

WILLIAM J. ROTH, JR.
MAYOR



CITY OF FAIRLAWN

Chairman Merrin, Vice Chairman Riedel, Ranking Member Sobecki and members of the House Ways and Means Committee, I am Bill Roth, Mayor of Fairlawn. Fairlawn is a small city of 7500 residents located on the western edge of Summit County. Prior to the pandemic we had more than 25,000 people working in the city daily and during the holiday season we would have more than 50,000 people inside our city borders. Our current tax policy has allowed the city to invest in strategic infrastructure and services attracting business from all over the world making us an economic driver for Summit and surrounding counties.

I am here to express my concerns regarding Substitute House Bill 157. A few weeks ago, I provided written opposition testimony concerning the "As Introduced" version of the bill. Unfortunately, the substitute version makes our situation worse. But before I get into the problems, I do want to commend the substitute bill for providing a date for the termination of the HB 197 language that coincides with the end of a calendar year. The testimony from cities, businesses and tax professionals has consistently called for such an end date.

My concerns relate to the new language that stipulates city income taxes collected under the dictates of HB 197 are subject to refund. The concept that the tax provisions established by HB 197 were only in place so that cities would have to refund the money collected doesn't comport with the language in the bill or with the LSC analysis of the bill which said, "For municipal income tax purposes, treats income earned by an employee required to work at a temporary worksite because of the emergency as being earned at the employee's principal place of work, potentially affecting the municipal income tax withholding and liability of the employee and the employer."

Like the state, we project our income and budget expenses accordingly. When the pandemic hit, and the General Assembly passed HB 197, we proceeded to respond to the demand for services understanding that we would continue to have a steady revenue stream. The language in HB 157 seeks to change that, by pulling the rug out from under our feet, retroactively after we have spent the money and the fiscal year has ended.

I want to point out to the members of the committee that this is not solely an urban issue. Many communities, across the state, large and small, urban, rural or suburban, republican or democrat are impacted. The majority of income tax revenue funds vital city services such as first responders. I would also mention that several municipalities have agreements with surrounding jurisdictions to provide services, which were maintained during this last year based on current revenue streams. Changing those streams after fact significantly complicates those arrangements. I've been a republican mayor for more than 26 years and have addressed numerous challenges and I view this as just another way to defund our public safety forces.

I would be happy to attempt to answer any questions.

3487 SOUTH SMITH ROAD • FAIRLAWN, OHIO 44333-3007

TEL: 330-668-9500 • FAX: 330-668-9520