

**WILLIAM J. ROTH, JR.
MAYOR**



CITY OF FAIRLAWN

Chairman Merrin, Vice Chairman Reidel, Ranking Member Sobecki and members of the House Ways and Means Committee. My name is Bill Roth and I am the Republican mayor of Fairlawn and I am here to testify in opposition to HB 157. Said bill would eliminate the city income tax provisions passed in HB 197 of the 133rd General Assembly that deemed employees were still working at their business location rather than at home for the duration of the emergency order issued by the Governor.

City income tax is the vitally important backbone of most municipalities. And that is true of municipalities of all sizes. This is not just a large urban city problem. In Fairlawn we could lose over \$2 million or 15% of our revenue if HB157 becomes the law. To understand this, I need to share some demographic information. The city of Fairlawn has 7,500 residents but during a typical pre-pandemic work day we had 25,000 people within our borders and during the holiday season that number grows to 50,000. During 2019 83% of our fire/EMS calls were in our commercial areas. Of the citations issued by our police department in 2019 89% went to nonresidents and 87% of our Mayor's Court cases involved nonresidents.

While a very small city, we serve as an economic engine for both Summit County and nearby Medina County. It is also important to note that we receive \$3 million in income tax from our JEDD agreement which supports the city services we provide to that area. Because of the services we provide and the broadband infrastructure we have chosen to build we are able to attract businesses from across the US and the world. HB157 would decrease this revenue stream by \$1 million or 28%, without any way to replace it would decimate our budget and threaten our ability to continue to provide jobs and threaten our role as the economic engine for the region.

There is a great deal of uncertainty as we emerge from this pandemic. We need time to have the dust settle and see what the new work normal is going to be and then take a data driven approach to any necessary changes.

It is important that we not only have an appropriate tax structure for our local governments but that we also not unduly burden our businesses, so any changes need to be simple to administer. A study commission to evaluate local taxes post pandemic would provide tax experts and policy officials the opportunity to gather information on lasting impacts of the pandemic and what needs may have to be addressed.

Thank you for your attention and I will answer any questions.

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