

ORDINANCE NO.: 2016-29
INTRODUCED BY: MAYOR & COUNCIL

3931

**AN ORDINANCE
AMENDING EXISTING SECTIONS 124.01(A) AND (B) AND 124.04(A)
OF THE CODIFIED ORDINANCES OF THE VILLAGE OF CHAGRIN
FALLS IN ORDER TO INCREASE THE INCOME TAX RATE FROM
1.5% TO 1.85%, BEGINNING JANUARY 1, 2017, WITH THE INCREASE
TO BE ALLOCATED SOLELY TO THE PERMANENT IMPROVEMENT
FUND AND DECLARING AN EMERGENCY.**

WHEREAS, the Village has made every effort to reduce cost and has proposed further cost cutting, but as a result of State actions that have depleted the Village of inheritance tax revenue and a portion of the local government tax the Village is currently without the resources to maintain infrastructure; and

WHEREAS, the Council believes that a proposed income tax is a reasonable way to raise the funds required to finance vital capital replacement and maintenance projects for the Road and Infrastructure Improvements and during budget reviews the Council has specifically identified individual projects for which the additional income tax increase would be allocated; and

WHEREAS, the Village currently imposes a municipal income tax at the rate of one and one-half percent (1.5%) which is lower than most communities in the Chagrin Valley area; and

WHEREAS, this Council finds that it is necessary to increase the income tax rate from one and one-half percent (1.5%) to one and eighty-five hundredths percent (1.85%), and the increase of thirty-five one-hundredths percent (0.35%) in the income tax rate shall be allocated solely to the Permanent Improvement Fund; and

WHEREAS, the proposed increase, if approved by the electors, would provide the Village additional resources for permanent improvements.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE VILLAGE OF CHAGRIN FALLS, CUYAHOGA COUNTY, STATE OF OHIO, THAT:

SECTION 1. Existing Section 124.01(A) Authority to Levy Tax: Purpose of Tax, of the Codified Ordinances of the Village of Chagrin Falls, Ohio, is hereby amended to read as follows:

“124.01 AUTHORITY TO LEVY TAX; PURPOSE OF TAX.

(A) For the purpose of providing funds for general Municipal functions of the Municipality there is hereby levied an annual municipal income tax on income, qualifying wages, commissions and other compensation, and on net profits as hereinafter provided. ~~On or after January 1, 1986, all moneys received by the Municipality from such income tax shall be allocated on the basis of eighty-five percent (85%) for general operating purposes, zero percent (0%) for the Permanent Improvement Fund and debt retirement, and fifteen percent (15%) for the Street Construction Maintenance and Repair Fund.~~ **On or after January 1, 2017, all moneys received by the Municipality from the additional thirty-five hundredths percent (0.35%) increase shall be allocated solely to the Permanent Improvement Fund and the monies received from the**

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existing one and one-half percent (1.5%) tax rate shall be allocated into the General Fund.

Existing Section 124.01(A), the full text of which follows is hereby repealed:

“(A) For the purpose of providing funds for general Municipal functions of the Municipality there is hereby levied an annual municipal income tax on income, qualifying wages, commissions and other compensation, and on net profits as hereinafter provided. On or after January 1, 1986, all moneys received by the Municipality from such income tax shall be allocated on the basis of eighty-five percent (85%) for general operating purposes, zero percent (0%) for the Permanent Improvement Fund and debt retirement, and fifteen percent (15%) for the Street Construction Maintenance and Repair Fund.”

SECTION 2. Existing Section 124.01(B)(1) is hereby amended in its entirety to read as follows:

“(B) (1) Effective January 1, 2017, the annual tax is levied at a rate of one and eighty-five hundredths percent (1.85%). The tax is levied at a uniform rate on all persons residing in or earning or receiving income in the Municipality. The tax is levied on income, qualifying wages, commissions and other compensation, and on net profits as hereinafter provided in Section 124.03 of this Chapter and other sections as they may apply.”

Existing Section 124.01(B)(1), the full text of which follows is hereby repealed:

“(B) (1) The annual tax is levied at a rate of one and one-half percent (1.5%). The tax is levied at a uniform rate on all persons residing in or earning or receiving income in the Municipality. The tax is levied on income, qualifying wages, commissions and other compensation, and on net profits as hereinafter provided in Section 124.03 of this Chapter and other sections as they may apply.”

SECTION 3. Existing Section 124.04(A), is hereby amended in its entirety to read as follows:

“(A) Effective January 1, 2017, each employer, agent of an employer, or other payer located or doing business in the Municipality shall withhold an income tax from the qualifying wages earned and/or received by each employee in the Municipality. Except for qualifying wages for which withholding is not required under Section 124.03 or division (B)(4) or (6) of this section, the tax shall be withheld at the rate, specified in Section 124.01 of this Chapter, of one and eighty-five hundredths percent (1.85%). An employer, agent of an employer, or other payer shall deduct and withhold the tax from qualifying wages on the date that the employer, agent, or other payer directly, indirectly, or constructively pays the qualifying wages to, or credits the qualifying wages to the benefit of, the employee.”

Existing Section 124.04(A), the full text of which follows is hereby repealed:

“(A) Each employer, agent of an employer, or other payer located or doing business in the Municipality shall withhold an income tax from the qualifying wages earned and/or received by each employee in the Municipality. Except for qualifying wages for which withholding is not

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required under Section 124.03 or division (B)(4) or (6) of this section, the tax shall be withheld at the rate, specified in Section 124.01 of this Chapter, of one and one-half percent (1.5%). An employer, agent of an employer, or other payer shall deduct and withhold the tax from qualifying wages on the date that the employer, agent, or other payer directly, indirectly, or constructively pays the qualifying wages to, or credits the qualifying wages to the benefit of, the employee.”

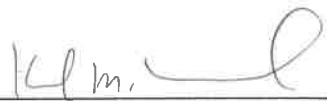
SECTION 4. Effective January 1, 2017, Sections 124.01(A) and (B) and 124.04(A) of the Codified Ordinances of the Village of Chagrin Falls, Ohio, as they have heretofore existed, are hereby repealed; provided, however, that no provision of this Ordinance, including the repeal of existing Sections 124.01(A) and (B) and 124.04(A) of the Codified Ordinances as they have heretofore existed shall in any way affect any rights or obligations of the Village, any taxpayer, or any other person, official or entity, with respect to the one and one-half percent (1.5%) municipal income tax authorized by Sections 124.01(A) and (B) and 124.04(A) of the Codified Ordinances as they have heretofore existed and shall remain in effect until January 1, 2017.

SECTION 5. That actions of this Council concerning and relating to the passage of this legislation were adopted in lawful meetings of this Council and that all deliberations of this Council and of any of its committees that resulted in such formal action were in compliance with all legal requirements, including Chapter 114 of the Codified Ordinances of the Village of Chagrin Falls.

SECTION 6. That in accordance with Section 113.01 of the Codified Ordinances of the Village of Chagrin Falls, public notice of this Ordinance shall be given by posting a copy thereof for not less than fifteen (15) days in the Village Hall.

SECTION 7. That this Ordinance is declared to be an emergency measure necessary for the immediate preservation of the public peace, property, health and safety of the inhabitants of the Village and for the further reason that this Ordinance must be immediately effective in order to enable the timely collection of the Village’s income tax at the increase provided for in this Ordinance commencing January 1, 2017, thereby to pay for needed design, construction, improvement, repair, maintenance, and replacement of the Road and Infrastructure Improvements and thereby protect the health and safety and welfare of the inhabitants of the Village; wherefore provided it receives the affirmative vote of at least two-thirds (2/3) of all members elected to Council, this Ordinance shall be in full force and effect from and immediately upon its passage by this Council and approval by the Mayor, and provided that it receives a majority vote of the electors voting thereon at an election to be called on this Ordinance after which this Ordinance shall take effect and be in force from and after January 1, 2017.

PASSED: August 8, 2016



Council President

Submitted to the Mayor for
his approval on this
9th day of August, 2016

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Approved by the Mayor

Aug 9, 2016

William A. J. [Signature]
Mayor

I hereby certify that Ordinance No. 2016-29 was duly enacted on the 8th day of August, 2016, by the Council of the Village of Chagrin Falls and posted in accordance with Section 113.01 of the Codified Ordinances of the Village of Chagrin Falls.

[Signature]
Clerk of Council