

CITY MANAGER REPORT

Thomas W. Moeller

February 10, 2020

GUESTS AND REGISTERED VISITORS

- Mayor Spencer will issue a proclamation for Congenital Heart Defect Week.

CORRESPONDENCE

- None has been received for this meeting

COMMITTEE AND OFFICIAL REPORTS

- Board of Zoning Appeals

February 3, 2020

ORDINANCES AND RESOLUTIONS

- **Ord. No. 20-02.** Amending Section 97.08 Credit for Tax Paid to another Municipality or Joint Economic Development District. **FIRST READING.** Per the recommendation of the Budget and Finance Committee and discussion by City Council at the January 27, 2020 Council Meeting, this legislation is being placed on the agenda for its First Reading. As currently drafted, it provides for an adjustment in the Earnings Tax Credit for taxes paid to another municipality from .9% to .6%. As reported by the Budget and Finance Committee, this reduction in the tax credit will result in an increase in earnings tax revenue of approximately \$570,000/year. The effect of this amendment to the tax code is represented in the table below as it relates to residents who are paying an earnings tax to the municipality where they work. *The credit reduction does not affect residents who do not pay an earnings tax to another municipality (therefore, paying the full 1% to Madeira) or who those residents who work in Madeira:*

Earnings/Annual	Residents Currently Paying Full Earnings Tax @1% (No Change)	Earnings Taxes Paid @ .9% Credit (Current)	Earnings Taxes Paid @ .6% Credit (Proposed)
\$50,000	\$500/Yr.	\$50/Yr.	\$200/Yr.
\$75,000	\$750/Yr.	\$75/Yr.	\$300/Yr.
\$100,000	\$1,000/Yr.	\$100/Yr.	\$400/Yr.

- **Ord. No. 20-03.** To Levy a Permissive Motor Vehicle License Tax Pursuant to Ohio Revised Code Section 4504.173. **FIRST READING.** Per the recommendation of the Budget and Finance Committee and discussion by City Council at the January 27, 2020 Council Meeting, this legislation is being placed on the agenda for its First Reading. The

ORDINANCE NO. 20-02

**AMENDING SECTION 97.08 CREDIT FOR TAX PAID TO ANOTHER
MUNICIPALITY OR JOINT ECONOMIC DEVELOPMENT DISTRICT**

WHEREAS, the City of Madeira's budget has experienced significant pressures due to substantial losses of revenue from the State of Ohio; and

WHEREAS, the residents of Madeira have enjoyed excellent services at a very reasonable cost to the residents and taxpayers over the years; and

WHEREAS, Madeira is primarily a residential community with a residential tax base that does not generate sufficient tax revenue through present tax rates to provide both basic services and meeting the capital improvement and maintenance needs the residents have come to expect; and

WHEREAS, the Council of the City of Madeira recognizes several factors which need to be addressed, such as a declining general fund revenue reserve balance, lack of funding for capital improvements and repair projects and continued unfunded mandates from the State and Federal Government; and

WHEREAS, the Council of the City of Madeira has spent many hours evaluating the budget and implementing cost reductions without impacting the quality or level of service; and

WHEREAS, Council of the City of Madeira has identified the need to change the credit for tax paid by the residents of the City of Madeira; and

WHEREAS, public hearings and notices have been provided and all interested parties have had an opportunity to be heard.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Madeira, State of Ohio:

Section 1. Section 97.08 Credit for Tax Paid to Another Municipality or Joint Economic Development District, the text is hereby amended and shall read as follows:

§ 97.081 A. Resident Individual

- (1) An individual taxpayer who resides in the municipality, and earns qualifying wages for work done or services performed or rendered in any municipal corporation, shall be allowed a credit not to exceed .60 of one percent in the amount of municipal income tax paid by or on behalf of that individual if it is demonstrated that a municipal income tax has been so paid. Such credit shall be allowed only to the

- extent of the tax assessed by this chapter.
- (2) An individual taxpayer who resides in the municipality, and receives or wins prizes, awards, sweepstakes, and other income associated with any lottery winnings, gambling and sports winnings, or other similar games of chance in any municipal corporation shall be allowed a credit not to exceed .60 of one percent in the amount of municipal income tax paid by or on behalf of that individual if it is demonstrated that a municipal income tax has been so paid. Such credit shall be allowed only to the extent of the tax assessed by this chapter.
 - (3) A resident individual with income from an ownership interest in one or more pass-through entities, activities of a sole proprietor, or rental activities, after the deduction of distributable losses from other pass-through entities or business activities not utilized as a net operating loss carry-forward in any municipal taxing jurisdiction after January 1, 2018, shall be allowed a credit not to exceed .60 of one percent in a non-refundable credit for the amount so paid by or on behalf of the resident individual in such other municipal corporation only to the extent of the tax assessed by this chapter.
 - (4) The credit for tax paid by a resident individual for salaries or wages earned in a non-resident municipal corporation is limited to .60 of one percent of the tax that is paid after all allowable 2106 expenses have been deducted and shall not exceed the tax established by this chapter.
 - (5) No credit shall be given to a resident individual for any county or school district income tax.

Section 2. That the Council of the City of Madeira have conducted public hearings and provided all notices and all interested parties have had an opportunity to be heard.

Section 3. That this Ordinance shall take effect and be in force on January 1, 2021.

This Ordinance is subject to referendum per Article XII, Section 3 of the Madeira Home Rule Charter.

ORDINANCE NO. 20-03

TO LEVY A PERMISSIVE MOTOR VEHICLE LICENSE TAX PURSUANT TO
OHIO REVISED CODE SECTION 4504.173.

WHEREAS, The City of Madeira has the authority per the Ohio State Legislature and the State of Ohio's 2019 Gasoline Tax increase to approve an additional Five (\$5.00) Dollar per motor vehicle license fee, and

WHEREAS, as this fee must be expended on road maintenance and repairs within the City of Madeira, and

WHEREAS, the District Two Integrating Committee of the Ohio Publics Works Commission requires, in order for a municipality to receive the maximum amount of points for any State Capital Improvement Program funding application, the local jurisdiction is to have approved the additional Five (\$5.00) Dollar motor vehicle license fee, and

WHEREAS, The Council of the City of Madeira recognizes and acknowledges the value of receiving additional funding to be expended on the City's streets as road maintenance is a high priority for retaining and improving the City's infrastructure.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Madeira, State of Ohio:

Section 1. There is hereby levied an annual license tax upon the operation of motor vehicles on the public roads and highways of the City of Madeira, Ohio, pursuant to Section 4504.173 of the Ohio Revised Code, for the purposes of planning, constructing, improving, maintaining, and repairing public roads, highways, and streets, and to provide additional revenue for the purposes authorized by Section 4504.173(A)(2) of the Ohio Revised Code, and to supplement revenues already available for such purpose.

Section 2. The license tax referenced above in Section I shall be at the rate of Five Dollars (\$5.00) per motor vehicle per year, on each and every motor vehicle the district of registration of which as defined in Section 4503.10 of the Ohio Revised Code, is in the City of Madeira, Ohio, subject to reductions in the manner provided in Section 4503.11 of the Ohio Revised Code and subject to exemptions provided in Sections 4503.16, 4503.17, 4503.172, 4503.173, 4503.18, 4503.41, 4503.41, 4503.46 and 4503.571 of the Ohio Revised Code.

Section 3. As used in this ordinance the term "motor vehicle" shall include all vehicles so defined in Sections 4505.01 of the Ohio Revised Code.

Section 4. The annual tax imposed by this ordinance shall apply to and be in effect for the registration year commencing January 1, 2021, and shall continue in effect and application during each registration year thereafter.

Section 5. The annual tax imposed by this ordinance shall be paid to the Registrar of Motor Vehicles of the State of Ohio, or to Deputy Registrar, at the time application for registration of a motor vehicle is made as provided in Section 4503.01 of the Ohio Revised Code.

Section 6. All revenues derived from the annual tax levied herein shall be used by the city of Madeira for the purposes specified in this ordinance, or any other purpose authorized by state law.

Section 7. That this Ordinance shall take effect and be in force on January 1, 2021.

This Ordinance is subject to referendum per Article XII, Section 3 of the Madeira Home Rule Charter.