



## **CITY OF BELLE ISLE, FLORIDA CITY COUNCIL AGENDA ITEM COVER SHEET**

**Meeting Date:** September 7, 2021

**To:** Honorable Mayor and City Council Members

**From:** B. Francis, City Manager

**Subject:** Ordinance 21-08 Update BIMC regarding Business Tax Receipt (2<sup>nd</sup> Reading and Adoption)

**Background:** The Legislature passed a bill that is effective as of July 1<sup>st</sup> that will change how the City issues occupational licenses and business tax receipts and other changes related to these licenses to conform to the new laws enacted in Florida Statute 205. The City currently has two classifications (residential and commercial) and the rate of \$25 for residential license and \$50 for commercial license. There are currently 81 commercial and 125 residential licenses issued by the City. These licenses renew on October 1<sup>st</sup> of each year.

At the August 3, 2021 Meeting, the Council read the ordinance for the first time. The Council discussed reclassifying commercial and applying a new rate. For example, instead of a hotel being having the current commercial license of \$50, could the license be changed and reclassify the commercial license to a hotel classification and charge a rate per bed?

As part of this ordinance, under F.S. 205, if the City may, by ordinance, reclassify businesses, professions, and occupations and may establish new rate structures. In order to do so, the City would need to establish an Equity Study Commission. The Council asked if the Budget Committee could be appointed as the Equity Study Commission. In reading F.S.205.0535, Each member of the study commission must be a representative of the business community within the City's jurisdiction. The equity study commission shall recommend to the City a classification system and rate structure for business taxes. Therefore, it appears that the Budget Committee, as a whole, cannot be the Equity Study Commission; however if members of the Budget Committee have businesses in the City, they can be appointed.

The P&Z Commission held a public hearing on this Ordinance and recommended adoption.

**Staff Recommendation:** Adopt Ordinance 21-08. If Council wants to reclassify businesses and establish new rate structures, then direct the staff to advertise for commission members.

**Suggested Motion:** **I move that we adopt Ordinance 21-08.** (No motion is needed if the Council decides to direct the staff to start the process to find Equity Study Commission members)

**Alternatives:** None to adopt the ordinance.

**Fiscal Impact:** For FY20-21, the City has budgeted \$12,000

**Attachments:** Ordinance 21-08