

ORDINANCE NO. 64-16

BY: **KRISTIN L. SABAN**

AN ORDINANCE TO ENACT CHAPTER 191
ENTITLED "WAGE ENFORCEMENT" OF TITLE
NINE "TAXATION AND FEES" OF THE
CODIFIED ORDINANCES OF THE CITY OF
PARMA, AND DECLARING AN EMERGENCY

WHEREAS, the City has an interest in ensuring that workers within its corporation limits, particularly individuals working on City-supported projects, are paid in compliance with all federal, state, and local laws; and

WHEREAS, a study by the National Employment Law Project found that some amount of pay is illegally withheld, routinely, from paychecks over sixty percent of low-wage workers in major cities across the United State; and

WHEREAS, the Ohio Attorney General's Office has estimated that more than 90,000 Ohio workers were illegally misclassified as independent contractors rather than their real legal status as full employees, resulting in a cost to the state of Ohio and local governments of hundreds of millions of dollars in lost unemployment compensation, workers' compensation premiums, and state and local income taxes; and

WHEREAS, when employers commit this type of wage theft or payroll fraud, their illegal activity costs the City income tax revenue, negatively impacting the City's ability to pay for basic services; and

WHEREAS, it is necessary to clarify the City's interest in protecting workers from wage theft and payroll fraud in contracts from wage theft and payroll fraud in which the City enters; and

WHEREAS, payroll fraud refers to when a business conceals its true tax or other financial liability to a government agency, most commonly by misclassifying employees or paying for business transactions in cash or its equivalent without keeping appropriate records; and

WHEREAS, wage theft means not properly paying workers for all work performed, most commonly by paying less than minimum wage, not paying for all hours works, failing to pay prevailing wage, or failing to pay overtime, in violation of local, state, or federal law; and

WHEREAS, Council also desires that the City take all possible actions to recover any incentives that were offered to parties doing business with the City as a market participant if those parties, or their contractors or subcontractors, are found to have committed wage theft or payroll fraud; and

WHEREAS, Council deems it appropriate to clarify by ordinance that commission of wage theft or payroll fraud may be grounds for debarment from future contractors with the City;

Section 1. That there is hereby enacted Chapter 191 entitled "Wage Enforcement" of Title Nine "Taxation and Fees" of the Codified Ordinances of the City of Parma to read as the attached Exhibit "A."

Section 2. That the purpose of enacting Chapter 191 of the Parma Codified Ordinances is to assure that City incentives support development that complies with State and Federal wage and payroll laws.

Section 3. That it is found and determined that all formal actions of this Council concerning and relating to the adoption of this Ordinance were adopted in an open meeting of this Council; and that all deliberations of the Council and any of its committees that resulted in such formal action were in meetings open to the public in compliance with all legal requirements.

Section 4. 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 wage theft and payroll fraud cost the City income tax revenue, negatively impacting the City's ability to pay for basic services, 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

