

CITY OF GREENACRES

Council Agenda Memo
#2016.05B7.06

TO: Mayor and City Council

THROUGH: Andrea McCue, City Manager

FROM: Michael Grimm, Director/CBO, Building Department

SUBJECT: **Ordinance No. 2016-16** Amending the Business Tax Receipt Fee Schedule
City Council Agenda Item for 06-06-2016

DATE: May 31, 2016

COPIES: James D. Stokes, City Attorney
Denise McGrew, City Clerk

Background:

In accordance with Florida Statutes, staff is proposing amendments to the business tax fee schedule that was established by ordinance in 1995 and subsequently amended in 1997, 2002, 2004, 2007, 2009, 2011 and 2013. Business Tax Receipts were formally known as Occupational Licenses. Florida Statute 205.0535(4) places limitations on the increase of business tax receipt rates to a maximum of 5% every other year. Fees were last increased in 2013. At this time, in preparation for collection of the FY 2017 fees, adjustments are being recommended.

Analysis:

Local business tax revenues are used to assist in the funding of services critical to business such as: zoning, permitting, code enforcement, police and fire, and economic development programs, all of which are direct benefits to these businesses. The costs of these services along with the costs to process Business Tax Receipts have increased annually including: personnel, insurance, maintenance, utilities, zoning review, postage, and hardware and software support.

Ordinance 2016-16 proposes to adjust all categories in the existing Business Tax Receipt rate schedule upwards by the allowable 5% in order to offset the increased costs. In order to further analyze the appropriateness of the increase, the fees in effect for several neighboring municipalities were examined. Those municipalities included Jupiter, North Palm Beach, Palm Beach Gardens, Palm Springs, Royal Palm Beach, Wellington, and Lake Worth. The analysis in

Attachment A compares the current and proposed City fees to the average fees charged in other local municipalities and attempts to adjust for the very different rate structures of other municipalities. The chart shows the proposed City fees are lower than the average fees currently charged by the other municipalities except in the category of food. It should be noted that some of the listed jurisdictions will also be increasing their fee schedules this year by the 5% permitted by law.

Financial:

The proposed amendment to the Business Tax Receipt rate structure is expected to generate approximately \$6,900 in additional revenue in FY 2017.

Legal:

The Ordinance has been prepared in compliance with City Codes and Florida Statutes. It should be noted that in accordance with Florida Statute 205.0535(4), a majority plus one vote of the City Council is required in order to enact the proposed increase.

Staff Recommendation:

Approval of Ordinance 2016-16 amending the Business Tax Receipt rate schedule.

Michael Grimm CBO
Director Building Department

Attachments:

1. Ordinance No. 2016-16
2. Attachment A