

RESOLUTION NO. 27-2023

A RESOLUTION APPROVING AND AUTHORIZING THE CITY MANAGER TO SIGN AN INCOME TAX ADMINISTRATION AGREEMENT WITH THE TURTLECREEK-MONROE 2022 JOINT ECONOMIC DEVELOPMENT DISTRICT.

WHEREAS, Section 10 of the Turtlecreek-Monroe 2022 Joint Economic Development District Contract (the "Contract") requires the Board of Directors (the "Board") to levy an income tax to be used to encourage and promote economic development within the Turtlecreek-Monroe 2022 Joint Economic Development District (the "District"); and

WHEREAS, the Board has adopted a resolution levying an income tax in the District of at a rate of 2.00% in accordance with Section 10 of the Contract; and

WHEREAS, the income tax levied in the District is to be administered, collected, and enforced by the City of Monroe in accordance with Section 10 of the Contract.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MONROE, STATE OF OHIO, THAT:

SECTION 1: This Council hereby approves the Income Tax Administration Agreement (the "Tax Agreement"), attached hereto as Exhibit "A" and made a part hereof, entering into a contract with the Turtlecreek-Monroe 2022 Joint Economic Development District to govern the collection and distribution of the District income tax imposed by the Board.

SECTION 2: This Council authorizes the City Manager to execute such Tax Agreement with such changes as are not adverse to the City and are approved by the City Manager.

SECTION 3: It is found and determined that all formal actions of this Council concerning and relating to the adoption of this resolution were adopted in an open meeting of this Council, and that all deliberations of this Council that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code, and the rules for notification of meetings to the public and news media.


SECTION 4: This measure shall take effect and be in full force from and after its passage pursuant to Section 7.08 (C) of the Charter.

PASSED: March 28, 2023

ATTEST:

APPROVED:


Clerk of Council


Mayor

This legislation was enacted in an open meeting pursuant to the terms and provisions of the Sunshine Law, Section 121.22 of the Ohio Revised Code.

Exhibit A Res No. 27-2023

INCOME TAX ADMINISTRATION AGREEMENT

By and Between

TURTLECREEK-MONROE 2022 JOINT ECONOMIC
DEVELOPMENT DISTRICT

and

THE CITY OF MONROE, OHIO

Dated _____, 2023

This **Income Tax Administration Agreement** (the "Agreement") is entered into by and between the Board of Directors (the "Board") of the **Turtlecreek-Monroe 2022 Joint Economic Development District** (the "District") and the **City of Monore**, Butler and Warren Counties, Ohio (the "City") to govern the collection and distribution of the JEDD income tax imposed by the Board pursuant to the Turtlecreek-Monroe 2022 Joint Economic Development District Contract (the "Contract") entered into by and between Turtlecreek Township, Warren County, Ohio (the "Township") and the City of Monroe, Ohio (the "City"), dated _____, 2022.

RECITALS

Pursuant to Section 10 of the Contract, the Board adopted a resolution levying an income tax at a rate of two percent (2.00%) in the District, Resolution No. _____.

Pursuant to Section 10 of the Contract and Resolution No. _____ the income tax shall be levied on: a) income earned by individuals working or residing in the District to be collected via payroll withholding; and b) net profits from business operations within the District.

Pursuant to Section 10 of the Contract the City of Monroe, or its designee shall administer, collect and enforce the income tax on behalf of the District.

NOW, THEREFORE, in consideration of the mutual premise and covenants set forth in this Agreement, the parties hereto agree and bind themselves, their agents, employees and successors, as follows:

SECTION 1. The City of Monroe shall administer, collect and enforce the income tax on behalf of the District consistent with the terms of the Contract and Resolution _____ of the Board.

The City of Monroe's Tax Administrator shall serve as the Administrator of the income tax derived from the District and shall be responsible for the receipt, safekeeping, accounting, and investment of income tax revenues pending disbursement.

All receipts shall be deposited to a separate District account which shall not be mingled with revenue from other sources. The Board shall set up the District income tax account on or before the effective date of the income tax, _____, 2023. All receipts shall be deposited within 24 hours of receipt. Earnings on the District account and investments related thereto shall be added to the account.

The Administrator shall invest the accounts in accordance with Chapter 135 of the Ohio Revised Code and written direction of the Board.

The Administrator or designee has authority to grant refunds and compromise claims for taxes, penalties, and interest. The Administrator or designee has authority to commence legal proceedings pertaining to delinquent tax collection and enforcement, and declaratory judgment regarding disputed interpretation and applicability of the income tax. The Administrator or designee is authorized to investigate and audit taxpayer returns and to issue subpoenas in furtherance of duties. The Administrator is designated to be an interested party and is authorized

to commence and defend legal proceedings in the name of the District in any way pertaining to the income taxation within the District.

The Monroe Board of Tax Review, as set forth in Section 887.18 of the Monroe Income Tax Code, will hear all taxpayer appeals regarding the District income tax.

SECTION 2. The Board shall be responsible for obtaining a federal employer identification number for the District and shall use its best efforts to obtain such number as soon as possible.

SECTION 3. The Board shall use its best efforts to notify the Administrator that a business has located within the District.

Upon notification by the Board of a business locating within the District or otherwise being apprised thereof, the Administrator shall begin collecting the applicable income tax on the business and its employees within the period as defined in Section 887.041 of the Monroe Income Tax Code.

SECTION 4. The Administrator shall report quarterly to the Board and Contracting Parties regarding receipt and distribution of income tax revenue including amounts retained in escrow. The Administrator shall report quarterly regarding District operating income and expenses for the preceding quarter. If requested the Administrator shall provide monthly reports to the Contracting Parties regarding all revenue generated within the District, and shall provide such other information or reports as requested if necessary for reporting or informational purposes. The Administrator shall assist the Board in creating and organizing all necessary reports and documents required by the Board's By-laws, the State of Ohio or other agencies to whom the Board has a duty to report.

Upon request of a Contracting Party, the Administrator shall provide a report regarding the receipt and distribution of the income tax of the District and the operating income and expenses of the District for the preceding six months, a copy of which shall be provided to all Contracting Parties and shall provide other information as requested.

All reports and information shall be in written form and a copy thereof shall be delivered to each Board member. Reports or information delivered to Contracting Parties shall be delivered to each Contracting Party's Administrator, Manager or Fiscal Officer.

SECTION 5. In consideration of its services pertaining to income tax administration and collection, Monroe shall receive annually a service fee equal to three and one half (3.50%) percent of gross income tax revenues collected. The Administrator shall transfer said service fee to the City on a monthly basis. The service fee may be applied to administrative costs at Monroe's discretion, but shall also be applied specifically to costs of collection and litigation including for example, attorney fees, court costs, expert fees, court reporter fees, and so forth.

SECTION 6.

(a) On or before the 10th day following the end of each year, the Administrator shall transfer an amount equal to the annual District Administration costs, as defined in the Contract, from gross income tax revenues to the Board to be used for long-term maintenance of the District.

(b) On or before the 10th day following the end of each quarter the Administrator shall place the percentage amount determined from time to time by the Board of the gross annual income tax revenue into an escrow fund. Escrow proceeds may be utilized to pay refunds, and in general to balance accounts. In the event of an escrow deficiency, the Administrator may invoice the Contracting Parties according to their Distributable Revenue percentage set forth below to satisfy the deficiency. Invoices for deficiency are due and payable within thirty (30) days from invoice. Annually, thirty (30) days after the end of the fiscal year, any escrow surplus shall be distributed to the Contracting Parties based on the Distributable Revenue percentages set forth in the Contract. Earnings achieved on any surplus escrow shall be added to the escrow fund.

(c) Any costs incurred and paid by the Contracting Parties in assisting in the establishment of the District shall be reimbursed to the Contracting Parties, respectively, from revenues of the District income tax prior to the distributions of such revenues as set forth in Section 6(d) hereof.

(d) Distributable Revenue from the prior quarter shall be paid to the Contracting Parties as follows: 77% to Turtlecreek Township; and 23% to the City of Monroe.

“Distributable Revenue” shall be annual gross income tax revenue minus the sum of (the 3.50% annual service fee, and the annual escrow fee, and the annual amount for long term maintenance).

SECTION 7. The Administrator shall administer the collection of the income tax pursuant to the provisions, except as specifically set forth in the Contract and Resolution No _____, of the City of Monroe, Ohio, Income Tax Code, including all rules and regulations promulgated thereunder, as such laws were in effect on the date that the income tax was adopted by the Board (the “Monroe Income Tax Ordinance”). A copy of Resolution No. _____ is attached hereto as **Exhibit A**.

SECTION 8. The District territory shall have primacy over residential status relating to the collection of the income tax derived from individual earnings within the District notwithstanding the provisions of the Monroe Income Tax Ordinance which may provide to the contrary.

SECTION 9. The Administrator shall maintain all District income tax records pursuant to applicable legal limitations and all disposal of such records shall be governed by the Ohio Historical Society's guidelines and schedules. District income tax records will be listed separately from the City's income tax records on the Schedule of Retention and Records Disposition.

SECTION 10. The Administrator shall maintain a copy of the District income tax rules and all ordinances governing the District income tax, as well as all forms pertaining to the filing of and payment of the District income tax, which may be a paper copy of an electronic version.

SECTION 11. This Agreement shall be governed exclusively by and construed in accordance with the laws of the State of Ohio.

SECTION 12. In the event that any section, paragraph or provision of this Agreement, or any covenant, agreement, obligation or action, or part thereof, made, assumed, entered into or taken, or any application thereof, is held to be illegal or invalid for any reason:

(a) that illegality or invalidity shall not affect the remainder hereof or thereof, any other section or provision hereof, or any other covenant, agreement, obligation or action, or part thereof made, assumed, entered into or taken, all of which shall be construed and enforced as if the illegal or invalid portion were not contained herein or therein,

(b) the illegality or invalidity of any application hereof or thereof shall not affect any legal and valid application hereof or thereof and will not invalidate any preceding actions of the Board or the Administrator, and

(c) each section, paragraph, provision, covenant, agreement, obligation or action, or part thereof, shall be deemed to be effective, operative, made, assumed, entered into or taken in the manner and to the full extent permitted by law.

SECTION 14. If this Agreement contains any inconsistencies with the terms of the Contract, then the terms of the Contract shall prevail and be applied over the terms of this Agreement.

IN WITNESS WHEREOF, the Board and the City have caused this Agreement to be duly signed in their respective names by their duly authorized officers as of the date hereinbefore written.

BOARD OF DIRECTORS
TURTLECREEK-MONROE 2022 JOINT
ECONOMIC DEVELOPMENT DISTRICT

By: _____
Chairman

CITY OF MONROE

By: _____
City Manager