



City of Columbus

Office of City Clerk
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Legislation Text

File #: 1027-2005, **Version:** 1

BACKGROUND: By authority of ORC Section 5709.82, the City is required to pay affected school districts 50 percent (50%) of municipal income tax revenue attributable to tax abated projects where the annual 'new employee' payroll for a project is one million dollars or more, in a given tax year, during the abatement. This municipal income tax revenue sharing with affected school districts applies to all property tax abatements approved by the legislative authority after July 1, 1994 and is measured by the sum total of both construction labor and company 'new employee' wages paid in a tax year, during the years of tax exemption.

FISCAL IMPACT: For tax year 2004, the City of Columbus has a total of twenty-two (22) projects requiring revenue sharing and the total amount of revenue to be shared is \$1,669,841. The twenty-two projects are located in four different school districts with the revenue share subtotals as follows: \$1,073,822 to Columbus City School District for 18 projects; \$23,800 to Hilliard City School District for 1 project; \$543,879 to Olentangy Local School District for 2 projects; and \$28,340 to South-Western City School District for 1 projects.

Emergency action is requested in order to expedite payment to the four school districts to compensate them for property tax revenues forgone due to tax abatements.

To authorize and direct the payment of \$1,073,822 to the Columbus City School District, \$23,800 to the Hilliard City School District, \$543,879 to the Olentangy Local School District and \$28,340 to the South-Western City School District for income tax revenue sharing totaling \$1,669,841; to authorize the expenditure of \$1,669,841 from the General Fund; and to declare an emergency. (\$1,669,841).

WHEREAS, the Ohio Revised Code Section 5709.82 requires the City to pay affected school districts fifty percent (50%) of municipal income tax revenue attributable to tax abated projects where 'new employee' payroll for a project is one million dollars or more in a tax year, during the years of tax exemption; and

WHEREAS, the City of Columbus is subject to the income tax revenue sharing provisions of Ohio Revised Code 5709.82; and

WHEREAS, the City of Columbus has a total of twenty-two (22) tax abated projects subject to the income tax revenue sharing provisions and these projects are located in four school districts as follows: eighteen (18) projects in the Columbus City School District, one (1) project in the Hilliard City School District, two (2) projects in the Olentangy Local School District, and one (1) project in the South-Western City School District; and

WHEREAS, it is necessary at this time to authorize payment of \$1,073,822 to the Columbus City School District, \$23,800 to the Hilliard City School District, \$543,879 to the Olentangy Local School District, and \$28,340 to the South-Western City School District; and

WHEREAS, the matter herein constitutes an emergency in that it is immediately necessary to authorize payment to the Columbus City School District, the Hilliard City School District, the Olentangy Local School District, and the South-Western City School District thereby preserving the public health, peace, prosperity, safety and welfare; **NOW, THEREFORE,**

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

Section 1. That the City Auditor is hereby authorized to make payment to the Columbus City School District in the amount of \$1,073,822; to the Hilliard City School District in the amount of \$23,800; to the Olentangy Local School District in the amount of \$543,879; and to the South-Western City School District in the amount of \$28,340; for income tax revenue sharing.

Section 2. That the payment totaling \$1,669,841 is hereby authorized from the General Fund, Fund 010, Department of Development, Economic Development Division No. 44-02, Object Level Three 5513, OCA Code 440314.

Section 3. That for the reasons stated in the preamble hereto, which is hereby made a part hereof, the ordinance is hereby declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor, or ten days after passage if the Mayor neither approves nor vetoes the same.