

City of Titusville  
"Gateway to Nature and Space"

**REPORT TO COUNCIL**

**To:** The Honorable Mayor and City Council  
**From:** Peggy Busacca, Community Development Director  
**Subject:** **Ordinance No. 26-2015 - Amending the Code of Ordinances related to Ad Valorem Tax Exemptions and updating the Supplemental Application - City of Titusville Economic Development Ad Valorem Tax Exemption Program**  
**Department/Office:** Community Development

**Recommended Action:**

First reading of Ordinance 26-2015 updating the *Code of Ordinances* related to Ad Valorem Tax Exemptions. Amending Chapter 19 "Taxation", Article IV "Economic Development; Ad Valorem Tax Exemptions"; Specifically amending section 19-104 "Definitions"; Amending section 19-106 "Application for Exemption"; Amending section 19-107 "City Council's Consideration of Application"; Amending Section 19-111 and Section 19-112 by deleting; Conforming this ordinance with application and instructions and Florida Statutes. Providing for repeal of conflicting ordinances, an effective date and incorporation into the city.

**Summary Explanation & Background:**

Staff has reviewed the current Ad Valorem Tax Exemption Code, originally adopted in 1995 and updated in 2001 and 2010, and recommends the Code be updated to make it consistent with current Florida Statutes.

In addition, staff was requested to modify the Supplemental Application to include the following information:

- 1 Number of full time employees in Florida;
- 1 If an expansion of an existing business, the net increase in employment and Increase in productive output resulting from this expansion; and
- 1 Sales factor for the facility requesting exemption: Total sales in Florida from this facility - one (1) location only amount divided by Total sales everywhere from this facility - one (1) location only amount equaling percentage.

**Alternatives:**

1. Conduct first reading and approve for second reading with no changes.
2. Conduct first reading and approve for second reading with changes.
3. Do not approve for second reading.

**Item Budgeted:**

NA

**Source/use of funds/Budget Book Page:**

**Strategic Plan:**

No. 2 – Economic Development

**Strategic Plan Impact:**

2A. Pursue a diverse mixture of businesses to relocate to or expand in Titusville.

**ATTACHMENTS:**

	<b>Description</b>	<b>Upload Date</b>	<b>Type</b>
<input type="checkbox"/>	<a href="#">Ordinance No. 26-2015</a>	7/22/2015	Backup Material
<input type="checkbox"/>	<a href="#">Updated Supplemental Application</a>	7/15/2015	Backup Material
<input type="checkbox"/>	<a href="#">Ordinance 03-1995</a>	7/15/2015	Backup Material
<input type="checkbox"/>	<a href="#">Ordinance 09-2001</a>	7/15/2015	Backup Material
<input type="checkbox"/>	<a href="#">Ordinance 07-2010</a>	7/15/2015	Backup Material

**ORDINANCE NO. 26-2015**

**AN ORDINANCE OF THE CITY OF TITUSVILLE, FLORIDA, AMENDING THE CODE OF ORDINANCES RELATED TO AD VALOREM TAX EXEMPTIONS; BY AMENDING CHAPTER 19 "TAXATION", ARTICLE IV "ECONOMIC DEVELOPMENT; AD VALOREM TAX EXEMPTIONS"; SPECIFICALLY AMENDING SECTION 19-104 "DEFINITIONS"; AMENDING SECTION 19-106 "APPLICATION FOR EXEMPTION"; AMENDING SECTION 19-107 "CITY COUNCIL'S CONSIDERATION OF APPLICATION"; AMENDING SECTION 19-111 AND SECTION 19-112 BY DELETING; CONFORMING THIS ORDINANCE WITH APPLICATION AND INSTRUCTIONS AND FLORIDA STATUTES; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES, AN EFFECTIVE DATE AND INCORPORATION INTO THE CODE.**

**WHEREAS**, the City of Titusville is granted the authority, under Section 2(b), Article VIII of the State Constitution, to exercise any power for municipal purposes, except when expressly prohibited by law; and

**WHEREAS**, the City Council hereby finds this Ordinance to be in the best interests of the public health, safety, and welfare of the citizens of Titusville.

**NOW, THEREFORE, BE IT ENACTED** by the City of Titusville, Florida as follows:

**SECTION 1:** That Chapter 19, "Taxation", Article IV "Economic Development; Ad Valorem Tax Exemptions", Section 19-104 "Definitions" of the Code of Ordinances of the City of Titusville is hereby amended to read as follows:

Sec. 19-104. - Definition of terms.

The following words, phrases, and terms shall have the same meanings attributed to them in current Florida Statutes and the Florida Administrative Code, except where the context clearly indicates otherwise:

Applicant means any person, firm, partnership, or corporation who files an application with the council seeking an economic development ad valorem tax exemption.

Business means any activity engaged in by any person, firm, partnership, corporation, or other business organization or entity, with the object of private or public gain, benefit, or advantage, either direct or indirect.

Council means the City Council of the City of Titusville, Florida.

Department means the Florida Department of Revenue.

Enterprise zone means an area designated as an enterprise zone pursuant to F.S. § 290.0065.

Expansion of an existing business ~~means~~ as defined in F.S. § 196.012(165), ~~an expansion of an existing business~~ means:

- (1) a. A business or organization establishing ten (10) or more new jobs to employ ten (10) or more full time employees in this state, paying an average wage for such new jobs that is above the average wage in the area, and which principally

engages in any one or more of the following: manufactures, processes, compounds, fabricates, or produces for sale items of tangible personal property at a fixed location and which comprises an industrial or manufacturing plant; or

- b. Any business or organization establishing twenty-five (25) or more new jobs to employ twenty-five (25) or more full time employees in this state, ~~whose~~ the sales factor ~~of~~ which, as defined by F.S. § 220.15(5), for the facility with respect to which it requests an economic development ad valorem tax exemption is less than one-half (0.50) for each year the exemption is claimed; or
  - c. Any business located in an enterprise zone or brownfield area that increases operations on a site located within the same zone or area collocated with a commercial or industrial operation owned by the same business or organization under common control with the same business or organization.
- (2) Any expansion of an existing business must increase operations on a site collocated with a commercial or industrial operation owned by the same business under common control with the same business, resulting in a net increase in employment of not less than ten (10) percent or an increase in productive output of not less than ten (10) percent or an increase in productive output or sales of not less than ten (10) percent. The ten (10) percent requirement does not apply to enterprise zones.

Improvements means physical changes made to raw land, and structures placed on or under the land surface.

New business ~~means~~ as defined in F.S. § 196.012(154), ~~a new business~~ means:

- (1) a. A business or organization establishing ten (10) or more new jobs to employ ten (10) or more full time employees in this state, paying an average wage for such new jobs that is above the average wage in the area, and which principally engages in any one or more of the following: manufactures, processes, compounds, fabricates, or produces for sale items of tangible personal property at a fixed location and which comprises an industrial or manufacturing plant; or is a target industry business as defined in s. 288.106(2)(q) F.S.
  - b. A business or organization establishing twenty-five (25) or more new jobs to employ twenty-five (25) or more full time employees in this state, the sales of factor of which, as defined by F.S. § 220.15(5), for the facility with respect to which it requests an economic development ad valorem tax exemption is less than one-half (0.50) for each year the exemption is claimed; or
  - c. An office space in this state owned and used by a ~~corporation~~ a business or organization newly domiciled in this state; provided such office space houses fifty (50) or more full time employees of such ~~corporation~~ business or organization; or,
  - d. A business located in an enterprise zone or brownfield area; or
  - e. A business or organization that is situated on property annexed into the city and that, at the time of annexation, is receiving an economic development ad valorem tax exemption from the county under s. 196.1995 F.S.
- (2) Any new business must first begin operation on a site clearly separate from any other commercial or industrial operation owned by the same business.

Sales factor means as defined in F.S. § 202.15(5), the sales factor is a fraction the numerator of which is the total sales of the taxpayer in this state during the taxable year or

period and the denominator of which is the total sales of the taxpayer everywhere during the taxable year or period.

**SECTION 2:** That Chapter 19, "Taxation" Article IV. "Economic Development; Ad Valorem Tax Exemptions", Section 19-106 "Application for exemption" of the Code of Ordinances of the City of Titusville is hereby amended to read as follows:

Sec. 19-106. - Application for exemption.

- (a) Any eligible person, firm, partnership or corporation which desires an exemption shall file with the council a written application prescribed by the department (DR-418) or such other form as the department requires, a copy of which is attached hereto and incorporated herein as exhibit "B."
- (b) The application shall request that the council adopt an ordinance granting the applicant the exemption and shall include, at a minimum, the following:
  - (1) The name and location of the new business or the expansion of an existing business;
  - (2) A description of the improvements to the real property for which an exemption is requested and the date of commencement of construction of such improvement;
  - (3) A description of the tangible personal property for which an exemption is requested and the dates when such property was or is to be purchased;
  - (4) Proof, to the satisfaction of the council, that the applicant meets the criteria for a new business or for an expansion of an existing business as defined in section 19-104 hereof;
  - (5) The following information:
    - a. The anticipated number of employees and the expected time schedule for job creation;
    - b. The expected number of employees who will reside in the City of Titusville;
    - c. The average wage of the employees and whether the jobs are full-time or part-time;
    - d. The type of industry or business;
    - e. The environmental impact of the business;
    - f. The anticipated volume of business or production;
    - g. Whether relocation or expansion would occur without the exemption;
    - h. The cost and demand for services;
    - i. The source of supplies (local or otherwise); and
    - j. Whether the business will be or is located in a community redevelopment area.
  - (6) Other information deemed necessary or appropriate by the council.
- (c) If a new [business] is locating to, or an expansion of an existing business is occurring in, a community redevelopment area, the community redevelopment agency overseeing such area shall be provided a copy of the application for review and comment.

- (d) The application shall be filed on or before March first of the year in which an exemption is requested.
- (e) Upon submittal of the application, the city manager or his designee shall review same, and within ten (10) days of submission, notify the applicant of any facial deficiencies.

**SECTION 3:** That Chapter 19, "Taxation" Article IV. "Economic Development; Ad Valorem Tax Exemptions", Section 19-107 "City council's consideration of application" of the Code of Ordinances of the City of Titusville is hereby amended to read as follows:

Sec. 19-107. - City council's consideration of application.

- (a) The council shall take action on the application, including the enactment of the required ordinance should the council decide to grant the application, within ninety (90) days from the date a fully completed application is received. During this ninety-day period, interested agencies and parties shall have an opportunity to review and comment on the application. Time is of the essence in consideration of the application.
- (b) The threshold for eligibility is whether the business meets the definition of a new business or of an expansion of an existing business as provided in section 19-104, and one (1) which is not an ineligible business or industry as defined in paragraph (d) of this section.
- (c) The next level to determine eligibility is the council's consideration of the information in the application to determine whether the economic benefit test is met. In considering the application, the Council must take into account the following:
  - (1) The total number of net new jobs to be created by the applicant;
  - (2) The average wage of the new jobs;
  - (3) The capital investment to be made by the applicant;
  - (4) The type of business or operation and whether it qualifies as a targeted industry;
  - (5) The environmental impact of the proposed business or operation;
  - (6) The extent to which the applicant intends to source its supplies and materials within the city; and
  - (7) Any other economic-related characteristics or criteria deemed necessary by the council.
- (d) Any existing business in violation of any federal, state, or local law or regulation is not eligible for an exemption.
- (e) Before the council takes action on an application, the council shall deliver a copy of the same to the property appraiser for review. After careful consideration, the property appraiser shall report to the council the fiscal impact of granting the exemption.
- (f) The property appraiser's report shall include the following:
  - (1) The total revenue available to the city for the current fiscal year from ad valorem tax sources, or an estimate of such revenue if the actual total available revenue cannot be determined;
  - (2) The amount of revenue lost to the city for the current fiscal year by virtue of exemptions previously granted, or an estimate of such revenue if the actual revenue lost cannot be determined;

- (3) An estimate of the amount of revenue which would be lost to the city for the current fiscal year if the exemption applied for was granted had the property for which the exemption is requested otherwise been subject to taxation; and
  - (4) A determination as to whether the property for which an exemption is requested is to be incorporated into a new business or the expansion of an existing business, or into neither, which determination the property appraiser shall also affix to the face of the application. Upon request, the department will provide the property appraiser such information as it may have available to assist in making this determination.
- (g) The council recognizes that a community redevelopment area's funding may be impacted should an exemption be granted in such an area. Therefore, should the council receive an objection to the exemption in the form of a resolution duly adopted by a community redevelopment agency, the council shall not grant said exemption unless a feasible funding alternative is agreed upon by the council and the community redevelopment agency, which shall be decided on a case-by-case basis.
- (h) After consideration of the application and the report of the property appraiser on the application, the council may choose to adopt an ordinance granting the exemption to a new or expanding business. If granted, the ordinance shall include the following information:
- (1) The name and address of the new business or expansion of an existing business;
  - (2) The total amount of revenue available to the city from ad valorem tax sources for the current fiscal year, the total amount of the revenue lost to the city for the current fiscal year by virtue of exemptions currently in effect, and the estimated amount of revenue attributable to the exemption granted to the new or expanding business;
  - (3) The expiration date of the exemption, which is ten (10) years or less (depending upon the duration of the exemption granted) from the date that the exemption takes effect; and
  - (4) A finding that the business meets the definition of a new business or an expansion of an existing business as set forth in section 19-104 herein.
- (i) No precedent shall be implied or inferred by the granting of an exemption to a new or expanding business. Applications for exemptions shall be considered by the council on a case-by-case basis for each application, after consideration of the application and the property appraiser's report on the application.

**SECTION 4:** Amending Section 19-111 and Section 19-112 by deleting said paragraphs:

~~Sec. 19-111. Severability.~~

~~If any section, paragraph, sentence, clause, phrase, or word of this ordinance is for any reason held by a court to be unconstitutional, inoperative or void, such holding shall not affect the remainder of this ordinance.~~

~~Sec. 19-112. Repeal of laws in conflict.~~

~~All local ordinances in conflict with any provision of this ordinance are hereby repealed to the extent of such conflict.~~

**SECTION 5: SEVERABILITY.** If any provisions of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions of this Ordinance.

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**SECTION 6: REPEAL OF CONFLICTING ORDINANCES.** All ordinances or parts of ordinances, and all resolutions and parts of resolutions, in conflict herewith are hereby repealed to the extent of such conflict.

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**SECTION 7: EFFECTIVE DATE.** This Ordinance shall be in full force and effect upon adoption by the City Council in accordance with the Charter of the City of Titusville, Florida.

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**SECTION 8: INCORPORATION INTO CODE.** This ordinance shall be incorporated into the City of Titusville Code of Ordinances and any section or paragraph, number or letter, and any heading may be changed or modified as necessary to effectuate the foregoing. Grammatical, typographical, and like errors may be corrected and additions, alterations, and omissions, not affecting the construction or meaning of this ordinance and the Code may be made.

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**PASSED AND ADOPTED** this day \_\_\_\_\_ of \_\_\_\_\_, 2015.

\_\_\_\_\_  
**James H. Tulley Jr., Mayor**

**ATTEST:**

\_\_\_\_\_

**Wanda F. Wells, City Clerk**

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**SUPPLEMENTAL APPLICATION**

CITY OF TITUSVILLE ECONOMIC DEVELOPMENT  
AD VALOREM TAX EXEMPTION PROGRAM

APPLICANT NAME:
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**NOTICE: This supplement is to be used by the applicant to provide additional information required by Economic Development Ad Valorem Tax Abatement Ordinance No. 3 – 1995, and to provide other information requested by the City of Titusville (hereinafter referred to as “City”) and the entities who will review the application.**

1. Length of exemption requested is total of \_\_\_ years (length of exemption approved is sole discretion of City and commences on the adoption date of the ordinance granting the exemption).
2. Property Owner/Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Telephone No. \_\_\_\_\_ Fax No. \_\_\_\_\_
3. Authorized Agent: \_\_\_\_\_  
Address: \_\_\_\_\_  
Telephone No. \_\_\_\_\_ Fax No. \_\_\_\_\_
4. Type of Industry or business: \_\_\_\_\_
5. Brief description of product and expansion plans: \_\_\_\_\_  
\_\_\_\_\_
6. Anticipated number of new employees: \_\_\_\_\_
7. Percent increase in overall employment: \_\_\_\_\_
8. Expected number of new employees who will reside in Titusville: \_\_\_\_\_
9. Percentage of existing employees who have resided in Titusville for more than two years: \_\_\_\_\_
10. Anticipated average wage of employees: \_\_\_\_\_
11. Anticipated average annual payroll: \_\_\_\_\_
12. Anticipated new capital investment as a result of expansion or relocation of business: \_\_\_\_\_  
New construction value: \_\_\_\_\_  
New personal property value: \_\_\_\_\_
13. Environmental impact of business. (Identify the number and type of environmental permits required as a result of this project: e.g. air, soil and water pollution, water and sewer, dredge and fill, stormwater, industrial wastewater): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
14. Anticipated volume of business or production: \_\_\_\_\_
15. The relocation or expansion would not occur without the exemption: Yes [ ] No [ ]
16. Source of supplies (local or otherwise): \_\_\_\_\_  
\_\_\_\_\_  
% source of supplies County: \_\_\_\_\_  
% source of supplies Florida: \_\_\_\_\_  
% source of supplies out-of-state: \_\_\_\_\_
17. Business is/will be located in a community redevelopment area: Yes [ ] No [ ]  
Name of area: \_\_\_\_\_



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CITY USE ONLY

CITY MANAGER'S RECOMMENDATIONS:

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Date: \_\_\_\_\_ Signed: \_\_\_\_\_

(CITY MANAGER)

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- I. PROPERTY APPRAISER'S USE ONLY Total revenue available to the municipality for the current fiscal year from ad valorem tax source: \_\_\_\_\_
- II. Revenue lost to the current fiscal year by virtue of exemptions previously granted under this section: \_\_\_\_\_
- III. Estimate of the revenue which will be lost to the municipality during the current fiscal year if the exemption applied for were granted had the property for which the exemption is requested otherwise been subject to taxation: \_\_\_\_\_
- IV. Estimate of the taxable value lost to the municipality if the exemption applied for were granted:  
Improvements to real property: \_\_\_\_\_ personal property: \_\_\_\_\_
- V. I have determined that the property listed above meets the definition, as defined by Section 196.012(15) or (16), Florida Statutes, as a New Business [ ], an Existing Business [ ], or Neither [ ].
- VI. Last year for which exemption may be applied: \_\_\_\_\_

Date: \_\_\_\_\_ Signed: \_\_\_\_\_

(PROPERTY APPRAISER)

**ORDINANCE NO. 3 - 1995**

AN ORDINANCE OF THE CITY OF TITUSVILLE, FLORIDA, AMENDING CHAPTER 19 BY ADDING A NEW ARTICLE ARTICLE IV ENTITLED ECONOMIC DEVELOPMENT AD VALOREM TAX EXEMPTIONS; ADOPTING SECTIONS 19-100 THROUGH 19-112 BY PROVIDING FOR AUTHORITY, JURISDICTION, PURPOSE AND INTENT, AND DEFINITIONS; PROVIDING A PROCEDURE THAT THE CITY COULD GRANT AD VALOREM TAX EXEMPTIONS; ESTABLISHING CERTAIN ELIGIBILITY, REQUIREMENTS, AND SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Titusville believes that local government should support economic growth by providing an incentive for employment opportunities that will lead to the improvement of the quality of life of the residents of the City of Titusville and the positive expansion of the economy; and,

WHEREAS, the City Council of the City of Titusville on or about November 8, 1994, submitted a Referendum to the electorate for authorization pursuant to Florida Statutes Chapter 196.1995 to grant ad valorem tax exemptions for new and expanded businesses; and,

WHEREAS, the electorate approved granting the authority to the City Council of the City of Titusville to authorize ad valorem tax exemptions; and,

WHEREAS, such exemptions are authorized pursuant to Article VII, Section 3, of the Constitution of the State of Florida and Section 196.1995, Florida Statutes, upon the successful passage of a referendum; and,

WHEREAS, the City Council of the City of Titusville desires to establish a policy or procedure for reviewing applications for ad valorem tax exemptions.

**BE IT ENACTED BY THE CITY OF TITUSVILLE, FLORIDA, AS FOLLOWS:**

**Section 1.** That the Code of Ordinances of the City of Titusville are amended by adding a new Article IV and Sections numbered 19-100 through 19-112, which read as follows:

**ARTICLE IV  
ECONOMIC DEVELOPMENT - AD VALOREM TAX EXEMPTIONS**

**Section 19-100. Short Title.**

This Ordinance shall be known as Ordinance No. 3-1995, "Economic Development Ad Valorem Tax Exemption Regulations of Titusville, Florida."

**Section 19-101. Enactment and Authority.**

Pursuant to Article II, Section 3 of the State Constitution and in accordance with Chapters 163, 166, 192, 196, and 214, Florida Statutes and Florida Department of Revenue Rules, Chapter 12D-7, Florida Administrative Code, incorporated municipalities are authorized and empowered to adopt, amend or revise and enforce an ordinance relating to economic development ad valorem tax exemptions, after the electors of such municipality, voting on the question in a referendum, authorize the adoption of such ordinance. In a referendum held November 8, 1994, the voters of Titusville, Florida authorized the City Council to grant economic development ad valorem tax exemptions.

**Section 19-102. Jurisdiction.**

The area subject to this Ordinance shall be all of the city limits of the City of Titusville, Florida.

**Section 19-103. Intent and Declaration.**

It is the intent of the City Council (hereinafter referred to as "Council") of the City of Titusville, Florida (hereinafter referred to as "City"), in enacting this Ordinance to provide an incentive to those new or expanded businesses which make a positive contribution to the economy of the City of Titusville in terms of new jobs and improvements to real and personal property.

The intent of the Council is to promote the economy by creating jobs in Titusville in such a way so as not to disadvantage existing businesses while recognizing that productive competition assists in economic growth.

The Council desires to provide incentives to businesses of diverse industries, with the exception of retail operations, having a positive impact on the City of Titusville. The Council declares that the provision of ad valorem tax exemptions pursuant to this Ordinance serves the public purpose of fostering economic growth in Titusville, all to the benefit of the City of Titusville residents and visitors.

The granting of, or the denial of, exemptions will be conducted on a rational, nonarbitrary, nondiscriminatory basis by the Council, in furtherance of the economic development goals of Titusville. Any and all exemptions granted must result in an economic benefit to the City. To this end, prior to any grant of an exemption, the Council will take into full consideration the factors set forth in Section 19-106 of this Ordinance. Since the intent of the Council is to promote economic growth through attracting businesses and encouraging expansions that support the City and its existing businesses, these factors will be considered on a case-by-case basis to determine that the economic benefit test is met. In addition to these factors, the Council is interested in the purchasing power created by the new business as it desires to prompt other sales in the City resulting in an increase to income, all to the benefit of the public of the City of Titusville.

**Section 19-104. Definition of Terms.**

The following words, phrases, and terms shall have the same meanings attributed to them in current Florida Statutes and the Florida Administrative Code, except where the context clearly indicates otherwise:

A. **Applicant.** Any person, firm, partnership, or corporation who files an application with the Council seeking an economic development ad valorem tax exemption.

B. **Council.** The City Council of the City of Titusville, Florida.

C. **Business.** Any activity engaged in by any person, firm, partnership, corporation, or other business organization or entity, with the object of private or public gain, benefit, or advantage, either direct or indirect.

D. **Department.** The Florida Department of Revenue.

E. **Enterprise Zone.** An area designated as an enterprise zone pursuant to Section 290.0065, Florida Statutes.

F. **Expansion of an Existing Business.** As defined in Section 196.012(16), Florida Statutes, an expansion of an existing business means:

1. (a) A business establishing ten (10) or more jobs to employ ten (10) or more full time employees in this state, which manufactures, processes, compounds, fabricates, or produces for sale items of tangible personal property at a fixed location and which comprises an industrial manufacturing plant;

(b) Any business establishing twenty-five (25) or more jobs to employ twenty-five (25) or more full time employees in this state, whose sales factor or which, as defined by Section 220.15(5), Florida Statutes, for the facility with respect to which it requests an economic development ad valorem tax exemption is less than 0.50 for each year the exemption is claimed; or,

(c) Any business located in an enterprise zone.

2. Any expansion of an existing business must increase operations on a site colocated with a commercial or industrial operation owned by the same business, resulting in a net increase in employment of not less than ten percent (10%) or an increase in productive output of not less than ten percent (10%). The ten percent (10%) requirement does not apply to enterprise zones.

G. **Improvements.** Physical changes made to raw land, and structures placed on or under the land surface.

**H. New Business.** As defined in Section 196.012(15), Florida Statutes, a new business means:

1. (a) A business establishing ten (10) or more jobs to employ ten (10) or more full time employees in this state, which manufactures, processes, compounds, fabricates, or produces for sale items of tangible personal property at a fixed location and which comprises an industrial or manufacturing plant;

(b) A business establishing twenty-five (25) or more jobs to employ twenty-five (25) or more full time employees in this state, the sales of factor of which, as defined by Section 220.15(5), Florida Statutes, for the facility with respect to which it requests an economic development ad valorem tax exemption is less than 0.50 for each year the exemption is claimed;

(c) An office space in this state owned and used by a corporation newly domiciled in this state; provided such office space houses fifty (50) or more full time employees of such corporation; or,

(d) A business located in an enterprise zone.

2. Any new business must first begin operation on a site clearly separate from any other commercial or industrial operation owned by the same business.

**I. Sales Factor.** As defined in Section 202.15(5), Florida Statutes, the sales factor is a fraction the numerator of which is the total sales of the taxpayer in this state during the taxable year or period and the denominator of which is the total sales of the taxpayer everywhere during the taxable year or period.

**Section 19-105. Economic Development Ad Valorem Tax Exemption Established.**

A. There is herein established an Economic Development Ad Valorem Tax Exemption (hereinafter the "Exemption"). The exemption is a local option tax incentive for new or expanding businesses which may be granted or refused at the sole discretion of the Council.

B. The exemptions shall not accrue to improvements to real property made by or for the use of new or expanding businesses when such improvements have been included on the tax rolls prior to the effective date of the ordinance specifically granting a business an exemption as provided in Section 19-107.G. herein.



C. Any exemption granted may apply up to one hundred percent (100%) of the assessed value of all improvements to real property made by or for the use of a new business and of all tangible personal property of such new business, or up to one hundred percent (100%) of the assessed value of all added improvements to real property made to facilitate the expansion of an existing business and of the net increase in all tangible personal property acquired to facilitate such expansion of an existing business, provided that the improvements to real property are made or the tangible personal property is added or increased on or after the effective date of the Ordinance specifically granting a business an exemption as provided in Section 19-107.G. herein. Property acquired to replace existing property shall not be considered to facilitate a business expansion.

D. The exemption may be for a period up to ten (10) years from the date the Council adopts the Ordinance granting the exemption.

E. No exemption shall be granted for the land upon which new or expanded businesses are to be located.

F. No exemption shall be granted to any existing building unless such building was completed within the twelve (12) month period preceding the date of application.

G. The exemption applies only to taxes levied by the City. The exemption does not apply to taxes levied by the County, school district, or water management district, or to taxes levied for the payment of bonds or taxes authorized by a vote of the electors pursuant to Sections 9 and 12, Article VII of the State Constitution.

H. The ability to receive an exemption for the period granted is conditioned upon the applicant's ability to maintain the new business or the expansion of an existing business as defined in Section 19-104 herein throughout the entire period. The applicant shall be required to submit a report on an annual basis to the Council evidencing satisfaction of this condition. The report shall be made in such form as attached hereto and made a part hereof as Exhibit "A". In addition, any business granted an exemption shall furnish to the Council or its designee, such information or report as the Council or its designee may reasonably deem necessary for the purpose of determining continued performance by the business of the conditions stated in this Ordinance and the representations made in the application process.

**Section 19-106. Application for Exemption.**

A. Any eligible person, firm, partnership or corporation which desires an exemption shall file with the Council a written application prescribed by the Department (DR-418) or such other form as the Department requires, a copy of which is attached hereto and incorporated herein as Exhibit "B".

B. The application shall request that the Council adopt an ordinance granting the applicant the exemption and shall include, at a minimum, the following:

1. The name and location of the new business or the expansion of an existing business;

2. A description of the improvements to the real property for which an exemption is requested and the date of commencement of construction of such improvement;

3. A description of the tangible personal property for which an exemption is requested and the dates when such property was or is to be purchased;

4. Proof, to the satisfaction of the Council, that the applicant meets the criteria for a new business or for an expansion of an existing business as defined in Section 19-104 hereof;

5. The following information:

(a) The anticipated number of employees;

(b) The expected number of employees who will reside in the City of Titusville;

(c) The average wage of the employees;

(d) The type of industry or business;

(e) The environmental impact of the business;

(f) The anticipated volume of business or production;

(g) Whether relocation or expansion would occur without the exemption;

(h) The cost and demand for services;  
and,

(i) The source of supplies (local or otherwise);

(j) Whether the business will be or is located in a community redevelopment area; and,

6. Other information deemed necessary by the Council.

C. If a new is locating to, or an expansion of an existing business is occurring in, a community redevelopment area, the community redevelopment agency overseeing such area shall be provided a copy of the application for review and comment.

D. The application shall be filed on or before March first of the year in which an exemption is requested.

E. Upon submittal of the application, the City Manager or his designee shall review same, and within ten (10) days of submission, notify the applicant of any facial deficiencies.

**Section 19-107. City Council's Consideration of Application.**

A. The Council shall take action on the application, including the enactment of the required Ordinance should the Council decide to grant the application, within ninety (90) days from the date a fully completed application is received. During this ninety (90) day period, interested agencies and parties shall have an opportunity to review and comment on the application. Time is of the essence in consideration of the application.

B. The threshold for eligibility is whether the business meets the definition of a new business or of an expansion of an existing business as provided in Section 19-104, and one which is not an ineligible business or industry as defined in paragraph D. of this Section.

C. The next level to determine eligibility is the Council's consideration of the information in the application to determine whether the economic benefit test is met.

D. Any existing business in violation of any federal, state, or local law or regulation governing environmental matters is not eligible for an exemption.

E. Before the Council takes action on an application, the Council shall deliver a copy of the same to the Property Appraiser for review. After careful consideration, the Property Appraiser shall report to the Council the fiscal impact of granting the exemption.

F. The Property Appraiser's report shall include the following:

1. The total revenue available to the City for the current fiscal year from ad valorem tax sources, or an estimate of such revenue if the actual total available revenue cannot be determined;

2. The amount of revenue lost to the City for the current fiscal year by virtue of exemptions previously granted, or an estimate of such revenue if the actual revenue lost cannot be determined;

3. An estimate of the amount of revenue which would be lost to the City for the current fiscal year if the exemption applied for was granted had the property for which the exemption is requested otherwise been subject to taxation; and,

4. A determination as to whether the property for which an exemption is requested is to be incorporated into a new business or the expansion of an existing business, or into neither, which determination the Property Appraiser shall also affix to the face of the application. Upon request, the Department will provide the Property Appraiser such information as it may have available to assist in making this determination.

G. The Council recognizes that a community redevelopment area's funding may be impacted should an exemption be granted in such an area. Therefore, should the Council receive an objection to the exemption in the form of a resolution duly adopted by a community redevelopment agency, the Council shall not grant said exemption unless a feasible funding alternative is agreed upon by the Council and the community redevelopment agency, which shall be decided on a case-by-case basis.

H. After consideration of the application and the report of the Property Appraiser on the application, the Council may choose to adopt an ordinance granting the exemption to a new or expanding business. If granted, the ordinance shall include the following information:

1. The name and address of the new business or expansion of an existing business;

2. The total amount of revenue available to the City from ad valorem tax sources for the current fiscal year, the total amount of the revenue lost to the City for the current fiscal year by virtue of exemptions currently in effect, and the estimated amount of revenue attributable to the exemption granted to the new or expanding business;

3. The expiration date of the exemption, which is ten (10) years or less (depending upon the duration of the exemption granted) from the date the Council enacts the ordinance granting the exemption; and,

4. A finding that the business meets the definition of a new business or an expansion of an existing business as set forth in Section 4 herein.

I. No precedent shall be implied or inferred by the granting of an exemption to a new or expanding business. Applications for exemptions shall be considered by the Council on a case-by-case basis for each application, after consideration of the application and the Property Appraiser's report on the application.

**Section 19-108. Application Fee.**

No fee shall be charged for processing the Economic Development Ad Valorem Tax Exemption Application and preparing, implementing, and monitoring any Exemption Ordinance adopted by the Council.

**Section 19-109. Revocation of Exemption or Recovery of Funds.**

Should any new business or expansion of an existing business fail to file the annual report or any other report required in Section 19-105.H., or fail to continue to meet the definition of a new business or an expansion of an existing business, and/or fail to fulfill any other representation made to the Council during the application process, the Council may adopt an ordinance revoking the ad valorem tax exemption effective the end of the current year said ordinance is adopted. Further, the Council may recover any taxes waived. Nothing herein shall prohibit a business from reapplying for an ad valorem tax exemption pursuant to State law.

**Section 19-110. Appeals.**

The decision of the Council not to grant an exemption to a particular business is subject only to a judicial review.

**Section 19-111. Severability.**

If any section, paragraph, sentence, clause, phrase, or word of this Ordinance is for any reason held by a court to be unconstitutional, inoperative or void, such holding shall not affect the remainder of this Ordinance.

**Section 19-112. Repeal of Laws in Conflict.**

All local Ordinances in conflict with any provision of this Ordinance are hereby repealed to the extent of such conflict.

**Section 2.** This Ordinance shall take effect immediately upon adoption.

**PASSED AND ADOPTED** this 10th day of January, 1995.

  
\_\_\_\_\_  
Thomas R. Mariani, Mayor

ATTEST:

  
\_\_\_\_\_  
Karan R. Rounsavall, City Clerk

DWS:jh/C:\WP51\CODE\ADVALTAX.ORD



ECONOMIC DEVELOPMENT AD VALOREM TAX EXEMPTION  
Chapter 196, Florida Statutes

To be filed with the Board of County Commissioners, the governing board of the municipality, or both, no later than March 1 of the year the exemption is desired to take effect.

1. Business Name and Mailing Address: \_\_\_\_\_
2. Please give name and telephone number of Owner or Person in Charge of this business:  
Name \_\_\_\_\_ Telephone Number \_\_\_\_\_
3. Exact Location (Legal Description and Street Address) of Property for which this return is filed: \_\_\_\_\_
4. Date you began, or will begin, business at this facility: \_\_\_\_\_
5. a. Description of the improvements to real property for which this exemption is requested: \_\_\_\_\_
- b. Date of commencement of construction of Improvements: \_\_\_\_\_
6. a. Description of the tangible personal property for which this exemption is requested and date when property was, or is to be, purchased: \_\_\_\_\_

City Council Regular - July 28, 2015 - 6:30 PM

CLASS OR ITEM	AGE	DATE OF PURCHASE	ORIGINAL COST	TAXPAYER'S ESTIMATE OF CONDITION			TAXPAYER'S ESTIMATE OF FAIR MARKET VALUE	APPRAISER'S USE ONLY	
				poor	avg.	poor		Condition	

- b. Average Value of Inventory on hand: \_\_\_\_\_
- c. Any additional personal property not listed above for which an exemption is claimed must be returned on form DR-405 (Tangible Personal Property Tax Return) and a copy attached to this form.
7. Do you desire exemption as a "New Business"  or as an "Expansion of an Existing Business"
  8. Describe the Type or Nature of Your Business: \_\_\_\_\_
  9. Trade Level (Check as many as apply): Retail  Wholesale  Manufacturing  Professional  Service  Office  Other
  10. a. Number of full-time employees to be employed in Florida \_\_\_\_\_  
b. If an expansion of an existing business:  
(1) Net Increase in Employment \_\_\_\_\_ or \_\_\_\_\_ %  
(2) Increase in productive output resulting from this expansion \_\_\_\_\_ %
  11. Sales factor for the facility requesting exemption:  
Total sales in Florida from this facility-One (1) location only \_\_\_\_\_ divided by  
Total sales everywhere from this facility-One (1) location only \_\_\_\_\_ = \_\_\_\_\_ %
  12. For office space owned and used by a corporation newly domiciled in Florida:  
a. Date of incorporation in Florida: \_\_\_\_\_  
b. Number of Full-time employees at this location: \_\_\_\_\_
  13. If requesting an exemption due to location in a slum or blighted area, please furnish such additional information as required by the County Commission, City Commission, or Property Appraiser.

I hereby request the adoption of an ordinance granting an exemption from ad valorem taxation on the above property pursuant to Section 196.1995, Florida Statutes. I agree to furnish such other reasonable information as the Board of County Commissioners, the governing authority of the municipality, or the Property Appraiser may request in regard to the exemption requested herein. I hereby certify that the information and valuation stated above by me is true, correct, and complete to the best of my knowledge and belief. (If prepared by someone other than the taxpayer, his declaration is based on all information of which he has any knowledge.)

DATE: \_\_\_\_\_ SIGNED: \_\_\_\_\_ (Preparer)

SIGNED: \_\_\_\_\_ (Taxpayer) \_\_\_\_\_ (Preparer's Address)

TITLE: \_\_\_\_\_ (Preparer's Telephone Number)

PROPERTY APPRAISER'S USE ONLY

- I. Total revenue available to the county or municipality for the current fiscal year from ad valorem tax sources: \_\_\_\_\_
- II. Revenue lost to the county or municipality for the current fiscal year by virtue of exemptions previously granted under this section: \_\_\_\_\_
- III. Estimate of the revenue which would be lost to the county or municipality during the current fiscal year if the exemption applied for were granted had the property for which the exemption is requested otherwise been subject to taxation: \_\_\_\_\_
- IV. Estimate of the taxable value lost to the county or municipality if the exemption applied for were granted:  
Improvements to real property \_\_\_\_\_ Personal Property \_\_\_\_\_
- V. I have determined that the property listed above meets the definition, as defined by Section 196.012(14) or (15), Florida Statutes, as a New Business , an Expansion of an Existing Business , or Neither .
- VI. Last year for which exemption may be applied \_\_\_\_\_

DATE: \_\_\_\_\_ SIGNED: \_\_\_\_\_ (Property Appraiser)

## GENERAL INFORMATION

Under the constitutional amendment passed by the voters of Florida on October 7, 1980, tax exemptions can be granted to new and expanding businesses only after the voters of a city and/or county vote in a referendum to allow exemptions for that city or county. Section 196.1995, Florida Statutes, requires that a referendum be held if: (1) The Board of County Commissioners or governing authority of a municipality (city or county commission) votes to hold such a referendum, or (2) If the county or city commission receives a petition signed by ten percent of the registered voters of the county or city. This referendum question can then be placed before the voters of a city or county at any regular election or special election called for voting on the tax incentive referendum or for any other purpose.

If the voters authorize exemptions, a company must first meet the definitions of a new or expanding business:

### New Business

- (a) A manufacturer which establishes ten or more full-time jobs.
- (b) A business with more than 50% of its sales outside the State of Florida which establishes 25 or more jobs.
- (c) Office space of a new Florida corporation housing 50 or more full-time employees of the corporation.

(The above are applicable if the business is on a site clearly separate from any other facility owned by the same company.)

- (d) Any business located in a slum or blighted area as defined by Section 163.355, Florida Statutes.

### Expansion of an Existing Business

- (a) A manufacturer that adds a minimum of ten new employees and increases employment by 10% or increases productive output by a minimum of 10%.
- (b) A business with more than 50% of its sales outside the State that adds a minimum of 25 new employees and increases employment by 10% or increases productive output by a minimum of 10%.

The expansion must be on the same or a collocated site of the business' current operations.

If a business meets one of the above definitions as a new or expanding business, it must then file this application with the county or city commission or both.

After the city or county commission receives this application, it must submit the application to the county property appraiser for review. After the property appraiser makes the report as to the fiscal impact of granting the exemption, the county or city commission shall then adopt an ordinance in the usual manner-granting the exemption, if it chooses to do so.

A business cannot receive exemption from school taxes or water management district taxes. Also, a business must pay taxes that were voted by the voters of a city or county to pay for bond issues and other special tax levies authorized by the voters of a city or county.

The exemption can only be for the improvements to the real property and for tangible personal property. The land on which the new or expanding business is to be located will still be taxed and taxes must be paid on it.

The action taken by a city or county commission can only exempt the taxes paid to that governmental body. A city can only exempt its taxes; a county can only exempt its taxes. All other taxes must be paid.

This exemption shall first apply to the 1981 assessment rolls.

## STATUTORY DEFINITIONS

**Section 163.340(7), Florida Statutes, "Slum area"** means an area in which there is a pre-dominance of buildings or improvements, whether residential or nonresidential, which by reason of dilapidation, deterioration, age or obsolescence inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, the existence of conditions which endanger life or property by fire or other causes, or any combination of such factors is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime and is detrimental to the public health, safety, morals or welfare.

(8) "Blighted area" means an area in which there are a substantial number of slum, deteriorated, or deteriorating structures and conditions which endanger life or property by fire or other causes or one or more of the following factors which substantially impairs or arrests the sound growth of a county or municipality and is a menace to the public health, safety, morals, or welfare in its present condition and use:

- (a) Predominance of defective or inadequate street layout;
- (b) Faulty lot layout in relation to size, adequacy, accessibility or usefulness;
- (c) Unsanitary or unsafe conditions;
- (d) Deterioration of site or other improvements;
- (e) Tax or special assessment delinquency exceeding the fair value of the land; and
- (f) Diversity of ownership or defective or unusual conditions of title which prevents the free alienability of land within the deteriorated or hazardous area.

**Section 196.011(1), Florida Statutes - Failure to make application by March 1 of any year shall constitute a waiver of the exemption for that year.**

**Section 196.012(14) and (15), Florida Statutes, 14(a) "New business" means:**

- (1) A business establishing 10 or more jobs to employ 10 or more full-time employees in Florida, which manufactures, processes, compounds, fabricates, or produces for sale items of tangible personal property at a fixed location and which comprises an industrial or manufacturing plant; or

(2) Any business establishing 25 or more jobs to employ 25 or more full-time employees in Florida, the sales factor of which, as defined by s. 214.71(3), for the facility with respect to which it requests an economic development ad valorem tax exemption is less than 0.50 for each year the exemption is claimed; or

(3) Any office space in Florida owned and used by a corporation newly domiciled in Florida provided such office space houses 50 or more fulltime employees of such corporation; Provided that such business or office first begins operation on a site clearly separate from any other commercial or industrial operations owned by the same business.

(d) Any business located in an area designated a slum or blighted area pursuant to s. 163.355. For the purpose of this section, the terms slum area or blighted area shall have the same meaning as in s. 163.340(7) and (8).

(15) "Expansion of an existing business" means:

(a) A business establishing 10 or more jobs to employ 10 or more full-time employees in Florida, which manufactures, processes, compounds, fabricates, or produces for sale items of tangible personal property at a fixed location and which comprises an industrial or manufacturing plant; or

(b) Any business establishing 25 or more jobs to employ 25 or more full-time employees in Florida, whose sales factor as defined by s. 214.71(3) for the facility with respect to which it requests an economic development ad valorem tax exemption is less than 0.50 for each year the exemption is claimed;

Provided that such business increases operations on a site collocated with a commercial or industrial operation owned by the same business, resulting in a net increase in employment of not less than 10 percent or an increase in productive output of not less than 10 percent.

**Section 214.71(3), Florida Statutes - Sales Factor**

(3) The sales factor is a fraction the numerator of which is the total sales of the taxpayer in this state during the taxable year or period and the denominator of which is the total sales of the taxpayer everywhere during the taxable year or period.

(a)1. Sales of tangible personal property are in this state if the property is delivered or ship-

ped to a purchaser within this state, regardless of the f.o.b. point or other conditions of the sale.

2. When citrus fruit is delivered by a cooperative for a grower-member, by a grower-member to a cooperative, or by a grower-participant to a Florida processor, the sales factor for such growers for such citrus fruit delivered to such processor shall be the same as the sales factor for the most recent taxable year of that processor. That sales factor, expressed only as a percentage and not in terms of the dollar volume of sales, so as to protect the confidentiality of the sales of the processor, shall be furnished on the request of such a grower promptly after it has been determined for that taxable year.

3. Reimbursement of expenses under an agency contract between a cooperative, a grower-member of a cooperative, or a grower and a processor will not be deemed a sale within the state.

(b) Sales of a financial organization, including, but not limited to, banking and savings institutions, investment companies, real estate investment trusts, and brokerage companies, shall be in this state if derived from:

1. Fees, commissions, or other compensation for financial services rendered within this state;
2. Gross profits from trading in stocks, bonds, or other securities managed within this state;
3. Interest and dividends received within this state;
4. Interest charged to customers at places of business maintained within this state for carrying debit balances of margin accounts, without deduction of any costs incurred in carrying such accounts; and
5. Any other gross income resulting from the operation as a financial organization within this state.

In computing the amounts referred to in this paragraph, any amount received by a member of an affiliated group (determined under s. 1504(a) of the Internal Revenue Code, but without reference to whether any such corporation is an "Includable corporation" under s. 1504(b) of the Internal Revenue Code) from another member of such group shall be included only to the extent such amount exceeds expenses of the recipient directly related thereto.



CITY COUNCIL OF CITY OF TITUSVILLE  
ECONOM DEVELOPMENT AD VALORM TAX EXEMPTION GRAM  
ANNUAL REPORT

As required by Section 19-105H of Ordinance No. \_\_\_\_ 1995, this form is to be filed with the City Council no later than March 1 of each year the exemption is desired.

- 1. Business name and mailing address: \_\_\_\_\_
- 2. Give name and telephone number of owner or person in charge of this business: \_\_\_\_\_
- 3. Exact location (legal description and street address) of property for which the report is filed: \_\_\_\_\_
- 4. Date you began business at this facility: \_\_\_\_\_
- 5. a. Description of the improvements to real property for which this exemption is required: \_\_\_\_\_

City Council Regular Meeting July 28, 2015 6:30 PM

- 6. a. Description of the tangible personal property for which this exemption is requested and date when property was purchased:

CLASS OR ITEM	AGE	DATE OF PURCHASE	ORIGINAL COST	TAXPAYER'S ESTIMATE OF CONDITION			TAXPAYER'S ESTIMATE OF FAIR MARKET VALUE
				GOOD	AVERAGE	POOR	

b. Average value of inventory on hand: \_\_\_\_\_

- 7. Have you maintained the definition of a "New Business" or as an "Expansion of an Existing Business"  Yes  No

8. Describe the type or nature of your business: \_\_\_\_\_

- 9. Trade level (check as many as apply)  Wholesale  Manufacturing  Professional  
 Service  Office  Other

- 10. a. Number of full-time employees employed in Florida: \_\_\_\_\_

b. If an expansion of an existing business:

(1) Net increase in employment \_\_\_\_\_

(2) Increase in productive output resulting from the expansion \_\_\_\_\_

- 11. Sales factor for the facility requesting exemption:

Total sales in Florida from this facility - one (1) location only \_\_\_\_\_

Total sales everywhere from this facility - one (1) location only \_\_\_\_\_

- 12. For office space owned and used by a corporation newly domiciled in Florida:

a. Date of incorporation in Florida: \_\_\_\_\_

b. Number of full-time employees at this location: \_\_\_\_\_

I agree to furnish such other reasonable information as the City Council may request in regard to the exemption. I hereby certify that the information and valuation stated above by me is true, correct, and complete to the best of my knowledge and belief. (If prepared by someone other than the taxpayer, his declaration is based on all information of which he has any knowledge.)

DATE: \_\_\_\_\_

SIGNED: \_\_\_\_\_  
(Preparer)

SIGNED: \_\_\_\_\_  
(Tax Payer)

\_\_\_\_\_  
(Preparer's Address)

TITLE: \_\_\_\_\_

\_\_\_\_\_  
(Preparer's Telephone Number)

PROPERTY APPRAISER'S USE ONLY

- I. Estimate of the revenue which will be lost to the City during the current fiscal year had the exempt property otherwise been subject to taxation: \_\_\_\_\_

- II. Estimate of the taxable value lost to the City:

Improvements to real property \_\_\_\_\_ Personal Property \_\_\_\_\_

DATE: \_\_\_\_\_

SIGNED: \_\_\_\_\_  
(Property Appraiser)

**ORDINANCE NO. 9 - 2001**

**AN ORDINANCE OF THE CITY OF TITUSVILLE, FLORIDA, AMENDING SECTION 19-105(f) OF THE CODE OF ORDINANCES BY DELETING SAID PARAGRAPH; AMENDING SECTION 19-107(d) BY DELETING REFERENCES TO VIOLATION OF ENVIRONMENTAL MATTERS; CONFORMING THIS ORDINANCE WITH APPLICATION AND INSTRUCTIONS AND FLORIDA STATUTES; AND PROVIDING FOR AN EFFECTIVE DATE.**

NOW, THEREFORE, BE IT ENACTED by the City of Titusville, Florida as follows:

**Section 1.** That Section 19-105 of the Code of Ordinances of the City of Titusville is hereby amended by deleting subsection (f):

**Sec. 19-105. Economic development ad valorem tax exemption established.**

(a) There is herein established an economic development ad valorem tax exemption (hereinafter the "exemption"). The exemption is a local option tax incentive for new or expanding businesses which may be granted or refused at the sole discretion of the council.

(b) The exemptions shall not accrue to improvements to real property made by or for the use of new or expanding businesses when such improvements have been included on the tax rolls prior to the effective date of the ordinance specifically granting a business an exemption as provided in section 19-107(g) herein.

(c) Any exemption granted may apply up to one hundred (100) percent of the assessed value of all improvements to real property made by or for the use of a new business and of all tangible personal property of such new business, or up to one hundred (100) percent of the assessed value of all added improvements to real property made to facilitate the expansion of an existing business and of the net increase in all tangible personal property acquired to facilitate such expansion

of an existing business, provided that the improvements to real property are made or the tangible personal property is added or increased on or after the effective date of the ordinance specifically granting a business an exemption as provided in section 19-107(g) herein. Property acquired to replace existing property shall not be considered to facilitate a business expansion.

(d) The exemption may be for a period up to ten (10) years from the date the council adopts the ordinance granting the exemption.

(e) No exemption shall be granted for the land upon which new or expanded businesses are to be located.

(f) The exemption applies only to taxes levied by the city. The exemption does not apply to taxes levied by the county, school district, or water management district, or to taxes levied for the payment of bonds or taxes authorized by a vote of the electors pursuant to Sections 9 and 12, Article VII of the State Constitution.

(g) The ability to receive an exemption for the period granted is conditioned upon the applicant's ability to maintain the new business or the expansion of an existing business as defined in section 19-104 herein throughout the entire period. The applicant shall be required to submit a report on an annual basis to the council evidencing satisfaction of this condition. The report shall be made in such form as attached hereto and made a part hereof as exhibit "A." In addition, any business granted an exemption shall furnish to the council or its designee, such information or report as the council or its designee may reasonably deem necessary for the purpose of determining continued performance by the business of the conditions stated in this ordinance and the representations made in the application process.

**Section 2.** That Section 19-107 of the Code of Ordinances of the City of Titusville is hereby amended to read as follows:

**Sec. 19-107. City council's consideration of application.**

(a) The council shall take action on the application, including the enactment of the required ordinance should the council decide to grant the application, within ninety (90) days from the date a fully completed application is received. During this ninety (90) day period, interested agencies and parties shall have an

opportunity to review and comment on the application. Time is of the essence in consideration of the application.

(b) The threshold for eligibility is whether the business meets the definition of a new business or of an expansion of an existing business as provided in section 19-104, and one which is not an ineligible business or industry as defined in paragraph (d) of this section.

(c) The next level to determine eligibility is the council's consideration of the information in the application to determine whether the economic benefit test is met.

(d) Any existing business in violation of any federal, state, or local law or regulation governing ~~environmental matters~~ is not eligible for an exemption.

(e) Before the council takes action on an application, the council shall deliver a copy of the same to the property appraiser for review. After careful consideration, the property appraiser shall report to the council the fiscal impact of granting the exemption.

(f) The property appraiser's report shall include the following:

(1) The total revenue available to the city for the current fiscal year from ad valorem tax sources, or an estimate of such revenue if the actual total available revenue cannot be determined;

(2) The amount of revenue lost to the city for the current fiscal year by virtue of exemptions previously granted, or an estimate of such revenue if the actual revenue lost cannot be determined;

(3) An estimate of the amount of revenue which would be lost to the city for the current fiscal year if the exemption applied for was granted had the property for which the exemption is requested otherwise been subject to taxation; and

(4) A determination as to whether the property for which an exemption is requested is to be incorporated into a new business or the expansion of an existing business, or into neither, which determination the property appraiser shall also affix to the face of the application. Upon request, the department will

provide the property appraiser such information as it may have available to assist in making this determination.

(g) The council recognizes that a community redevelopment area's funding may be impacted should an exemption be granted in such an area. Therefore, should the council receive an objection to the exemption in the form of a resolution duly adopted by a community redevelopment agency, the council shall not grant said exemption unless a feasible funding alternative is agreed upon by the council and the community redevelopment agency, which shall be decided on a case-by-case basis.

(h) After consideration of the application and the report of the property appraiser on the application, the council may choose to adopt an ordinance granting the exemption to a new or expanding business. If granted, the ordinance shall include the following information:

(1) The name and address of the new business or expansion of an existing business;

(2) The total amount of revenue available to the city from ad valorem tax sources for the current fiscal year, the total amount of the revenue lost to the city for the current fiscal year by virtue of exemptions currently in effect, and the estimated amount of revenue attributable to the exemption granted to the new or expanding business;

(3) The expiration date of the exemption, which is ten (10) years or less (depending upon the duration of the exemption granted) from the date the council enacts the ordinance granting the exemption; and

(4) A finding that the business meets the definition of a new business or an expansion of an existing business as set forth in section 19-104 herein.

(i) No precedent shall be implied or inferred by the granting of an exemption to a new or expanding business. Applications for exemptions shall be considered by the council on a case-by-case basis for each application, after consideration of the application and the property appraiser's report on the application.


**Section 3.** This Ordinance shall take effect immediately upon adoption.

PASSED AND ADOPTED this 27<sup>th</sup> day of March, 2001.

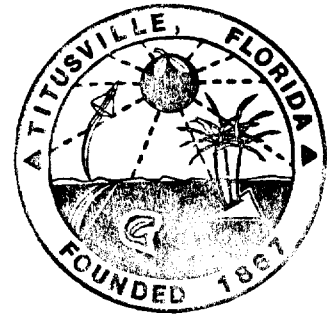


\_\_\_\_\_  
Ronald G. Swank, Mayor

ATTEST:



\_\_\_\_\_  
Karan J. Rounsavall, City Clerk



**ORDINANCE NO. 7 –2010**

**AN ORDINANCE OF THE CITY OF TITUSVILLE, FLORIDA, AMENDING CHAPTER 19 ARTICLE IV OF THE CODE OF ORDINANCES BY AMENDING SECTIONS 19-105 AND 19-107 AMENDING THE EXPIRATION DATE FOR AD VALOREM TAX EXEMPTIONS; BY AMENDING SECTION 19-109 AMENDING THE PROCESS FOR REVOCATION OF AD VALOREM TAX EXEMPTIONS; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the City is granted the authority, under Section 2(b), Article VIII of the State Constitution, to exercise any power for municipal purposes, except when expressly prohibited by law; and

**WHEREAS**, the City Council hereby finds this Ordinance to be in the best interests of the public health, safety, and welfare of the citizens of Titusville.

**NOW, THEREFORE, BE IT ENACTED** by the City of Titusville, Florida as follows:

**Section 1.** That Sections 19-105, 19-107 and 19-109 of the Code of Ordinances, City of Titusville are hereby amended to read as follows:

**Sec. 19-105. Economic development ad valorem tax exemption established.**

(a) There is herein established an economic development ad valorem tax exemption (hereinafter the "exemption"). The exemption is a local option tax incentive for new or expanding businesses which may be granted or refused at the sole discretion of the council.

(b) The exemptions shall not accrue to improvements to real property made by or for the use of new or expanding businesses when such improvements have been included on the tax rolls prior to the effective date of the ordinance specifically granting a business an exemption as provided in section 19-107(g) herein.

(c) Any exemption granted may apply up to one hundred (100) percent of the assessed value of all improvements to real property made by or for the use of a new business and of all tangible personal property of such new business, or up to one hundred (100) percent of the assessed value of all added improvements to real property made to facilitate the expansion of an existing business and of the net increase in all tangible personal property acquired to facilitate such expansion of an existing business, provided that the improvements to real property are made or the tangible personal property is added or increased on or after the effective date of the ordinance specifically granting a business an exemption as provided in section 19-107(g) herein. Property acquired to replace existing property shall not be considered to facilitate a business expansion.

(d) The exemption may be for a period up to ten (10) years from the date that the exemption takes effect.

(e) No exemption shall be granted for the land upon which new or expanded businesses are to be located.

(f) The exemption applies only to taxes levied by the city. The exemption does not apply to taxes levied by the county, school district, or water management district, or to taxes levied for the payment of bonds or taxes authorized by a vote of the electors pursuant to Sections 9 and 12, Article VII of the State Constitution.

(g) The ability to receive an exemption for the period granted is conditioned upon the applicant's ability to maintain the new business or the expansion of an existing business as defined in section 19-104 herein throughout the entire period. The applicant shall be required to submit a report on an annual basis to the council evidencing satisfaction of this condition. The report shall be made in such form as attached hereto and made a part hereof as exhibit "A." In addition, any business granted an exemption shall furnish to the council or its designee, such information or report as the council or its designee may reasonably deem necessary for the purpose of determining continued performance by the business of the conditions stated in this ordinance and the representations made in the application process.

**Sec. 19-107. City council's consideration of application.**

(a) The council shall take action on the application, including the enactment of the required ordinance should the council decide to grant the application, within ninety (90) days from the date a fully completed application is received. During this ninety-day period, interested agencies and parties shall have an opportunity to review and comment on the application. Time is of the essence in consideration of the application.

(b) The threshold for eligibility is whether the business meets the definition of a new business or of an expansion of an existing business as provided in section 19-104, and one (1) which is not an ineligible business or industry as defined in paragraph (d) of this section.

(c) The next level to determine eligibility is the council's consideration of the information in the application to determine whether the economic benefit test is met.

(d) Any existing business in violation of any federal, state, or local law or regulation is not eligible for an exemption.

(e) Before the council takes action on an application, the council shall deliver a copy of the same to the property appraiser for review. After careful consideration, the property appraiser shall report to the council the fiscal impact of granting the exemption.

(f) The property appraiser's report shall include the following:

(1) The total revenue available to the city for the current fiscal year from ad valorem tax sources, or an estimate of such revenue if the actual total available revenue cannot be determined;

(2) The amount of revenue lost to the city for the current fiscal year by virtue of exemptions previously granted, or an estimate of such revenue if the actual revenue lost cannot be determined;

(3) An estimate of the amount of revenue which would be lost to the city for the current fiscal year if the exemption applied for was granted had the property for which the exemption is requested otherwise been subject to taxation; and



(4) A determination as to whether the property for which an exemption is requested is to be incorporated into a new business or the expansion of an existing business, or into neither, which determination the property appraiser shall also affix to the face of the application. Upon request, the department will provide the property appraiser such information as it may have available to assist in making this determination.

(g) The council recognizes that a community redevelopment area's funding may be impacted should an exemption be granted in such an area. Therefore, should the council receive an objection to the exemption in the form of a resolution duly adopted by a community redevelopment agency, the council shall not grant said exemption unless a feasible funding alternative is agreed upon by the council and the community redevelopment agency, which shall be decided on a case-by-case basis.

(h) After consideration of the application and the report of the property appraiser on the application, the council may choose to adopt an ordinance granting the exemption to a new or expanding business. If granted, the ordinance shall include the following information:

(1) The name and address of the new business or expansion of an existing business;

(2) The total amount of revenue available to the city from ad valorem tax sources for the current fiscal year, the total amount of the revenue lost to the city for the current fiscal year by virtue of exemptions currently in effect, and the estimated amount of revenue attributable to the exemption granted to the new or expanding business;

(3) The expiration date of the exemption, which is ten (10) years or less (depending upon the duration of the exemption granted) from the date that the exemption takes effect; and

(4) A finding that the business meets the definition of a new business or an expansion of an existing business as set forth in section 19-104 herein.

(i) No precedent shall be implied or inferred by the granting of an exemption to a new or expanding business. Applications for exemptions shall be considered by the council on a case-by-case basis for each application, after consideration of the application and the property appraiser's report on the application.

#### **Sec. 19-109. Revocation of exemption or recovery of funds.**

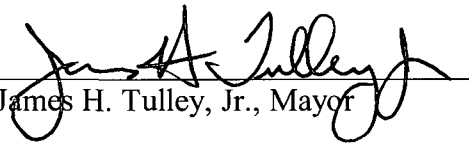
Should any new business or expansion of an existing business fail to file the annual report or any other report required in section 19-105(g), or fail to continue to meet the definition of a new business or an expansion of an existing business, and/or fail to fulfill any other representation made to the council during the application process, the council may adopt an ordinance revoking the ad valorem tax exemption effective the end of the current year said ordinance is adopted. Further, the council may recover any taxes waived. Despite an applicant's failure to fulfill previous representations made to council, the council may take into consideration any information it deems relevant, including but not limited to economic hardship based on current market and economic conditions, and may continue the tax exemption, provided the applicant continues to maintain the new or expansion business as defined in section 19-104. The applicant must submit a letter with the annual report stating such hardships and the future ability to meet exemption requirements. Should said exemption be continued, applicant must provide clear data with the subsequent annual report to show they are meeting the intent of the executing ordinance and application. Nothing herein shall prohibit a business from reapplying for an ad valorem tax exemption pursuant to state law.

**Section 2. Severability.** If any provision of this ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions of this Ordinance.


**Section 3. Effective Date.** This Ordinance shall take effect immediately upon adoption.

**Section 4. Incorporation into Code.** This ordinance shall be incorporated into the City of Titusville Code of Ordinances and any section or paragraph, number or letter, and any heading may be changed or modified as necessary to effectuate the foregoing. Grammatical, typographical, and like errors may be corrected and additions, alterations, and omissions, not affecting the construction or meaning of this ordinance and the Code may be made.

**PASSED AND ADOPTED** this 8th day of June, 2010.

  
James H. Tulley, Jr., Mayor

ATTEST:

  
Wanda Wells, City Clerk

