



January 28, 2016

Hamilton County Board of Commissioners
County Administration Building
138 E. Court Street – Room 603
Cincinnati, OH 45202

Dear Commissioner Portune:

Re: Utility Service Tax

As you are aware, on December 9, 2015 the Hamilton County Board of Commissioners (the Board) passed a Resolution outlining the County's general fund revenues and expenses for the Fiscal Year beginning January 1, 2016. The approved plan included a Utility Service Tax to fill a revenue shortfall in the 9-1-1 system. This decision not only ignored the recommendations of consumer advocates and utilities, it even ignored the recommendations of the 9-1-1 Preservation Task Force – the very group the Board empanelled and employed to find a long-term solution for funding the County's 9-1-1 system.

It appears that the County is trying to impose a tax, without a vote of the people, under the guise of "Utility Service" knowing that most people will just assume it's the utility raising their rates.

For many reasons, we strongly urge you to reconsider the implications this tax will have on the businesses and residents of Hamilton County and in so doing, reconsider your decision to impose this tax:

1. No prior use of this tax provision in the almost 50 years it has existed.

2. No state rules or regulations exist to explain how the tax would be levied.
3. No analysis of the implementation costs, which will be borne by those paying the tax.
4. No analysis exists detailing the magnitude of just how much revenue the tax will actually generate or how they will be applied, a fact admitted by the Board at the time the enabling resolution was passed.
5. No input from the Public Utilities Commission of Ohio, the agency that regulates most Ohio utilities.
6. No voice for the citizens of Hamilton County, who are being denied their right to be heard at the ballot box on this tax increase.
7. No recognition by the Board that the 9-1-1 Preservation Task Force – the very group created by the Board to actually study this issue – has already rejected the Utility Services Tax as a viable option.
8. No acknowledgement by the Board that the Utility Services Tax is, in fact, a tax.¹

The signatories on this letter represent a diverse group of entities, from non-profit municipal and rural utilities and for-profit investor-owned utilities, to large and small customers. Many member companies of these associations provide thousands of jobs and millions of dollars in tax base in Hamilton County. As responsible corporate citizens, they are sympathetic to the County's budget constraints. Furthermore, safety is more than just a practical goal of our members – it is ingrained in their cultures. Our members are devoted to ensuring their employees provide reliable service to their customers and then go home safely to their own families. The 9-1-1 system is an important extension of their everyday practices and procedures.

However, the assessment of a Utility Service Tax is misguided policy, that would arrive on the heels of an already regressive tax increase implemented within the past year when the Hamilton County piggyback sales tax was increased by 25 percent. At a time when business growth is crucial to the success of Ohio, the Utility Services Tax would further hamstring Ohio businesses.

We strongly urge you to rescind your decision to impose the Utility Services Tax and instead choose one of the alternative recommendations of the 9-1-1 Preservation Task Force.

We welcome the opportunity to discuss this issue with you in more detail.

Sincerely,



Joe Hollabaugh, Executive Director
Ohio Electric Utility Institute



Jonathon McGee, Executive Director
Ohio Cable Telecommunications Association

¹ Ohio Revised Code Sec. 324.02.



Charles Moses, President
Ohio Telecom Association



Jimmy Stewart, President
Ohio Gas Association



Pat O'Loughlin, President & CEO
Ohio's Electric Cooperatives



Jolene M. Thompson, Executive Director
Ohio Municipal Electric Association



Gordon M. Gough, President & CEO
Ohio Council of Retail Merchants



Kristin Mullins, President & CEO
Ohio Grocers Association



David F. Boehm, Council
Ohio Energy Group



Brenda Schulz, Chair
Ohio Steel Council



Robert J. Lapp, President
Manufacturing Policy Alliance



Roger Geiger, Vice President &
Executive Director
National Federation of Independent
Business/Ohio



Eric Burkland, President
Ohio Manufacturers' Association



Daniel Navin, Assistant VP Tax & Economic Policy
Ohio Chamber of Commerce