

ORDINANCE NO. F-06

AN ORDINANCE TO AMEND SECTIONS 181.02, 181.03 AND 181.09 OF THE CODIFIED ORDINANCES OF THE CITY OF ORRVILLE, OHIO, IN ORDER TO PROVIDE FOR AN ADDITIONAL ONE-QUARTER PERCENT INCOME TAX, BY INCREASING THE INCOME TAX RATE FROM ONE PERCENT TO ONE AND ONE-QUARTER PERCENT BEGINNING JANUARY 1, 2007, FOR THE PURPOSE OF PROVIDING FUNDS FOR CAPITAL IMPROVEMENTS FOR THE CITY, INCLUDING THE PAYMENT OF DEBT SERVICE ON BONDS, NOTES, LOANS OR OTHER OBLIGATIONS ISSUED OR INCURRED BY THE CITY TO PROVIDE FOR THE PAYMENT OF COSTS OF THOSE CAPITAL IMPROVEMENTS, AND DECLARING AN EMERGENCY.

BE IT ORDAINED by the Council of the City of Orrville, Wayne County, Ohio, that:

Section 1: Effective January 1, 2007, Section 181.02 of the Codified Ordinances of the City of Orrville, Ohio, is hereby amended to read as follows:

“181.02 IMPOSITION OF TAX.

To provide funds for the purpose of general municipal operations, maintenance of equipment, new equipment, extension, enlargement and improvement of Municipal services and facilities and capital improvements of the City, there is levied a tax at the rate of one and one-quarter per cent (of which rate one percent is hereinafter referred to in this chapter as the “Base Tax” and one-quarter percent is hereinafter referred to in this chapter as the “Additional Tax”) upon the following:

(a) On all salaries, wages, commissions and other compensation earned on and after January 1, 2007, by residents of the City;

(b) On lottery winnings, prize money and/or any money obtained by way of games of chance in the amount of \$1,000 or more, received on and after January 1, 2007;

(c) On all salaries, wages, commissions and other compensation earned on and after January 1, 2007, by nonresidents of the City for work done or services performed or rendered in the City;

(d) On the net profits attributable to the City earned on and after January 1, 2007, of all resident unincorporated businesses, professions and other activities derived from work done or services rendered or performed and business or other activities conducted in the City;

(e) On the portion of the distributive share of the net profits earned on and after January 1, 2007, of a resident individual, partner or owner of a resident unincorporated business entity attributable to the City and not levied against such unincorporated business entity;

(f) On the net profits attributable to the City earned on and after January 1, 2007, of all nonresident unincorporated businesses, professions or other activities, derived from work done or services performed or rendered and business or other activities conducted in the City;

(g) On the portion of the distributive share of the net profits earned on and after January 1, 2007, of a resident individual, partner or owner of a nonresident unincorporated business entity not attributable to the City and not levied against such incorporated business entity;

(h) On the net profits earned on and after January 1, 2007 of all corporations derived from work done or services performed or rendered and business or other activities conducted in the City; and

(i) The portion of the net profits attributable to the City of a taxpayer conducting a business, profession or other activity both within and without the boundaries of the City shall be determined as provided in Ohio Revised Code 718.02 and in accordance with the rules and regulations adopted by Council pursuant to this chapter.”

Section 2: Effective January 1, 2007, Section 181.03 of the Codified Ordinances of the City of Orrville, Ohio, is hereby amended to read as follows:

“181.03 EFFECTIVE DATE.

The tax shall be levied, collected and paid with respect to salaries, wages, commissions and other compensation earned on and after January 1, 2007, and with respect to the net profit of businesses, professions and other activities earned on and after January 1, 2007. However, where the fiscal year of the business, profession or other activity differs from the calendar year, the tax shall be applied to that part of the net profit for the fiscal year as is earned on and after January 1, 2007 to the close of the taxpayer’s fiscal year; thereafter the taxpayer shall report on its fiscal year basis.”

Section 3: Effective January 1, 2007, Section 181.09 of the Codified Ordinances of the City of Orrville, Ohio, is hereby amended to read as follows:

“181.09 ALLOCATION OF FUNDS.

The funds collected under the provisions of this chapter shall be deposited in the General Fund and the funds collected beginning January 1, 2007, and each tax year thereafter shall be dispersed in the following order:

(a) Such part thereof as shall be necessary to defray all costs of collecting the taxes and the cost of administering and enforcing the provisions thereof;

(b) All of the net available income tax receipts received annually which are attributable to the Additional Tax shall be set aside and used for capital improvements for the City including, but not limited to, development and construction of storm sewers and street improvements; for public buildings, parks and playgrounds; and for equipment necessary for the police, fire, street, traffic and safety functions, including the payment of debt service on bonds, notes, loans or other obligations issued or incurred by the City to provide for the payment of costs of those capital improvements.

(c) Not more than eighty percent (80%) of the net available income tax receipts received annually which are attributable to the Base Tax may be used to defray operating expenses of the City;

(d) At least twenty percent (20%) of the net available income tax receipts received annually which are attributable to the Base Tax shall be set aside and used for capital improvements for the City including, but not limited to, development and

construction of storm sewers and street improvements; for public buildings, parks and playgrounds; and for equipment necessary for the police, fire, street, traffic and safety functions, including the payment of debt service on bonds, notes, loans or other obligations issued or incurred by the City to provide for the payment of costs of those capital improvements.

(e) The City Council may, from time to time and at its discretion, amend this section to change the allocations set forth in subsections (c) and (d) above with respect to the net available income tax receipts received annually which are attributable to the Base Tax. The City Council may not amend this section to change the allocation set forth in subsection (b) above with respect to the net available income tax receipts received annually which are attributable to the Additional Tax unless any such amendment is first approved by a majority of the electors of the City of Orrville voting thereon.”

Section 4: Effective January 1, 2007, Sections 181.02, 181.03 and 181.09 of the Codified Ordinances of the City of Orrville, Ohio, as they have heretofore existed are hereby repealed. Provided, however, that no provision of this ordinance, including the repeal of Sections 181.02, 181.03 and 181.09 of the Codified Ordinances of the City of Orrville, Ohio, as they have 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 one percent municipal income tax heretofore authorized by Sections 181.02, 181.03 and 181.09 of the Codified Ordinances of the City of Orrville, Ohio.

Section 5: This Council finds and determines that all formal actions of this Council concerning and relating to the passage of this ordinance were taken in an open meeting of this Council and that all deliberations of this Council and of any committees that resulted in those formal actions were in meetings open to the public in compliance with the law.

Section 6: This ordinance is declared to be an emergency measure necessary for the immediate preservation of the public peace, health and safety of the City, and for the further reason that this ordinance is required to be immediately effective in order to provide funds in order to undertake necessary capital improvements; wherefore, this ordinance shall be in full force and effect immediately upon its passage and approval by the Mayor.

Passed this _____ day of _____, 2006.

President of Council

Attest:

Clerk of Council

Approved:

Mayor
