

ORDINANCE NO. 16-46

AN ORDINANCE TO AMEND SECTIONS 192.012, 192.013, 192.014 AND 192.02 OF THE CODIFIED ORDINANCES OF THE CITY OF DELAWARE, OHIO, IN ORDER TO INCREASE THE CITY INCOME TAX BY FIFTEEN ONE-HUNDREDTHS PERCENT (0.15%) FROM THE CURRENT RATE OF ONE AND EIGHTY-FIVE ONE-HUNDREDTHS PERCENT (1.85%) TO A RATE OF TWO PERCENT (2%), BEGINNING JANUARY 1, 2017, FOR THE PURPOSE OF PAYING THE COSTS OF IMPROVING AND MAINTAINING THE TRANSPORTATION SYSTEM IN THE CITY.

WHEREAS, the City continues to grow through residential, commercial and business expansion activity in all areas of the community placing an increasing burden on the existing transportation infrastructure to support the management of daily traffic movements in an effective and efficient manner; and

WHEREAS, the level of traffic and street maintenance operations necessary to adequately maintain the existing transportation network including pavement resurfacing, signage, striping, crash barrier, traffic signals, roadway lighting and all related appurtenances, continues to increase as the amount of infrastructure expands and ages; and

WHEREAS, increasing traffic volumes have exceeded capacity of many of the existing main arterial routes throughout the community necessitating the construction of additional roadway connections to expand the network available for traffic trips, and ease traffic congestion and loading on existing streets; and

WHEREAS, substantial analysis regarding the anticipated cost to maintain and repair highway infrastructure has been developed, reviewed and presented to the public over the past several years, demonstrating the need to increase available revenues dedicated to maintenance of the city's roadway network; and

WHEREAS, the City has developed and adopted a Thoroughfare and Transportation Plan that identifies over fifty priority transportation improvement projects including intersection improvements, existing street reconstruction, and new network connections, all requiring funding above that which is available for such initiatives; and

WHEREAS, without additional funding directed toward the transportation system, congestion and delay on city streets will increase,

impacting daily commuting, commerce and freight transport throughout the community, while the condition of local residential streets will continue to deteriorate affecting ride, safety and neighborhood housing value; and

WHEREAS, maintaining a high quality transportation system is critical to the economic health and welfare of a community in support of its residents, businesses and industry; and

WHEREAS, City Council has actively supported an organized effort presenting the needs of the city's transportation network to the general public through the "Moving Delaware Forward" initiative in order to gauge public response and acceptance of the need to increase revenues available for transportation initiatives; and

WHEREAS, City Council has considered a permanent increase in the local city income tax rate of 0.15% to address transportation needs, raising the total income tax burden from 1.85% to 2.00%; and

WHEREAS, the City shall continue to use existing gasoline tax revenue, license fee revenue, and the currently allocated portion of the general fund 1% income tax revenue to maintain and improve the transportation and parking system, in addition to the funds collected from the Road Improvement Income Tax; and

WHEREAS, a 0.15% increase in income tax in the local city income tax would raise an estimated \$2.1 million per year to be dedicated toward transportation maintenance and expansion projects; and.

WHEREAS, while the City's existing Safe Walks program, in which residents bear responsibility for maintaining existing sidewalks, remains unchanged the increase will allow the City to add or replace sidewalks, signage, lighting, and signalization when it constructs new roads or widens existing roads

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Delaware, Delaware County, Ohio, that:

Section 1. Section 192.012 of the Codified Ordinances of the City of Delaware, Ohio, is hereby amended to read as follows:

192.012 PURPOSES OF TAX

To provide funds for the purposes of paying the costs of providing general Municipal services, including but not limited to providing fire protection, suppression and emergency medical services, recreation facilities, improving and maintaining the transportation and parking system, and capital improvements related thereto, and the payment of securities issued therefor,

there shall be levied a tax on the City taxable income, as hereinafter defined of all businesses, professions or other activities conducted by the residents of the City; on the City taxable income of all businesses, professions or other activities conducted in the City by nonresidents and on the City taxable income of all corporations doing business in the City; and further, requiring the filing of returns and the furnishing of information by employers and all those subject to such tax; and further, imposing on employers the duty of collecting the tax at the source and paying the same to the City; and further, providing for the administration, collection and enforcement of such tax; and further, declaring violation thereof to be a misdemeanor and imposing penalties therefor as hereinafter set forth under this chapter; and further, permitting the adjustment for municipal income taxes paid by individual taxpayers to other municipalities.

Section 2. Section 192.013 of the Codified Ordinances of the City of Delaware, Ohio, is hereby amended to read as follows:

192.013 IMPOSITION OF TAX

192.013 - Imposition of tax.

- (a) Subject to the provisions of Section 192.081, an annual tax for the purposes specified in Section 192.012, shall be imposed on or after January 1, 2017 at the rate of two percent (2.00%) per annum for the period beginning January 1, 2017, and ending on December 31 in the calendar year in which all securities issued for the purpose set forth in Section 192.014(b) are retired, and thereafter at the rate of one and eighty five hundredths of a percent (1.85%), upon the following:
- (1) Resident individuals. On Delaware taxable income of residents during the effective period of this chapter.
 - (2) Nonresident individuals. On Delaware taxable income of nonresidents for work done or services performed in the City, during the effective period of this chapter.
 - (3) Resident business. On Delaware taxable income attributable to the City during the effective period of this chapter of all resident corporations, associations, unincorporated businesses, professions or other entities, as derived from the sales made, work done or services performed or rendered, or business or other activities conducted in the City.
 - (4) Nonresident business.
 - A. On Delaware taxable income attributable to the City during the effective period of this chapter, of all nonresident corporations, associations, unincorporated businesses, professions or other entities, as derived from sales made, work done or services performed or rendered or business or other activities conducted in the City, whether or not such association or unincorporated entity has an office or has a place of business in the City.

- B. On a resident partner's or owner's share of Delaware taxable income derived during the effective period of this chapter, of a nonresident association or other unincorporated entity not attributable to the City and not levied against such association or other unincorporated entity.

Section 3. Section 192.014 of the Codified Ordinances of the City of Delaware, Ohio is hereby amended to read as follows:

192.014. Allocation of funds.

The funds collected under the provisions of this chapter shall be allocated in such manner as provided by ordinances adopted by Council, with the following exceptions:

- (a) An amount equal to seven-tenths of one percent (0.7%) shall be paid into the Fire/EMS Income Tax Fund and such proceeds shall be used solely for fire protection, suppression and emergency medical services.
- (b) An amount equal to fifteen one-hundredths of one percent (0.15%) shall be allocated solely for the purpose of paying the costs of improving the municipal recreation facilities, including construction of a recreation center to provide fitness, track, swimming, and indoor and outdoor multi-purpose facilities, and athletic fields, and the construction, renovation and improvement of other municipal recreation facilities, including the provision of furnishing and equipment for the center and all of such other facilities, and acquiring related interests in real property and otherwise improving the same, together with all necessary appurtenances thereto and paying the debt service charges and related costs of securities issued to pay the costs of the center and such other facilities, and shall be placed in a special fund or funds and used only for that purpose, all until December 31 in the calendar year in which all securities issued for the purpose set forth in this Section 192.14(b) are retired.
- (c) An amount equal to fifteen one-hundredths of one percent (.15%) shall be allocated for the purpose of paying the costs of improving and maintaining the transportation system by constructing, extending and improving roads, highways, streets, bridges, sidewalks, bikeways and parking facilities, including related utilities, lighting and signalization, acquiring real estate and related interests therefor, together with all other necessary appurtenances thereto, and paying the debt service charges and related costs of securities issued to pay the costs of those projects

Section 4. Section 192.02 of the Codified Ordinances of the City of Delaware, Ohio, is hereby amended to read as follows:

192.02. **Effective Date.**

(A) Ordinance 2015-112, effective January 1, 2016, and corresponding changes to ORC 718, apply to municipal tax years beginning on or after January 1, 2016. All provisions of this Chapter 192 apply to taxable years beginning 2016 and succeeding taxable years.

(B) The tax rate established in Ordinance 2016-46, effective January 1, 2017, applies to municipal tax years beginning on or after January 1, 2017.

(C) Ordinance 15-112 does not repeal the existing sections of Chapter 191 or 192 for any taxable year prior to 2016, but rather amends Chapter 191 effective January 1, 2016. For municipal years beginning before January 1, 2016, the Municipality shall continue to administer, audit, and enforce the income tax of the Municipality under ORC 718 and ordinances and resolutions of the Municipality as that chapter and those ordinances and resolutions existed before January 1, 2016.

(D) Ordinance 2016-46 does not repeal the existing sections of Chapter 192 for any taxable year prior to 2017, but rather amends Chapter 192 effective January 1, 2017.

Section 5. Effective January 1, 2017, Sections 192.012, 192.013, 192.014 and 192.02 of the Codified Ordinances of the City of Delaware, Ohio, as they have heretofore existed, are hereby repealed and Sections 192.012, 192.013, 192.014 and 192.02 as set forth herein shall become effective. Provided, however, that no provision of this Ordinance, including the repeal of Sections 192.012, 192.013, 192.014 and 192.02 of the Codified Ordinances of the City of Delaware, 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 point eight five (1.85%) percent municipal income tax authorized by predecessor Sections 192.012, 192.013, 192.014 and 192.02.

Section 6. The tax ordinance requirements set forth in Ohio Revised Code Section 718.04(A)(1), (2), and (4) are addressed by existing codified ordinance sections 192.011 and 192.08 which remain unchanged and are incorporated by reference herein.

Section 7. It is found and determined that all formal actions of this Council concerning and relating to the passage of this Ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action, were in meetings open to the public in compliance with the law.

Section 8. This Ordinance shall become effective January 1, 2017 provided that a majority of votes cast by electors of the City of Delaware in the November election are in favor of the proposed tax.

PASSED: July 25, 2016

YEAS 7 NAYS 0

ABSTAIN 0

ATTEST: Michelle Keller
Acting CITY CLERK

Candyn Kay Riggs
MAYOR

RESOLUTION NO. 16-

A RESOLUTION DECLARING THE NECESSITY OF AN ELECTION ON THE QUESTION OF APPROVING THE ORDINANCE PASSED TO AMEND SECTIONS 192.013, 192.014 AND 192.02 OF THE CODIFIED ORDINANCES OF THE CITY OF DELAWARE, OHIO, IN ORDER TO INCREASE THE CITY INCOME TAX BY POINT ONE FIVE PERCENT (.15%) FROM THE CURRENT RATE OF ONE POINT EIGHT FIVE PERCENT (1.85%) TO A RATE OF TWO PERCENT (2%), BEGINNING JANUARY 1, 2017 FOR THE PURPOSE OF PAYING THE COSTS OF IMPROVING AND MAINTAINING THE TRANSPORTATION SYSTEM IN THE CITY, BE PASSED WHICH ORDINANCE IS INCLUDED AS AN ATTACHMENT TO THIS RESOLUTION.

WHEREAS, on [DATE] City Council passed Ordinance ____, attached hereto, to increase the City Income Tax rate to 2.00%, which must be approved by the electors of the City of Delaware; and

WHEREAS, per section 718.04(C)(2) of the Ohio Revised Code, no City may levy a tax in excess of one percent without having obtained the approval of a majority of the electors of the city voting on the question at an election.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Delaware, Delaware County, Ohio, that:

Section 1. This Council hereby authorizes and directs the submission to the electors of the City of Delaware, Ohio at the election to be held at the usual places of voting in said City on November 8, 2016 between the hours of 6:30 a.m. to 7:30 p.m. of said day, of the question of approving the passage of an ordinance to amend Sections 192.012, 192.013, 192.014 and 192.02 of the Codified Ordinances of the City of Delaware, Ohio to increase the City income tax rate by fifteen one-hundredths percent (0.15%) from the current rate of one and eighty-five one-hundredths percent (1.85%) to a rate of two percent (2.0%), , beginning on January 1, 2017.

Section 2. It is the desire of this Council that the ballots presented to the electors of the City of Delaware shall be substantially in the following form:

A majority affirmative vote is necessary for passage.

Shall Ordinance No. 16- of the Delaware City Council providing for an increase in the City income tax by fifteen one-hundredths percent (0.15%) from the current rate of one and eighty-five one-hundredths percent (1.85%) to a rate of two percent (2.0%), beginning January 1, 2017, for the purpose of paying the costs of improving and maintaining the transportation system in the City by constructing, extending and improving roads, highways, streets, bridges, sidewalks, bikeways and parking facilities, including related utilities, lighting and signalization, acquiring real estate and related interests therefor, together with all other necessary appurtenances thereto, and paying the debt service charges and related costs of securities issued to pay the costs of those projects , be passed?

FOR THE INCOME TAX	
AGAINST THE INCOME TAX	

Section 4. The Clerk of this Council shall file a copy of this Resolution and attached ordinance with the Board of Elections in Delaware County, Ohio no later than 4:00 p.m. on July 12, 2016.

Section 5. It is found and determined that all formal actions of this Council concerning and relating to the adoption of this Resolution were adopted in an open meeting of this Council, and that all deliberations of this Council and of any its committees that resulted in such formal action, were in meetings open to the public, in compliance with the law.