a certified copy of this Resolution with the Board of Elections of Lucas County, Ohio, before 4 p.m. on December 20, 2023.

SECTION 5. That this Council finds and determines that all formal actions of this Council and of any of its committees concerning and relating to the adoption of this Resolution were taken, and that all deliberations of this Council and of any of its committees that resulted in those formal actions were held, in meetings open to the public, in compliance with the law, including as applicable Section 121.22 of the Ohio Revised Code and Am. Sub. H.B. 197.

SECTION 6. That this Resolution is declared to be an emergency measure and shall be in force and effect from and after its adoption. The reason for the emergency lies in the fact that same is necessary for the immediate preservation of the public peace, health, safety, and property and for the further reason that this Resolution must be immediately effective in order to comply with the statutory deadline for submission of the question to the electors at an election on March 19, 2024.

Vote on emergency clause: yeas 10, nays 0.

Adopted: December 5, 2023, as an emergency measure: yeas 10, nays 0.

Attest:

Gerald E. Dendinger
Clerk of Council

Matt Cherry
President of Council

Approved:

December 5, 2023
Wade Kapszukiewicz
Mayor