



## City of Hallandale Beach City Commission Agenda Cover Memo

Meeting Date:	File No.:	Item Type:	1 <sup>st</sup> Reading	2 <sup>nd</sup> Reading
<b>4/23/2025</b>	<b>25-109</b>	<input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Other	Ordinance Reading	<b>4/23/2025</b>
			Public Hearing	<input checked="" type="checkbox"/>
			Advertising Required	<input type="checkbox"/>
			Quasi-Judicial:	<input type="checkbox"/>
Fiscal Impact (\$):	Account Balance (\$):	Funding Source:	Project Number:	
<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	
Contract/P.O. Required	RFP/RFQ/Bid Number:	Sponsor Name:	Department:	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<b>N/A</b>	<b>Vanessa Leroy, Director</b>	<b>Sustainable Development</b>	
Strategic Plan Focus Areas:				
<input checked="" type="checkbox"/> <b>Fiscal Stability</b>	<input type="checkbox"/> <b>Resident Services</b>	<input type="checkbox"/> <b>Public Safety</b>	<input type="checkbox"/> <b>Infrastructure &amp; Mobility</b>	<input type="checkbox"/> <b>Economic Development &amp; Affordable Housing</b>
Implementation Timeline:				
Estimated Start Date: 10/1/2025			Estimated End Date: 9/30/2027	

### SHORT TITLE:

**AN ORDINANCE OF THE CITY OF HALLANDALE BEACH, FLORIDA, INCREASING ALL LOCAL BUSINESS TAX RECEIPT FEES BY FIVE PERCENT; PROVIDING FOR CONFLICT; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.**

### STAFF SUMMARY:

#### **Summary:**

Staff seeks City Commission approval to increase all Local Business Tax Receipt (BTR) fees by the allowable 5%.

#### **Background:**

Senate Bill 364 was signed by the Governor on May 3, 1993. The legislation permitted a one-time increase in BTR revenues equal to ten percent (10%) of the previous year's "revenue base". Thereafter, rates may be increased five percent (5%) every two years,

per Section 205.0535(4), Florida Statutes (Exhibit 2).

In order to collect the additional ten percent (10%) revenue for FY 94/95, Ordinance 94-15 was adopted on June 7, 1994. The establishment of the Equity Study Commission and passage of that Ordinance not only increased fees by the allowable 10% of base revenue but qualified the City to increase BTR fees by 5% every two years. The local business tax was last increased by the City Commission on May 17, 2023.

### **Current Situation:**

The local business tax was last increased by the City Commission on May 17, 2023, via Ordinance No. 2023-012, which passed and adopted a 5% tax increase for FY 2023-2024.

The proposed ordinance would increase all eligible BTR fees by the maximum allowed 5%, as shown in exhibit 1A.

### **Why Action is Necessary:**

Pursuant to Chapter 205.0535 of the Florida Statutes, municipalities are permitted to increase, by ordinance, the rates of business taxes by up to 5 percent every other year. However, an increase must be enacted by at least a majority plus one vote of the governing body.

### **Cost Benefit:**

The estimated increased revenue for the 5% proposed adjustment in all categories is \$23,261 for FY 2025-2026, based on the City's current BTR revenue. Historical revenue generated by BTR fees:

Fiscal Year	Revenue
2020-2021	\$391,109
2021-2022	\$531,746
2022-2023	\$441,735
2023-2024	\$371,306
2024-2025	\$465,217– <i>Projected</i>

If adopted, the 5% increase will generate an estimated total BTR revenue of \$488,477 for FY 2025-2026; after which, the City may not increase the BTR fees again until FY 2027-2028.

### **Business Impact Estimate:**

In accordance with Florida Statue Section 166.041(4), prior to the enactment of a proposed ordinance, a business impact estimate, which addresses the following criteria, is required:

1. Summary of proposed ordinance:

*The proposed ordinance would increase the City's Local Business Tax Receipt fees by 5%, as permitted by Florida State Statute on a biennial basis.*

2. Estimate of the direct economic impact of the proposed ordinance on private, for-profit businesses in the municipality, including the following, if any:
  - a. Estimate of direct compliance costs that businesses may reasonably incur if the ordinance is enacted.  
*If the proposed ordinance is enacted, the direct cost that businesses may reasonably incur is 5% of their annual BTR fee.*
  - b. Identification of any new charge or fee on businesses subject to the proposed ordinance, or for which businesses will be financially responsible.  
*The proposed ordinance does not create any new fees; however, existing fees will be increased by 5%.*
  - c. An estimate of the municipality's regulatory costs, including an estimate of revenues from any new charges or fees that will be imposed on businesses to cover such costs.  
*The proposed ordinance will generate additional revenue, estimated at \$26,761.*
3. A good faith estimate of the number of businesses likely to be impacted by the ordinance.  
*Approximately 2,500*
4. Any additional information the governing body determines may be useful.  
*N/A*

**PROPOSED ACTION:**

The City Commission approve the attached Ordinance.

**ATTACHMENT(S):**

Exhibit 1 – Ordinance  
Exhibit 1A – Proposed Fees  
Exhibit 2 - Florida Statute 205.0535

Prepared By: Steven Williams  
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DSD Assistant Director

Reviewed By: Vanessa Leroy  
Vanessa Leroy  
DSD Director

Reviewed By: Noemy Sandoval

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Assistant City Manager