



June 16, 2021

The Honorable Mike DeWine
Governor, State of Ohio
77 S. High Street, 30th Floor
Columbus, OH 43215

The Honorable Jon Husted
Lieutenant Governor, State of Ohio
77 S. High Street, 30th Floor
Columbus, OH 43215

The Honorable Matt Huffman
President, Ohio Senate
1 Capitol Square, 2nd Floor
Columbus, OH 43215

The Honorable Robert Cupp
Speaker, Ohio House of Representatives
77 S. High Street, 14th Floor
Columbus, OH 43215

The Honorable Kenny Yuko
Minority Leader, Ohio Senate
1 Capitol Square, 3rd Floor
Columbus, OH 43215

The Honorable Emilia Sykes
Minority Leader, Ohio House of Representatives
77 S. High Street, 14th Floor
Columbus, OH 43215

State Senator Matt Dolan
Chair, Ohio Senate Finance Committee
Conference Committee on Sub. H.B. 110
1 Capitol Square, 1st Floor
Columbus, OH 43215

State Representative Scott Oelslager
Chair, Ohio House Finance Committee
Conference Committee on Sub. H.B. 110
77 S. High Street, 13th Floor
Columbus, OH 43215

Dear Gov. DeWine, Lt. Gov. Husted, and Legislative Leaders:

As a bipartisan coalition of mayors and local officials from different communities across Ohio, we write to express our very serious concerns with two provisions in Sub. H.B. 110. We will outline these provisions below and recommend a specific course of action for each. However, let us take a moment to express our appreciation for the strong state and local cooperation that has persisted throughout this year. We are in a better place today because our state and local leaders worked together to navigate the challenges of this pandemic. Unfortunately,

the provisions below threaten this important cooperation at a critical time when we should all be working to ensure that Ohio has the strongest possible economic recovery.

First, we oppose language added in the Senate substitute version of H.B. 110 that would retroactively change a temporary remote working municipal tax law passed last year (Sec. 29 of H.B. 197). This measure provided stability to employers and communities at a time when millions of Ohioans were forced to work in a different location because of the COVID-19 pandemic. This temporary law “treated 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.” (LSC, HB 197 Analysis, P.6).

While we agree that it is appropriate to sunset this temporary law at the end of 2021, we strongly disagree with the language stating that Sec. 29 of HB 197 does not apply to “an employee’s actual tax liability.” This change means that Ohioans who have been temporarily displaced by the pandemic will now be able to file municipal income tax refund requests to their principal place of work city for tax years 2021 and 2020. This contradicts the spirit and intent of the temporary law that the legislature passed last year and cities have been relying on to navigate the numerous challenges brought on by the pandemic.

Many of our communities are bracing for significant revenue losses next year due to long-term shifts to remote working. **The Regional Income Tax Agency estimates that if there is a 30 percent shift towards working from home, 254 of the nearly 300 communities it serves would see net revenue losses, in some cases as much as a 20 percent reduction.** Combining the threat of these future revenue losses with the impacts of two years of retroactive refunds will likely result in serious fiscal instability for many Ohio communities. It will also set off an unprecedented administrative challenge for communities to verify and process these requests, especially going back into a closed tax year.

It is also important to note the American Rescue Plan Act (ARPA) funds will not alleviate these potential fiscal impacts in many communities, particularly non-entitlement cities with a high volume of service-industry jobs. In some cases, the estimated fiscal losses in these communities due to remote working will far exceed the amount expected to be received in ARPA funds. Furthermore, only half of the total ARPA funds have been allocated to local communities and there is no guarantee that the second half of these funds will be allocated next year. This concern is growing more serious as federal lawmakers continue to discuss the possibility of clawing back or repurposing these funds for other federal priorities.

Considering the extremely high work-from-home rates during the pandemic, and the expected future losses for cities due to a permanent shift in remote working, **we are urging the removal of the provision that “states that the temporary rule [Sec. 29 of HB 197] applies only to an employer’s tax withholding obligations and net profit calculation, and not to an employee’s actual tax liability.” At a minimum, this language should not apply for tax year 2020, when all non-essential workers were mandated, by order of the state, to work in a different location and continued to do so throughout the year because of the pandemic.**

Second, we oppose language that will effectively prohibit government-supported broadband networks. One of the lessons from this pandemic is the need for strong, affordable, and accessible internet access for all our residents. The provision added to HB 110 limits government-owned broadband networks to

only “underserved” areas and does not address this emerging need, which would be a significant setback for Ohio. Not only would it end existing municipal-run networks, it would also prohibit future efforts of local governments to provide affordable and accessible broadband access to our residents. Given the importance of broadband access on economic development, we also believe this provision will hurt Ohio’s economic growth. **This provision should be removed in its entirety through the HB 110 conference committee process.**

Thank you for your thoughtful consideration of these requests. We look forward to our continued work together to ensure that Ohio has a strong economic recovery in every corner of this great state.

Respectfully submitted,

Ohio Mayors Alliance Members and Directors:

Youngstown Mayor Tito Brown, Board Member
Cincinnati Mayor John Cranley, Board Member
Parma Mayor Tim DeGeeter, Board Member
Columbus Mayor Andrew J. Ginther, Board Member
Findlay Mayor Christina Muryn, Board Member
Kettering Mayor Don Patterson, Board Member
Lancaster Mayor David Scheffler, Board Member
Akron Mayor Daniel Horrigan, Member
Beavercreek Mayor Robert Stone, Member

Mayors Partnership for Progress Officers:

Athens Mayor Steve Patterson, President
New Concord Mayor Jennifer Lyle, Vice President

Hamilton County Municipal League:

Sharonville Mayor Kevin Hardman, President
Fairfax Mayor Carson Shelton, Vice President
Blue Ash Council Member Lee Czerwonka, Treasurer
Montgomery Vice Mayor Craig Margolis
Madeira Vice Mayor Chris Hilberg
Stiney Vonderhaar, Executive Director

Cuyahoga County Mayors and Managers Association:

Strongsville Mayor Thomas P. Perciak, President
Brecksville Mayor Jerry N. Hruby, Vice President
Pepper Pike Mayor Richard Bain, Secretary
Euclid Mayor Kirsten Holzheimer Gail, Treasurer
Mentor City Manager Kenneth J. Filipiak, Chairman
Reminderville Mayor Sam Alonso, Vice Chairman
Lisa J. Barno, Executive Director

Ohio Municipal League Officers and Board Members:

Kettering City Manager Mark Schwieterman, President
Newton Falls Council Member Lyle Waddell, 1st VP
Troy Safety/Service Director Patrick Titterington, 2nd VP
Circleville President of Council David Crawford
Perrysburg Finance Director David Creps
Parma Mayor Tim DeGeeter
Montgomery Law Director Terrence Donnellon
Chillicothe Mayor Luke Feeney
Cleveland Council Member Blaine Griffin
Fostoria Mayor Eric Keckler
Centerville Deputy Mayor Belinda Kenley
South Zanesville Fiscal Officer Chris Kerby
Niles Mayor Steven Mientkiewicz
Roseville Fiscal Officer Heidi Milner
Marion Mayor Scott Schertzer
Bryan Mayor Carrie Schlade
Troy City Manager Patrick Titterington
West Carrollton City Manager Brad Townsend
Columbus Council Member Priscilla R. Tyson
Wapakoneta Safety Service Director Floyd Gregg
Sydney Mayor Michael Barhorst, Past President
Cambridge Clerk of Council Sharon Cassler, Past President

Mayors Association of

Portage, Stark and Summit Counties:

Aurora Mayor Ann Womer Benjamin, President
Barberton Mayor William Judge, Vice President
Twinsburg Mayor Ted Yates, Secretary
Tallmadge Mayor Dave Kline, Treasurer
Louis G. Berroteran MPA, Executive Director

Central Ohio Mayors and Managers Association:

Worthington Council President Bonnie Michael, Chair
Whitehall Mayor Kim Maggard, Vice Chair (Past Chair)
Grove City Mayor Ike Stage, Secretary-Treasurer
Columbus Mayor Andrew Ginther, Member
Dublin Mayor Chris Amorose Groomes, Member
Bexley Mayor Ben Kessler, Director at Large

Greater Dayton Mayor and Managers Association:

Beavercreek Mayor Bob Stone, President
Troy Mayor Robin Oda, Vice President
Troy City Manager Patrick Titterington
Kettering City Manager Mark Schwieterman
Oakwood Mayor William Duncan
Xenia Mayor Sarah Mays
Union Mayor Michael O'Callaghan
Tipp City City Manager Tim Eggleston

Warren County Municipal League:

Mason Councilmember Diana Nelson, President
Monroe Mayor Jason Frentzel
Springboro Councilmember Janie Ridd
Middletown Councilmember Talbott Moon
Darlene Hicks, WCML Executive Director

Additional Local Officials:

Centerville Mayor Brooks A. Compton
Montgomery Mayor Chris Dobrozsi
Moraine Mayor Elaine Allison
Moraine City Manager Michael Davis
Piqua Mayor Kris Lee
Springboro Mayor John Agenbroad
Springboro Deputy Mayor Janie Ridd
Xenia City Manager Brent W. Merriman
Zanesville Mayor Don Mason

CC: Sub. H.B. 110 Conference Committee Members:

State Senator Theresa Gavarone
State Senator Vernon Sykes

State Representative Phil Plummer
State Representative Erica Crawley