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OHIO CITIES CHALLENGE HOUSE BILL 49

FOR IMMEDIATE RELEASE – Members of the Central Ohio Mayors and Managers Association (“COMMA”), an association of 17 cities within the Columbus region, approved today the filing of legal action challenging portions of House Bill 49 (HB 49), seeking to halt implementation of certain provisions by the Ohio Department of Taxation. HB 49 is the state of Ohio’s biennium budget bill passed by the Ohio General Assembly last June.

HB 49 requires municipalities to adopt new provisions to their income tax codes by January 2018 or risk losing local authority to collect income taxes. In addition to budget items, the bill includes additional non-appropriation type measures such as this important change governing the collection of municipal income taxes.

Specifically, starting in 2018, HB 49 would provide for the filing of municipal corporate net profits tax returns with the State Department of Taxation instead of the municipality where tax is owed. The state, after deducting a collection fee, would then remit those dollars to the municipality.

In addition to the alleged violation of various constitutional limitations in passing HB49, cities are extremely concerned this represents the first of many steps for the state of Ohio to assume the collection and redistribution of all municipal income taxes that cities rely on to fund critical public services.

“This is a critical overreach by the state, which effectively disrupts home rule, with no incentive on the part of the state to provide quality customer service to taxpayers,” said Ben Kessler, COMMA Chairman and Mayor of the City of Bexley.

“Cities have endured a number of losses over the last 10 years, including the elimination of the estate tax and the halving of Local Government Fund distributions, which have had far reaching impacts on our communities and citizens,” said COMMA Board member Ike Stage, Mayor of Grove City.

“The result of the state’s unrelenting attack on local funding is a reduction in critical police, safety and infrastructure services to our residents,” says Upper Arlington Mayor Debbie Johnson.

COMMA and its members believe HB 49 violates a number of constitutional provisions that will not survive legal scrutiny, including violation of the one-subject rule, violation of the home-rule authority of cities granted in Ohio's Constitution and Equal Protection Clause of the U.S. Constitution.

A growing statewide coalition of large, medium and small municipalities from Lake Erie to the Ohio River have banded together to protect their primary revenue source after the recent elimination by the General Assembly of other key local funding streams. More than 70 municipalities have either already committed or have expressed their intent to join this initiative.

COMMA members along with other cities in the state have selected the Columbus based-law firm Frost Brown Todd to represent them in this matter.

Members of COMMA include the following cities: Bexley, Canal Winchester, Columbus, Dublin, Delaware, Gahanna, Grandview Heights, Grove City, Hilliard, New Albany, Pickerington, Powell, Reynoldsburg, Upper Arlington, Westerville, Whitehall and Worthington.

For more information, contact COMMA Chairman Ben Kessler at (614) 559-4210 or bkessler@bexley.org or COMMA Secretary-Treasurer Dave Collinsworth at (614) 901-6400 or david.collinsworth@westerville.org

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