



RITTMAN CITY COUNCIL-AGENDA
SPECIAL MEETING
Monday, January 30, 2023 - 7:00 P.M.

- 1. Roll Call**
- 2. Modified Citizen's Forum Q & A: Income Tax Issue**
- 3. Old Business**
 - a. Res. No. 8338 A Resolution Directing the Regional Income Tax Agency ("RITA") to Immediately Apply a Municipal Income Tax Rate of One Percent (1%) to Tax Returns Filed for the 2022 Tax Year, Notwithstanding the One and One-Half Percent (1.5%) Income Tax Set Forth in Chapter 193 of the Codified Ordinances of the City of Rittman and, if an Income Tax of One and One-Half Percent has Already Been Paid for the 2022 Tax Year, to Refund the Difference Between the 1.5% Rate and the 1.0% Rate for that Tax Year Upon Approval of a Request for Such Refund that has Been Filed by any Individual not Required to File a Municipal Tax Return. Second and Third Readings.**
 - b. Ord. No. 8339 An Ordinance of the Council of the City of Rittman, Wayne and Medina Counties and State of Ohio, Amending Section 193 Income Tax Regulations Effective Beginning January 1, 2016 of the Codified Ordinances of the City of Rittman. Second and Third Readings.**
 - c. Res. No. 8340 A Resolution of the City of Rittman, Wayne and Medina Counties, and State of Ohio, Amending the Provisions of the Municipal Income Tax Ordinance to Provide a Permanent Increase in the Amount of One-Half Percent (.5%) in the Income Tax Rate Effective January 1, 2024, for the Purposes of General Operations and Capital Improvements of the City of Rittman and Declaring an Emergency. Second and Third Readings.**
 - d. Ord. No. 8341 An Ordinance of the City of Rittman, Wayne and Medina Counties, Amending the Provisions of the Municipal Income Tax Ordinance to Provide for a Permanent Increase in the Amount of One-Half Percent (.5%) in the Income Tax Rate Effective January 1, 2024, for the Purposes of General Operations of the City of Rittman to be Allocated Three-Fourths to the General Fund and One-Fourth to the Capital Improvement Fund and Declaring an Emergency. Second and Third Readings (as Amended 01/30/23).**
- 3. Council Remarks**
- 4. Adjournment**

RECORD OF ORDINANCES

Ordinance No. 8338

Passed: _____, 2023

RESOLUTION NO. 8338

A RESOLUTION DIRECTING THE REGIONAL INCOME TAX AGENCY (“RITA”) TO IMMEDIATELY APPLY A MUNICIPAL INCOME TAX RATE OF ONE PER CENT (1%) TO TAX RETURNS FILED FOR THE 2022 TAX YEAR, NOTWITHSTANDING THE ONE AND ONE-HALF PER CENT (1.5%) INCOME TAX SET FORTH IN CHAPTER 193 OF THE CODIFIED ORDINANCES OF THE CITY OF RITTMAN AND, IF AN INCOME TAX OF ONE AND ONE-HALF PERCENT HAS ALREADY BEEN PAID FOR THE 2022 TAX YEAR, TO REFUND THE DIFFERENCE BETWEEN THE 1.5% RATE AND THE 1.0% RATE FOR THAT TAX YEAR UPON APPROVAL OF A REQUEST FOR SUCH REFUND THAT HAS BEEN FILED BY ANY INDIVIDUAL NOT REQUIRED TO FILE A MUNICIPAL TAX RETURN.

WHEREAS, in 1977 the City put to the voters the question of levying an income tax in excess of one per cent, as required by Ohio law pertaining to municipal tax levies in excess of one per cent, with such increase being for the purpose of providing funds for the City’s water system;

WHEREAS, the 1977 levy passed and was codified in Rittman Codified Ordinance Sections 191.02 and 191.03, which provided that an income tax of 1.5% would be levied upon all the various forms of income during the period from January 1, 1978, to December 31, 2007, with one-third of the 1.5% income tax to be allocated to the water system;

WHEREAS, in 1996 a ballot issue was put to the electors to reallocate the one-third of the income tax that was then devoted to the water system because the Water Fund was sound and no longer of paramount importance, and the City could use the funds for other purposes;

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Ordinance No. 8338

Passed: _____, 2023

WHEREAS, the 1996 ballot issue passed, reallocating the income tax revenues as follows: ½ to the General Fund, ¼ to the Water Fund and ¼ to the Capital Improvement Fund, with 10% of the amount allocated to the Capital Improvement Fund being earmarked for recreational purposes, as was set forth in Codified Ordinance Section 191.13;

WHEREAS, in the last week of July 2022, while researching other matters, the City's Director of Finance discovered that the 1.5% income tax rate specified in the City's Tax Code had expired as of December 31, 2007, and that the additional levy above one percent had not been extended, such that the City's income tax should have been 1% as of January 1, 2008;

WHEREAS, the City has determined, after extensively researching the legislative history of the authorization and allocation of the 1.5% tax, that a clerical error occurred when the Codified Ordinances were updated to reflect the 1996 reallocation of the 1.5% income tax; namely, that the sunset date of December 31, 2007, was inadvertently omitted from Codified Ordinance Sections 191.02 and 191.03, a mistake that was perpetuated when the City updated the Tax Code for tax years beginning January 1, 2016;

WHEREAS, the City Manager, Director of Finance and Director of Law have determined that the additional 0.5% tax collected from and after January 1, 2008, was not authorized by law and have recommended to this Council that the City should cease collection of the unauthorized tax immediately;

WHEREAS, although under Ohio law the City is not required to proactively refund any of the unauthorized tax collected, the City Manager has determined to refund the unauthorized amount collected for the tax year 2022 due to the error having been discovered in that tax year.

NOW THEREFORE, be it resolved by the Council of the City of Rittman, Counties of Wayne and Medina and State of Ohio, two-thirds of all members elected and appointed thereto concurring, that:

RECORD OF ORDINANCES

Ordinance No. 8338

Passed: _____, 2023

SECTION ONE.

This Council, notwithstanding the City's Tax Code set forth in Chapter 193 of the Codified Ordinances of the City of Rittman, hereby determines that the City shall collect an income tax of one percent, rather than the one and one-half per cent income tax set forth therein, effective January 1, 2022.

SECTION TWO.

This Council, notwithstanding the City's Tax Code set forth in Chapter 193 of the Codified Ordinances of the City of Rittman, hereby determines that one-third of the 1.5% income tax collected for the 2022 tax year shall be refunded to taxpayers by operation of the application of the rate of 1% for 2022 tax filers and the issuance of refunds, as provided herein, to any taxpayers not required to file a tax return who have paid the 1.5% tax through employer withholding or otherwise.

SECTION THREE.

The City of Rittman hereby directs RITA, notwithstanding the provisions of Codified Ordinance Chapter 193, to apply an income tax rate of 1% to 2022 City tax returns and, upon application to RITA for a tax refund properly submitted and approved, to refund the amount over 1% collected from any taxpayer, through withholding or otherwise, who is not required to file a municipal income tax return for 2022.

SECTION FOUR.

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 any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

RECORD OF ORDINANCES

Ordinance No. 8338

Passed: _____, 2023

Passed _____, 2023.

Mayor

Attest:

Clerk of Council

RECORD OF ORDINANCES

Ordinance No. 8339

Passed: _____, 2023

ORDINANCE NO. 8339

AN ORDINANCE OF THE COUNCIL OF THE CITY OF RITTMAN, WAYNE AND MEDINA COUNTIES AND STATE OF OHIO, AMENDING SECTION 193 INCOME TAX REGULATIONS EFFECTIVE BEGINNING JANUARY 1, 2016, OF THE CODIFIED ORDINANCES OF THE CITY OF RITTMAN.

WHEREAS, the City of Rittman discovered a discrepancy in the allowable income tax rate and the income tax rate as stated in the provisions of section 193 Income Tax Regulations Effective Beginning January 1, 2016; and

WHEREAS, the City of Rittman has taken steps necessary to address the discrepancy in collection; and

WHEREAS, regardless of other action, the ordinances of the City of Rittman still reflect the inaccurate tax rate.

NOW, THEREFORE, be it resolved that the Council of the City of Rittman, Counties of Wayne and Medina, and State of Ohio, two-thirds of all members elected thereto concurring:

SECTION ONE

That section 193.012(b) Purposes of tax; rate be amended to reflect that the rate of tax levied upon earnings is one (1) percent.

SECTION TWO

That section 193.013(a) be amended to read: "Three quarters of the one (0.75) percent shall be deposited in the General Fund.

RECORD OF ORDINANCES

Ordinance No. 8339

Passed: _____, 2023

SECTION THREE

That section 193.013(b) be amended to read: “One fourth of the one (0.25) percent tax shall be deposited in the Capital Improvement Fund, ten (10) percent of which shall be earmarked for recreation purposes.”

SECTION FOUR.

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 any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

Passed: _____, 2023

Mayor

Attest:

Clerk of Council

RECORD OF ORDINANCES

Ordinance No. 8340

Passed: _____, 2023

RESOLUTION NO. 8340

A RESOLUTION OF THE CITY OF RITTMAN, WAYNE AND MEDINA COUNTIES, AND STATE OF OHIO, AMENDING THE PROVISIONS OF THE MUNICIPAL INCOME TAX ORDINANCE TO PROVIDE FOR A PERMANENT INCREASE IN THE AMOUNT OF ONE-HALF PERCENT (.5%) IN THE INCOME TAX RATE EFFECTIVE JANUARY 1, 2024, FOR THE PURPOSES OF GENERAL OPERATIONS AND CAPITAL IMPROVEMENTS OF THE CITY OF RITTMAN AND DECLARING AN EMERGENCY.

WHEREAS, the Council of the City of Rittman finds it necessary to increase the municipal income tax from the rate of one percent (1%) per annum to the rate of one and one-half percent (1.5%) per annum for the purposes of general municipal operations and capital improvements of the City of Rittman, and

NOW THEREFORE, be it ordained by the Council of the City of Rittman, Counties of Wayne and Medina and State of Ohio, two-thirds of all members elected and appointed thereto concurring:

SECTION ONE.

Subject to approval by the electors of the City, it is deemed necessary and therefore is adopted a one-half percent (.5%) additional levy on income effective January 1, 2024, to be first collected during calendar year 2024, to provide for a permanent increase in the income tax rate for the purposes of general operations and capital improvements of the City of Rittman. This rate shall apply to the entire City of Rittman, shall appear on ballot of the May 2, 2023, election, and such ballot measure shall be submitted to the entire City. There shall be levied an additional tax on salaries, wages, commissions, other compensations, and net profits as provided in chapter 193 of the City of Rittman municipal income tax ordinance, but not social security benefits, pensions, and other items excluded by the City of Rittman municipal income tax ordinance.

RECORD OF ORDINANCES

Ordinance No. 8340

Passed: _____, 2023

SECTION TWO

That this resolution is declared to be emergency legislation, necessary for the immediate preservation of the public peace, health, and safety, for the reason that the issue needs to be placed on the ballot for May 2, 2023, and the deadline for submission to the Board of Elections is approaching and shall be effective upon passage.

Passed: _____, 2023

Mayor

Attest:

Clerk of Council

RECORD OF ORDINANCES

Ordinance No. 8341

Passed: _____, 2023

ORDINANCE NO. 8341

AN ORDINANCE OF THE CITY OF RITTMAN, WAYNE AND MEDINA COUNTIES, AMENDING THE PROVISIONS OF THE MUNICIPAL INCOME TAX ORDINANCE TO PROVIDE FOR A PERMANENT INCREASE IN THE AMOUNT OF ONE-HALF PERCENT (.5%) IN THE INCOME TAX RATE EFFECTIVE JANUARY 1, 2024, FOR THE PURPOSES OF GENERAL OPERATIONS OF THE CITY OF RITTMAN TO BE ALLOCATED THREE-FOURTHS TO THE GENERAL FUND AND ONE-FOURTH TO THE CAPITAL IMPROVEMENTS FUND AND DECLARING AN EMERGENCY.

WHEREAS, the Council of the City of Rittman deems it necessary to increase said income tax from the rate of one percent (1%) per annum to the rate of one and one-half percent (1.5%) per annum for the purposes of general operations and capital improvements of the City of Rittman, and;

WHEREAS, the allocation of the proposed increase shall be three-fourths to the general fund and one-fourth to the capital improvements fund, and;

NOW THEREFORE, be it ordained by the Council of the City of Rittman, Counties of Wayne and Medina and State of Ohio, two-thirds of all members elected and appointed thereto concurring:

SECTION ONE.

Subject to the approval of this Ordinance by the electors of the City, there is adopted a one-half percent (.5%) additional levy on income effective January 1, 2024 to provide for a permanent increase in the income tax rate for the purposes of general operations of the City of Rittman and capital improvements, there shall be levied a tax on salaries, wages, commissions, other compensations, and net profits as

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Ordinance No. 8341

Passed: _____, 2023

provided in this chapter, but will not tax social security benefits, pensions, and other items excluded by the City of Rittman municipal income tax ordinance.

SECTION TWO

The following section of Chapter 193.012(b) of the Municipal Income Tax Ordinance shall be amended; to read as follows:

193.012 PURPOSES OF TAX; RATE.

(b) The rate of tax levied upon earnings is one and one-half (1.5) percent.

SECTION THREE

The allocation of the proposed increase shall be three-fourths to the general fund and one-fourth to the capital improvements fund.

SECTION FOUR

All other sections of Chapter 193 that are not amended by this Ordinance, shall remain in full force and effect.

SECTION FIVE

The Clerk of Council is hereby directed to forward a certified copy of this ordinance to the Wayne County and Medina County Board of Elections immediately upon its passage to meet filing requirements of the law. The board of elections is directed to place this measure on the May 2, 2023, ballot. The ballot language shall read:

Shall the Ordinance providing for a one-half per cent levy on income for the purposes of general municipal operations be passed?

FOR THE INCOME TAX

RECORD OF ORDINANCES

Ordinance No. 8341

Passed: _____, 2023

AGAINST THE INCOME TAX

The approval of a majority of those voting on the issue is required for passage.

SECTION SIX

That this ordinance is declared to be emergency legislation, necessary for the immediate preservation of the public peace, health, and safety, for the reason that the issue needs to be placed on the ballot for May 2, 2023 and shall be effective upon passage.

Passed: _____, 2023

Mayor

Attest:

Clerk of Council

RECORD OF ORDINANCES

Ordinance No. 8341

Passed: _____, 2023

ORDINANCE NO. 8341

AN ORDINANCE OF THE CITY OF RITTMAN, WAYNE AND MEDINA COUNTIES, AMENDING THE PROVISIONS OF THE MUNICIPAL INCOME TAX ORDINANCE TO PROVIDE FOR A PERMANENT INCREASE IN THE AMOUNT OF ONE-HALF PERCENT (.5%) IN THE INCOME TAX RATE EFFECTIVE JANUARY 1, 2024, FOR THE PURPOSES OF GENERAL OPERATIONS OF THE CITY OF RITTMAN TO BE ALLOCATED THREE-FOURTHS TO THE GENERAL FUND AND ONE-FOURTH TO THE CAPITAL IMPROVEMENTS FUND AND DECLARING AN EMERGENCY.

WHEREAS, the Council of the City of Rittman deems it necessary to increase said income tax from the rate of one percent (1%) per annum to the rate of one and one-half percent (1.5%) per annum for the purposes of general operations and capital improvements of the City of Rittman, and;

WHEREAS, the allocation of the proposed increase shall be three-fourths to the general fund and one-fourth to the capital improvements fund, and;

NOW THEREFORE, be it ordained by the Council of the City of Rittman, Counties of Wayne and Medina and State of Ohio, two-thirds of all members elected and appointed thereto concurring:

SECTION ONE.

Subject to the approval of this Ordinance by the electors of the City, there is adopted a one-half percent (.5%) additional levy on income effective January 1, 2024 to provide for a permanent increase in the income tax rate for the purposes of general operations of the City of Rittman and capital improvements, there shall be levied a tax on salaries, wages, commissions, other compensations, and net profits as

RECORD OF ORDINANCES

Ordinance No. 8341

Passed: _____, 2023

provided in this chapter, but will not tax social security benefits, pensions, and other items excluded by the City of Rittman municipal income tax ordinance.

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193.012 PURPOSES OF TAX; RATE.

(b) The rate of tax levied upon earnings is one and one-half (1.5) percent.

SECTION THREE

The allocation of the proposed increase shall be three-fourths to the general fund and one-fourth to the capital improvements fund.

SECTION FOUR

All other sections of Chapter 193 that are not amended by this Ordinance, shall remain in full force and effect.

SECTION FIVE

The Clerk of Council is hereby directed to forward a certified copy of this ordinance to the Wayne County and Medina County Board of Elections immediately upon its passage to meet filing requirements of the law. The board of elections is directed to place this measure on the May 2, 2023, ballot. The ballot language shall read:

Shall the Ordinance providing for a one-half per cent (0.5%) levy on income which will be allocated three-fourths (3/4) to the General Fund and one-fourth (1/4) to the Capital Improvement fund be passed?

RECORD OF ORDINANCES

Ordinance No. 8341

Passed: _____, 2023

FOR THE INCOME TAX

AGAINST THE INCOME TAX

The approval of a majority of those voting on the issue is required for passage.

SECTION SIX

That this ordinance is declared to be emergency legislation, necessary for the immediate preservation of the public peace, health, and safety, for the reason that the issue needs to be placed on the ballot for May 2, 2023 and shall be effective upon passage.

Passed: _____, 2023

Mayor

Attest:

Clerk of Council