



Legislation Text

File #: 1131-2015, **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.

For tax year 2014, the City of Columbus has a total of fifteen (15) projects requiring revenue sharing and the total amount of revenue to be shared is \$1,790,954.87. The fifteen (15) projects are located in four (4) different school districts with the revenue share subtotals as follows: \$1,729,977.28 to the Columbus City School District for twelve (12) projects, \$10,886.04 to the Gahanna Jefferson City School District for one (1) project, \$18,858.35 to the Hilliard City School District for one (1) project, and \$31,233.20 to the South Western City School District for one (1) project.

Emergency action is requested in order to expedite payment to the four (4) school districts to compensate them for property tax revenues forgone due to tax abatements.

FISCAL IMPACT: The 2015 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 \$447,738.72 has been factored into the current special income tax analysis and resultant capital capacity.

To authorize and direct the City Auditor to transfer \$1,790,954.87 within the General Fund; to authorize and direct the City Auditor to appropriate and transfer \$447,738.72 in cash from the Special Income Tax Fund to the General Fund; to authorize and direct payments to the Columbus City School District, the Gahanna Jefferson City School District, the Hilliard City School District and the South Western City School District for income tax revenue sharing; to authorize the expenditure of \$1,790,954.87 from the General Fund; and to declare an emergency. (\$1,790,954.87)

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.

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 fifteen (15) tax abated projects subject to the income tax revenue sharing provisions and these projects are located in four (4) school districts as follows: Twelve (12) projects in the Columbus City School District, one (1) project in the Gahanna Jefferson City School District, one (1) project in the Hilliard City 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 \$1,729,977.28 to the Columbus City School District, \$10,886.04 to the Gahanna Jefferson City School District, \$18,858.35 to the Hilliard City School District and \$31,233.20

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 Gahanna Jefferson City School District, the Hilliard City 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 be and is hereby authorized and directed to transfer \$1,790,954.87 within the General Fund, Fund 010 from the Department of Finance & Management, Division 45-01, Object Level One 10, Object Level Three 5501, OCA 904508 to the Department of Development, Economic Development Division, Division 44-02, Object Level One 05, Object Level Three 5513, OCA 440314.

SECTION 2. That the sum of \$447,738.72 is hereby appropriated from the un-appropriated balance of the Special Income Tax Fund, Fund 430, and from all monies estimated to come into said fund from any and all sources and un-appropriated for any other purpose during the fiscal year ending December 31, 2015 to the City Auditor, Division 22-01, Object Level One 10, Object Level Three 5501, OCA Code 902023.

SECTION 3. That the City Auditor is hereby authorized to transfer \$447,738.72 in cash only to the General Fund, Economic Development Division, Division 44-02, Object Level One 05, Object Level Three 5513, OCA 440314.

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 \$1,729,977.28, to the Gahanna Jefferson City School District in the amount of \$10,886.04, to the Hilliard City School District in the amount of \$18,858.35 and to the South Western City School District in the amount of \$31,233.20.

SECTION 5. That the payment totaling \$1,790,954.87 is hereby authorized from the General Fund, Fund 010, Department of Development, Economic Development Division, Division 44-02, Object Level Three 5513, OCA Code 440314.

SECTION 6. That the funds necessary to carry out the purpose of this ordinance are hereby deemed appropriated.

SECTION 7. 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.