



## City of Hallandale Beach City Commission Agenda Cover Memo

Meeting Date:	Item Type:		1 <sup>st</sup> Reading	2 <sup>nd</sup> Reading
<b>8/4/2021</b>	<input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Other	Ordinance Reading	<b>6/2/2021</b>	<b>8/4/2021</b>
File No.:		Public Hearing	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>21-157</b>		Advertising Required	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		Quasi-Judicial:	<input type="checkbox"/>	<input type="checkbox"/>
Fiscal Impact (\$):	Account Balance (\$):	Funding Source:	Project Number:	
<b>\$19,500</b>	<b>\$342,962</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>Development Services</b>	
Strategic Plan Focus Areas:				
<input checked="" type="checkbox"/> Finance & Budget		<input type="checkbox"/> Organizational Capacity	<input type="checkbox"/> Infrastructure/Projects	
Implementation Timeline:				
Estimated Start Date: <b>6/2/2021</b> Estimated End Date: <b>6/16/2021</b>				

### 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;  
PROVIDING FOR AN EFFECTIVE DATE.**

### STAFF SUMMARY:

**Summary:**

Staff seeks City Commission approval to increase all Local Business Tax Receipt fees by the allowable 5% as it was determined, based on the fee comparison with other Cities, that Hallandale Beach fees were considerably lower.

**Background:**

Senate Bill 364 was signed by the Governor on May 3, 1993. The legislation permitted a one-time increase in Local Business Tax Receipt revenues equal to ten (10%) percent of the previous

year's "revenue base". Thereafter, rates may be increased five (5%) percent every two years, per Section 205.0535(4), Florida Statutes (Exhibit 2).

In order to collect the additional 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 also qualified the City to increase Local Business Tax Receipt fees by 5% every two years. The local business tax was last increased by the City Commission on June 20, 2018.

### **Current Situation:**

The local business tax was last increased by the City Commission on June 20, 2018 via Ordinance #2018-016, which passed and adopted a 5% tax increase for FY 18/19. The majority of Hallandale Beach Business Tax Receipt assessments are lower than those of Aventura, Plantation, Dania Beach, North Miami and Fort Lauderdale, the five cities used in Hallandale Beach's comparison study (Exhibit 3). An increase in the business tax would put Hallandale Beach on par with surrounding areas.

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

Chapter 205.042, Florida Statutes permits the governing body of an incorporated municipality to levy, by appropriate resolution or ordinance, a local business tax for the privilege of engaging in or managing any business, profession, or occupation within its jurisdiction.

Also, Chapter 205.0535, Florida Statutes allows municipalities 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, 4-1 in the case of Hallandale Beach.

### **Cost Benefit:**

The estimated increased revenue for the 5% proposed adjustment in all categories is \$19,500 for FY 21/22 as detailed in revenue breakdown (Exhibit 4). Revenues generated in past years are \$376,695 for FY 18/19, \$392,207 for FY 19/20, and \$370,500 anticipated for FY 20/21. With the 5% increase for FY 21/22, staff anticipates a total revenue of \$409,500. This amount includes the 5% increase of \$19,500. A listing of current fees and proposed new fees is attached as Exhibit 1A to the proposed Ordinance for the 5% across the board tax increase.

## **PROPOSED ACTION:**

Staff recommends the City Commission adopt the proposed Ordinance which authorizes a 5% increase in business taxes on First Reading and schedule Second Reading for June 16, 2021. These additional revenues are included in the FY 21/22 Budget.

## **ATTACHMENT(S):**

Exhibit 1 - Ordinance  
Exhibit 1A - Current Fees and Proposed New Fees  
Exhibit 2 - Florida Statute 205-0535(4)

Exhibit 3 - Comparison of Fees

Prepared By: Sandra Sewell  
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Business License Specialist

Reviewed By: Christy Dominguez  
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Planning and Zoning Manager, Development Services Dept.

Approved By: Noemy Sandoval  
Noemy Sandoval  
Assistant City Manager