



Legislation Text

File #: 1303-2017, **Version:** 1

BACKGROUND: By authority of ORC Section 5709.82, the City is required to pay affected school districts 50 percent (50%) of the 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 based on the 'new employee' wages paid in a tax year, during the years of tax exemption, and also on the wages of the construction workers.

FISCAL IMPACT: For tax year 2016, the City of Columbus has a total of twenty (20) projects requiring revenue sharing and the total amount of revenue to be shared is \$1,682,257.88. The twenty (20) projects are located in five (5) different school districts with the revenue share subtotals as follows: \$1,526,902.22 to the Columbus City School District for fifteen (15) projects, \$25,688.07 to the Gahanna Jefferson City School District for one (1) project, \$45,535.14 to the Hilliard City School District for two (2) projects, \$32,262.31 to the Olentangy Local School District for one (1) project and \$51,870.14 to the South-Western City School District for one (1) project.

The 2017 General Fund budget (citywide account) includes funding for these payments. A transfer equal to 25 percent (25%) of the payment will be transferred from the Special Income Tax Fund. The transfer amount of \$420,564.47 has been factored into the current special income tax analysis and resultant capital capacity.

Emergency action is requested in order to expedite payment to the five (5) school districts to compensate them for property tax revenues forgone due to tax abatements.

To authorize and direct the City Auditor to transfer \$1,682,257.88 within the General Fund; to authorize and direct the City Auditor to appropriate and transfer \$420,564.47 in cash from the Special Income Tax Fund to the General Fund; to authorize and direct the payment of \$1,526,902.22 to the Columbus City School District, \$25,688.07 to the Gahanna Jefferson City School District, \$45,535.14 to the Hilliard City School District, \$32,262.31 to the Olentangy Local School District and \$51,870.14 to the South-Western City School District for income tax revenue sharing totaling \$1,682,257.88; to authorize the expenditure of \$1,682,257.88 from the General Fund; and to declare an emergency (\$1,682,257.88).

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 has a total of twenty (20) tax abated projects subject to the income tax revenue sharing provisions and these projects are located in five (5) school districts as follows: Fifteen (15) projects in the Columbus City School District, one (1) project in the Gahanna Jefferson City School District, two (2) project in the Hilliard City School District, one (1) project in the Olentangy 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 \$1,526,902.22 to the Columbus City School District, \$25,688.07 to the Gahanna Jefferson City School District, \$45,535.14 to the Hilliard City School District, \$32,262.31 to the Olentangy Local School District and \$51,870.14 to the South-Western City School District; and

WHEREAS, an emergency exists in the usual daily operation of the City in that it is immediately necessary to authorize the City Auditor to make payment to the Columbus City School District, the Gahanna

Jefferson 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 transfer of \$1,682,257.88 or so much thereof as may be needed, is hereby authorized between departments within Fund 1000, general fund per the account codes in the attachment to this ordinance.

SECTION 2. That from the unappropriated monies and from all monies estimated to come into said fund from any and all sources and unappropriated for any other purpose during the fiscal year ended December 31, 2017, the sum of \$420,564.47 is appropriated in fund 4430 Special Income Tax Fund in Object Class 10 Unallocated Balance per the accounting codes in the attachment to this ordinance.

SECTION 3. That the transfer of \$420,564.47 in cash only or so much thereof as may be needed, is hereby authorized to Fund 1000, general fund per the account codes in the attachment to this ordinance.

SECTION 4. That the City Auditor, for the purposes of income tax revenue sharing, is hereby authorized to make payment to the Columbus City School District in the amount of \$1,526,902.22, to the Gahanna Jefferson City School District in the amount of \$25,688.07, to the Hilliard City School District in the amount of \$45,535.14, to the Olentangy Local School District in the amount of \$32,262.31 and to the South Western City School District in the amount of \$51,870.14.

SECTION 5. That for the purpose stated in Section 4, the expenditure of \$1,682,257.88 or so much thereof as may be needed, is hereby authorized in Fund 1000 general fund in Object Class 05 Other Expenditures per the accounting codes in the attachment to this ordinance.

SECTION 6. 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.