

TOWN OF PALM BEACH

Information for Town Council Meeting on: May 12, 2021

To: Mayor and Town Council

Via: Kirk Blouin, Town Manager

From: Wayne Bergman, Director of Planning, Zoning & Building

Re: Ordinance 04-2021 – Proposed Change in the Business Tax Receipt (BTR) Rate Structure

Date: February 19, 2021

STAFF RECOMMENDATION

Staff recommends approval of the First Reading of Ordinance 04-2021 amending the Business Tax Receipt Rate Structure. It should be noted that approval of this ordinance will require a majority plus one vote of the Town Council in order to become effective.

GENERAL INFORMATION

In Fiscal Year (FY) 2020/2021, the Town issued 1,504 BTR's (formerly known as occupational licenses) to local businesses. All businesses, professions, and occupations conducted within the Town are required to pay the annual BTR. The Town Code of Ordinances, Chapter 114, Taxation, Sections 114-31 through 114-45 detail the BTR program.

Per Florida Statute 205.0535, the Town may increase BTR Rate Structure every two years by an amount not to exceed 5%. The Town's BTR Rate Structure were last modified on May 14, 2019. Looking at recent history, the rate structure was also increased in 2017, 2015, 2013 and 2011.

Staff is recommending an increase in rate structure for FY 2021/2022 by the allowed 5% (actually 4.95%, due to rounding the tax rates for simplicity). If approved, this modification would represent a potential increase in revenue of approximately \$52,007 per year going forward.

If the Town Council approves first reading of Ordinance No. 04-2021, the ordinance will be placed on the May, 2021 Town Council agenda for second and final reading. If adopted, the revised rate structure will be incorporated into the renewal notices scheduled for issuance on or about July 1, 2021, for the new tax year commencing October 1, 2021.

FUNDING/FISCAL IMPACT

The proposed fees will represent an increase in BTR's of approximately \$52,007 annually, commencing in FY 2021/2022. This increase is planned, and is reflected in the Town's Long Term Financial Plan. With this increase, anticipated 2021/2022 FY BTR revenue should be \$780,576.00.

SPECIAL CONSIDERATIONS

This ordinance has been reviewed by the Town Attorney for legal form and sufficiency. Ordinance No. 04-2021 (Chapter 114-43) is ready to be approved on First Reading.

Attachments: Draft Ordinance No. 04-2021 (Chapter 114-43), with Exhibit "A"

WRB