

ORDINANCE NO. 222-17

BY: **BRIAN BROCHETTI, DEBORAH LIME**
(By Request – Treasurer)

AN ORDINANCE TO AUTHORIZE THE LAW DIRECTOR TO JOIN A COALITION OF MUNICIPALITIES RETAINING SPECIAL COUNSEL FOR PURPOSES OF INITIATING LITIGATION TO CHALLENGE THE CONSTITUTIONALITY OF AMENDMENTS TO CHAPTER 718 OF THE OHIO REVISED CODE RELATING TO MUNICIPAL INCOME TAX, AND DECLARING AN EMERGENCY

WHEREAS, the City of Parma recognizes, as a home rule power of local self-government, that municipal income tax administration and collection is vital to the health, safety and welfare of the municipality; and

WHEREAS, the City of Parma relies on the revenue from effective municipal income tax administration and collection to provide the services that maintain the health, safety and welfare of the municipality; and

WHEREAS, the Ohio General Assembly has attempted to assert control over the administration and collection of municipal income taxes by claiming that a municipality has no authority to impose an income tax unless it adopts a code in strict compliance with R.C. Chapter 718; and

WHEREAS, the established law of Ohio is clear that any such preemption of municipal income tax codes by the State of Ohio violates the Ohio Constitution and home rule provisions that allow a municipal corporation the right to administer and enforce its own municipal income tax; and

WHEREAS, more specifically, the State of Ohio has enacted HB 5 in 2014 comprehensively rewriting the entire municipal income tax law and HB 49 in 2017 authorizing centralized collection by the State of Ohio of municipalities' net profits taxes; and

WHEREAS, the City of Parma desires to assert its home rule authority to control the administration and collection of the municipal income tax, in order to provide for the health, safety and welfare of the municipality; and

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PARMA, STATE OF OHIO:

Section 1: The Law Director is authorized to join a coalition of municipalities being formed for the purpose of initiating litigation to challenge the constitutionality of amendments to Chapter 718 of the Ohio Revised Code contained in H.B. 5 and H.B. 49, and retain the law firm of Frost Brown Todd LLC as special counsel for the coalition of municipalities.

Section 2: That funds for said retention of special legal counsel shall be paid from Fund No. 001-041-62110-22217 – Professional Services.

Section 3: That this Ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public health, safety and welfare of the City of Parma, and for the further reason that this measure is necessary due to the emergency arising from the need for immediate judicial proceedings given that the effective date of Am. Sub. HB 49 is January 1, 2018, and this Ordinance shall become immediately effective upon receiving the affirmative vote of two-thirds of all members elected to Council and approval of the Mayor, otherwise from and after the earliest period allowed by law.

PASSED: _____ PRESIDENT OF COUNCIL

ATTEST: _____ APPROVED: _____
CLERK OF COUNCIL

FILED WITH
THE MAYOR: _____ MAYOR, CITY OF PARMA, OHIO