

**SEMINOLE COUNTY GOVERNMENT
AGENDA MEMORANDUM**

SUBJECT: Occupational License Ordinance Proposed Changes

DEPARTMENT: Fiscal Services **DIVISION:** Administration

AUTHORIZED BY: Ray Hooper *RH* **CONTACT:** Lin Polk *LP* **EXT.** 7177

Agenda Date <u>5/13/03</u> Regular <input type="checkbox"/> Consent <input type="checkbox"/> Work Session <input type="checkbox"/> Briefing <input type="checkbox"/> Public Hearing – 1:30 <input checked="" type="checkbox"/> Public Hearing – 7:00 <input type="checkbox"/>

MOTION/RECOMMENDATION:

Consider adoption of ordinance to amend the Occupational License Ordinance to include new rates and classifications.

BACKGROUND:

The current Occupational License Ordinance was executed in 1995 to comply with FS 205.0535 allowing a reclassification and restructure of fees charged for local occupational licenses. The license classification structure, however, received few updates from the ordinance passed in 1980, and may in fact largely resemble the ordinance passed in 1972. The office of Tax Collector has proposed a new streamlined approach to the license process which would be beneficial to all involved, and yet will remain revenue neutral as a funding resource. Florida Statutes require that a committee of business representatives provide input for the rates and classifications of the occupational license ordinance. This Equity Study Commission was approved by the Board on December 10, 2002, has met on two occasions, and has endorsed the proposal. Attached are the committee's recommendations which are included within the ordinance.

Reviewed by:	<i>[Signature]</i>
Co Atty:	<i>[Signature]</i>
DFS:	_____
Other:	_____
DCM:	<i>[Signature]</i>
CM:	<i>[Signature]</i>
File No. <u>PHFSA00</u>	

Recommendations of the Seminole County Occupational License Study Equity Commission

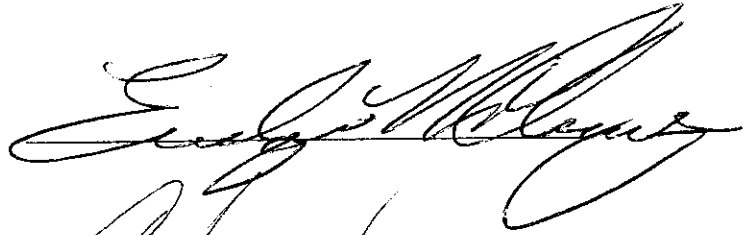
The members of the 2003 Seminole County Occupational License Study Equity Commission held two meetings at the County Services Building at 1101 East 1st Street, Sanford, on January 27, 2003 and March 10, 2003. Minutes are attached.

The current occupational license ordinance and its components were discussed as well as potential changes to the ordinance in order to simplify the process for the business community and implementation by the Seminole County Tax Collector.

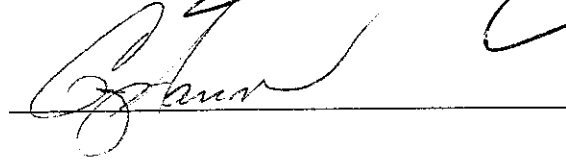
The 2003 Seminole County Occupational License Study Equity Commission makes the following recommendations to the Board of County Commissioners related to the occupational license ordinance:

1. Rewrite the ordinance eliminating all current classifications and rates.
2. Include the following two classifications and rates:
 - a. Class A Business – a business that is not regulated by the state of Florida or required to have a State license or certification. \$25
 - b. Class B Business – a business or occupation that is required to hold a State of Florida professional license or certification or is governed by County ordinance \$45
3. A business is required to purchase only one occupational license which will be determined based on whether or not the business has any regulated components.
4. Businesses with a single office location that own multiple vending machines in various locations require one Class A license.
5. No part of the annual license fee is refundable. (Currently in place.)
6. One-half year licenses will be available after April 1. (Currently in place.)
7. Business owners over 65 years of age, and charitable or non-profit businesses will be exempt from license fees, but not from regulations by the city, state, or county. (Currently in place.)
8. The occupational license transfer fee should remain \$3.00. (Currently in place.)
9. Late renewal penalties should remain 10% first month, 15% second month, 20% third month, and 25% thereafter. (Currently in place.)
10. The County should pursue efforts to enact one-stop purchasing so that a business person may secure a County license at the same time he/she purchases a city license – at the city location.
11. Revenues received from the change in classifications and rates should remain essentially the same as received in FY 2001/02.

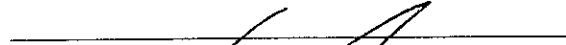
Evelyn Cloninger, Attorney at Law
Small Professional



Greg Hanson, Albertson's Supermarket
Large Retail



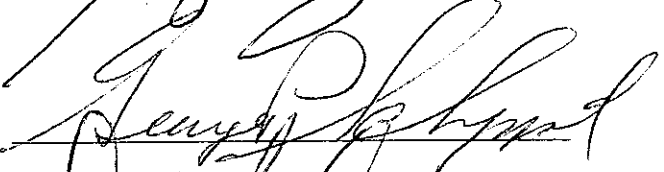
Greg Leary, Omni Home Services
Small Service



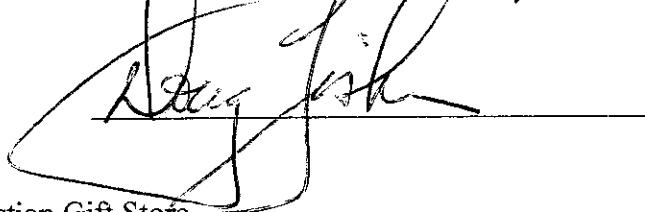
Kent Reagin, Euro Motors
Small Service



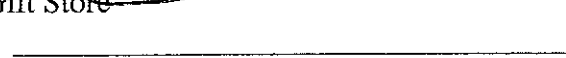
George Schnippel, Wood Crafters
Small Contractor



Doug Fisher, Fiserv
Large Hi-Tech



Angela Tindel, Grace and Glory Christian Gift Store
Small Retail



Rob Muellman, Outback Steakhouse
Large Restaurant



AN ORDINANCE PERTAINING TO OCCUPATIONAL LICENSE TAXES IN SEMINOLE COUNTY, FLORIDA; AMENDING SECTION 45.1 OF THE SEMINOLE COUNTY CODE; REPEALING EXISTING SECTION 45.2 OF SAID CODE; PROVIDING FOR A NEW SYSTEM OF BUSINESS, PROFESSIONAL AND OCCUPATIONAL CLASSIFICATIONS AND TAX STRUCTURE TO BE CODIFIED AS A NEW SECTION 45.2 OF THE CODE; REPEALING EXISTING SECTION 45.3 OF SAID CODE; CREATING A NEW SECTION 45.3 AUTHORIZING TRANSFERS OF CERTAIN ADMINISTRATIVE DUTIES THROUGH INTERLOCAL AGREEMENT; PROVIDING FOR CODIFICATION; PROVIDING FOR SEVERABILITY AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Legislature of the State of Florida enacted Section 205.0535, Florida Statutes, providing for a new methodology for reclassification of businesses and occupations, and restructuring of occupational license taxes as of October 1, 1995 and thereafter; and

WHEREAS, Section 205.0535, Florida Statutes, requires that Seminole County (the "County") establish and appoint an Equity Study Commission of the purpose of reviewing and approving any proposed reclassifications and restructuring of local occupational license taxes; and

WHEREAS, Seminole County heretofore appointed an Equity Study Commission who met, discussed, reviewed and approved of the restructuring and reclassification plan as detailed in this Ordinance; and

WHEREAS, the County finds that simplification of the current, cumbersome and archaic classification system into a new

system of only two (2) classifications is in the best interest of the citizens of Seminole County by virtue of facilitating more efficient administration and enforcement of collection of said taxes; and

WHEREAS, the new classification and tax structure presented in this Ordinance is intended to be revenue neutral, producing approximately the same annual, aggregate occupational license tax dollars realized in the immediately preceding fiscal years; and

WHEREAS, the new rate structure and simplified reclassification conforms to the maximum allowable adjustments described in Section 205.0535(3), Florida Statutes; and

WHEREAS, providing authority for entering into interlocal agreements with municipalities in Seminole County to issue the County's occupational license and collection of the taxes thereon will afford citizens the opportunity for savings of time, effort and enhanced convenience in obtaining an occupational license while affording the County opportunity for more effective enforcement of said tax; and

WHEREAS, the Economic Impact Statement required by the Seminole County Home Rule Charter with regard to the economic impacts of the provisions of this Ordinance has been prepared and made available for review in accordance with the requirements of the Charter,

NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF SEMINOLE COUNTY, FLORIDA:

Section 1. Short Title. This Ordinance shall be known and referred to as the "Occupational License Tax Ordinance of 2003".

Section 2. Authority. This Ordinance is enacted under the authority of Section 1(g), Article VIII of the Constitution of the State of Florida, Chapters 125 and 205, Florida Statutes, and under the authority of the general Home Rule Power of the County of Seminole.

Section 3. Purpose. The purpose of this Ordinance is to reform and simplify occupational license tax classifications and rates in order to promote fairness, equity, and improved efficiency in the levying, collection and enforcement of the tax.

Section 4. Scope. This Ordinance shall be applied and enforced within all areas of Seminole County pursuant to section 205.032, Florida Statutes.

Section 5. Amendment of Section 45.1, Seminole County Code. Section 45.1 is hereby amended to read as follows:

Sec. 45.1 Levy of tax; general penalty for non-payment; disallowance of refunds.

(a) Seminole County hereby levies an occupational license tax for the privilege of engaging in or managing any business, profession, or occupation within Seminole County and authorizes

the issuance of occupational licenses as authorized by Chapter 205, Florida Statutes. All licenses issued under this Code shall be annual licenses which shall commence running on October 1, on which date they shall have been paid for, and shall expire on September 30 of the following year. The sale of such licenses shall commence on the date set forth by section 205.053(1), Florida Statutes, or any successor statute and shall be due and payable as prescribed by section 205.053(1), Florida Statutes. If a license is issued after October 1, but before April 1 of the following year, the applicant shall pay the entire appropriate annual license tax. If a license is issued after March 31, but before October 1 of the year in which the license elapses, the applicant shall pay one-half (1/2) the annual appropriate license tax, provided no delinquency exists.

(b) Pursuant to section 205.053(1), Florida Statutes, occupational licenses that are not renewed when due and payable are deemed delinquent and shall be subject to a penalty equal to ten percent (10%) of the tax for the month of October and an additional five percent (5%) for each month thereafter up to a maximum penalty of twenty five percent (25%) of the tax. Pursuant to section 205.053(2), Florida Statutes, persons engaging in any business, profession or occupation without first obtaining an occupational license shall be subject to a penalty equal to twenty five percent (25%) of the license tax due. The

foregoing notwithstanding, the penalty authorized by section 205.053(3), Florida Statutes, for failure to pay a required occupational license tax within one hundred fifty (150) days of the initial notice of the tax due is hereby set at TWO HUNDRED FIFTY AND NO/100 DOLLARS (\$250.00). In the event, the County enters into an interlocal agreement with any municipality for the transfer of administrative duties relative to issuance of County occupational licenses and collection of related taxes as authorized hereinafter, such interlocal agreement may allow for the municipality to retain such penalty to help defray the administrative costs attributable to its duties under that agreement.

(c) Occupational license taxes paid to the County shall not be refundable for any reason other than denial of an application for a license or renewal thereof or clerical error.

Section 6. Classifications of Business, Occupations and Professions. Section 45.2, Seminole County Code, is hereby repealed in its entirety and replaced with a new Section 45.2 which shall read as follows:

Sec. 45.2 Classifications subject to tax.

Unless specifically exempted in whole or in part from the levy and collection of occupational license taxes by Sections 205.054, 205.063, 205.064, 205.065, 205.162, 205.171, 205.191, 205.192, 205.193, and 616.12(2) or successor statutes thereto,

or such other exemptions as may hereafter be created by enactment of the State Legislature, the following classifications shall be subject to an occupational license tax in the manner set forth below.

There shall be two (2) classifications of businesses, professions and occupations for purposes of occupational license tax levy and collection as follows:

(a) There shall be a Class "A", Non-regulated Business, Profession, or Occupation. This classification shall include all businesses, professions, or occupations which are not required to hold any license, certification, or registration with any branch, department, agency or authorized licensing board of the United States Government or the State of Florida, and which are not subject to regulation by any other ordinance of the County or any municipality therein. The annual occupational license tax for all Class "A" licenses shall be TWENTY-FIVE AND NO/100 DOLLARS (\$25.00).

(b) There shall be a Class "B", Regulated Business, Profession or Occupation. This classification shall include all businesses, professions, and occupations for which a license, certification, or registration is required by any branch, department, agency or authorized licensing board of the United States Government, the State of Florida, or which are subject to regulation under any other ordinance of Seminole County or any

municipality therein. The annual occupational license tax for all Class "B" licenses shall be FORTY-FIVE AND NO/100 DOLLARS (\$45.00).

(c) All business entities and individuals engaging in any occupation or profession shall only be required to purchase one (1) occupational license from the County for each business location, even if such individual person or business entity shall engage in more than one (1) business, profession, or occupation under his, her, or its name at that location. If at least one of that entity's or person's business, occupational, or professional activities qualifies as a Class "B" regulated business, profession, or occupation, then he, she, or it shall be issued a Class "B" occupational license.

(d) All new applicants for an occupational license which are within the Class "B" regulated business, profession, or occupation shall be required to produce all Federal, State, or local licenses, certifications, or registrations as a condition precedent to the issuance of any County occupational license. Subsequent production of such other licenses, certifications, or registrations for renewals of an occupational license shall be as required by Florida Statutes in effect at the time of renewal.

Section 7. Repeal of Existing Section 45.3, Seminole County Code and Enactment of A New Section 45.3 Authorizing Transfer of Administrative Duties. Section 45.3, Seminole

County Code, entitled "Sections of Florida Statutes Saved From Repeal" is hereby repealed and replaced with an all new Section 45.3 authorizing the County to enter into interlocal agreements with municipalities for issuance of County occupational licenses and collection of taxes thereon, which new section shall read as follows:

Section 45.3 Transfer of Administrative Duties

Pursuant to the authority of section 205.045, Florida Statutes (2002), the County may hereafter enter into an interlocal agreement with any municipality within Seminole County for the purpose of having the municipality issue the County's occupational licenses, collect and remit the taxes thereon. Such interlocal agreement may allow for reasonable compensation to the municipality for its expenses in assuming such duties and responsibilities. No transfer of administrative duties shall occur prior to the time the requisite interlocal agreement becomes effective.

Section 8. Codification. It is the intention of the Board of County Commissioners that the provisions of this Ordinance shall become and be made a part of the Seminole County Code and that the word "ordinance" may be changed to "section", "article", or other appropriate word or phrase and the sections of this Ordinance may be renumbered or re-lettered to accomplish such intention; providing, however, that Sections 1 through 4,

and Sections 8 through 10 of this Ordinance shall not be codified.

Section 9. Severability. If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, it is the intent of the Board of County Commissioners that the invalidity shall not affect other provisions or applications of this Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are declared severable.

Section 10. Effective date. This Ordinance shall take effect upon filing a copy of this Ordinance with the Florida Department of State by the Clerk of the Board of County Commissioners.

ENACTED this _____ day of _____, 2003.

ATTEST:

BOARD OF COUNTY COMMISSIONERS
SEMINOLE COUNTY, FLORIDA

MARYANNE MORSE
Clerk to the Board of
County Commissioners of
Seminole County, Florida

DARYL G. MCLAIN, Chairman

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ECONOMIC IMPACT STATEMENT

DATE: April 9, 2003

DEPT./DIVISION: Fiscal Services

CONTACT PERSON: Cindy Hall/Lin Polk

EXTENSION: 7172/7177

DESCRIBE PROJECT/PROPOSAL:

This ordinance simplifies the occupational license structure from numerous out-of-date and complicated classifications to two classifications: B - regulated business; and A - non-regulated business. It also limits the number of licenses purchased to one per business.

DESCRIBE THE DIRECT ECONOMIC IMPACT OF THE PROJECT/ PROPOSAL UPON THE OPERATION OF THE COUNTY: The new ordinance is constructed to be revenue neutral, so there should be no direct revenue impact on the county. Implementation of the ordinance should be easier for the Tax Collector's Office and consequently require less staff time.

DESCRIBE THE DIRECT ECONOMIC IMPACT OF THE PROJECT/ PROPOSAL UPON THE PROPERTY OWNERS/TAX PAYERS/CITIZENS WHO ARE EXPECTED TO BE AFFECTED:

The proposal sets the minimum tax rate at \$25. Currently several business classifications pay less than that rate, typically \$20. Any business paying less than \$25 will pay an increased price. Similarly, the proposed maximum rate is \$45. Businesses that currently pay more than that fee will get a reduction. Several businesses now must purchase multiple licenses. Licenses will be limited to one per business by the new ordinance.

IDENTIFY ANY POTENTIAL INDIRECT ECONOMIC IMPACTS, POSITIVE OR NEGATIVE WHICH MIGHT OCCUR AS A RESULT OF THE PROJECT PROPOSAL: The simplified ordinance enables the county to work with the cities to offer one-stop purchasing for licenses at the respective city halls. It is likely to be economically beneficial to business individuals to be able to purchase their county and city license in one location. Enforcement of the licenses may be increased as the cities will be more directly involved with the issuance of county licenses.