

Requested by the
Mayor

ORDINANCE NO: 2023-145

INTRODUCED BY:

AN ORDINANCE AMENDING SECTION 891.01 OF THE CODIFIED ORDINANCES OF THE CITY OF SOLON, OHIO, TO EXPAND THE PURPOSE FOR THE USE OF THE CITY'S INCOME TAX BEGINNING JANUARY 1, 2024, TO PROVIDE FUNDS TO PAY THE COSTS OF CONSTRUCTION, REPLACEMENT AND/OR REPAIR OF VARIOUS CAPITAL IMPROVEMENTS IN THE MUNICIPALITY INCLUDING BUT NOT LIMITED TO WATER FACILITIES WITH NECESSARY APPURTENANCES, STREETS AND ROADWAYS THROUGHOUT THE MUNICIPALITY WITH NECESSARY APPURTENANCES, STORM AND SANITARY SEWER SYSTEMS WITH NECESSARY APPURTENANCES, PARKS AND RECREATIONAL FACILITIES WITH NECESSARY APPURTENANCES AND MUNICIPAL BUILDINGS WITH NECESSARY APPURTENANCES, AND PAYING DEBT CHARGES ON SECURITIES AND OTHER OBLIGATIONS OF THE CITY RELATED TO THE PURPOSES FOR THE USE OF THE CITY'S INCOME TAX, AND DECLARING AN EMERGENCY

NOW, THEREFORE, be it ordained by the Council of the City of Solon, State of Ohio:

SECTION 1. Section 891.01 of the Codified Ordinances of the City of Solon, Ohio, as established by Ordinance No. 2015-212, passed November 2, 2015, is hereby further amended to read as follows:

"891.01 AUTHORITY TO LEVY TAX; PURPOSE OF TAX.

- (a) To provide funds for the purposes of general municipal operations, maintenance, new equipment, extension and enlargement of municipal services and facilities and capital improvements, the city hereby levies an annual municipal income tax on income, qualifying wages, commissions and other compensation, and on net profits as hereinafter provided.
- (b) (1) The annual tax is levied at a rate of 2%. The tax is levied at a uniform rate on all persons residing in or earning or receiving income in the city. The tax is levied on income, qualifying wages, commissions and other compensation, and on net profits as hereinafter provided in § [891.03](#) and other sections as they may apply.
 - (2) One percent per annum shall be to provide funds for the general municipal functions of the city, and paying debt charges on securities and other obligations of the city related thereto.
 - (3) One half of one percent per annum shall be to provide funds for the construction, replacement and/or repair of various capital improvements in the municipality including but not limited to water facilities with necessary appurtenances, streets and roadways throughout the municipality with necessary appurtenances, storm and sanitary sewer systems with necessary appurtenances, parks and recreational facilities

with necessary appurtenances and municipal buildings with necessary appurtenances, and paying debt charges on securities and other obligations of the city related thereto.

(4) One half of one percent per annum shall be to provide funds for all capital and operating expenses of the Department of Public Safety and the Service Department, and paying debt charges on securities and other obligations of the city related thereto.

(c) The tax on income and the withholding tax established by this chapter are authorized by Article XVIII, Section 3 of the Ohio Constitution. The tax is levied in accordance with, and is intended to be consistent with, the provisions and limitations of R.C. Chapter 718.”

SECTION 2. Effective January 1, 2024, Section 891.01 of the Codified Ordinances of the City of Solon, Ohio, as it has heretofore existed, is hereby repealed. Provided, however, that no provision of this ordinance, including the repeal of Section 891.01 of the Codified Ordinances of the City of Solon, 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 municipal income tax assessed by Chapter 891 of the Codified Ordinances of the City of Solon, Ohio, as it has heretofore existed and shall remain in effect until January 1, 2024.

SECTION 3. The Council finds and determines that all formal actions of this Council and of any of its committees concerning and relating to the passage of this ordinance were taken, and all deliberations of this Council and of any of its committees that resulted in such formal action were held, in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

SECTION 4. This Ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health and safety of the City and for the further reason that it is necessary that this Ordinance be effective immediately in order to enable the City to timely commence collection of the City’s income tax for the amended purpose provided for in this Ordinance commencing January 1, 2024; wherefore, this Ordinance shall be in full force and effect immediately upon its passage by the required number of votes and approval by the Mayor.

Passed:

Mayor

ATTEST:


Clerk of Council



THE CITY OF SOLON
FINANCE DEPARTMENT

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TO: Members of City Council
Mayor Edward Kraus

FROM: Matt Rubino, Director of Finance 

DATE: May 31, 2023

RE: Amendments to Solon Codified Ordinance 890.01, Municipal Income Tax

The Mayor has submitted legislation to seek approval to expand the permissible uses of the 0.5% of City income tax levied for infrastructure purposes as contained in Solon Codified Ordinance 890.01. The requested changes would permit using collections from the 25% portion of the total 2% income tax levied for additional capital purposes and for related debt service charges. The proposed changes require the submission to the voters for approval as the original uses were approved by a vote of Solon residents in 1994. The requested changes will be submitted to the voters on the November 7th ballot. If the measure is approved the ordinance amending portions of 890.01 of the Solon Codified Ordinances will be approved by City Council.

For review, the current apportionment of the total 2% levied by the City is outlined in Figure 1 below.

Section of 890.01	Per Annum Rate	% of Collections	Purpose
890.01(b)(2)	1.0%	50%	General operations
890.01(b)(3)	0.5%	25%	Infrastructure
890.01(b)(4)	0.5%	25%	Safety and service purposes

Figure 1

The pertinent changes to 890.01 are as follows:

Amend Section 891.01(b)(2) from "One percent per annum shall be to provide funds for the general municipal functions of the city." to "One percent per annum shall be to provide funds for the general municipal functions of the city, and paying debt charges on securities and other obligations of the city related thereto."

Amend Section 891.01(b)(3) to expand the purpose for the use of a portion (0.50%) of the City's income tax to provide funds to pay the costs of construction, replacement and/or repair of various capital improvements in the municipality including but not limited to water facilities with necessary appurtenances, streets and roadways throughout the municipality with necessary appurtenances, storm and sanitary sewer systems with necessary appurtenances, parks and recreational facilities with necessary appurtenances and municipal buildings with necessary

appurtenances and to add the ability to pay debt charges on securities and other obligations of the City related thereto.

Amend Section 891.01(b)(4) from “One half of one percent per annum shall be to provide funds for all capital and operating expenses of the Department of Public Safety and the Service Department.” to “One half of one percent per annum shall be to provide funds for all capital and operating expenses of the Department of Public Safety and the Service Department, and paying debt charges on securities and other obligations of the city related thereto.”

The language related to paying debt charges on securities and other obligations of the City is being added to all three defined use categories of the total income tax levied. Applying the change to each designation of the income tax levy will provide the flexibility on how revenue from collections can be utilized in the future.

Council will be requested to approve the income tax resolution to be submitted to the voters. The second piece of legislation amending ordinance 890.01 will be tabled until and if the voted measure is approved at the November 7th election.