

If enacted, the proposed revisions to the Program Ordinance will have no immediate financial impact on the County and are intended to increase the return on investment of the Program. While the long-term financial impact of the proposed revisions to the Program Ordinance cannot presently be determined as it is dependent upon the number and term of exemptions granted prospectively, the proposed revisions include increasing the maximum annual amount of potential foregone County revenue from \$2 Million to \$3 Million beginning in FY18.

Background:

On August 4, 2010, the Board adopted Resolution No. R10-109 which called for a referendum on November 2, 2010, and provided ballot language, that was subsequently approved by the voters, which authorizes the Board to grant Economic Development Ad Valorem (Property) Tax Exemptions to new businesses and expansions of existing businesses. Additionally, on October 20, 2010, Economic Development Staff presented a report addressing such exemptions as used by other Florida counties and possible guidelines for consideration by the Board in implementing the Program to grant Ad Valorem (Property) Tax Exemptions for Qualified Economic Development Projects in Hillsborough County. Subsequently, on December 15, 2010, the Board approved the Economic Development Ad Valorem Tax Exemption Program and directed the County's Attorney's office to work with the Economic Development Department to draft an ordinance providing for program implementation. On February 2, 2011, the Board enacted the Hillsborough County Economic Development Ad Valorem Tax Exemption Ordinance, Ordinance No.11-1, now codified as Chapter 46, Article II, Division 6, of the Hillsborough County Code.

On August 16, 2017, the Board authorized the County Attorney's office to work with the Economic Development Department to draft for the Board's consideration an ordinance revising portions of the Program Ordinance for the principal purposes of: simplifying the exemption criteria to be applied by the Board in granting exemptions from a multi-tiered system, including bonus tiers, to a points based system; reducing the percentage amount of any particular exemption that may be granted under the Program; increasing the maximum amount of annual exemptions that may be granted under the Program; and revising requirements regarding the granting and continuation of exemptions.

Under the revised exemption criteria provided in the proposed ordinance, each application will be scored based upon the number of new full-time employees, the average annual wages and the capital investment. For example, a manufacturing business applicant with at least 100 new full-time equivalent employees with average annual wages of at least 150% but less than 200% of the average annual private sector wage with a capital investment of at least \$50 Million but less than \$75 Million would receive 10 points for the number of employees, 4 points for the average annual wages, and 5 points for the capital investment. The total points of 19 (10+4+5) would result in an exemption for 7 years based on the exemption criteria provided in the proposed ordinance.

Attached is a draft of the proposed ordinance in response to this directive.

The County Attorney's Office requests the Board to schedule a public hearing on October 18, 2017, at 10:00 a.m., to consider enactment of the proposed ordinance.

List Attachments:

Draft Ordinance

DRAFT
9-6-17
SSH

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ORDINANCE NO. 17-_____

AN ORDINANCE OF HILLSBOROUGH COUNTY, FLORIDA, PERTAINING TO ECONOMIC DEVELOPMENT AD VALOREM TAX EXEMPTIONS FOR CERTAIN NEW BUSINESSES AND EXPANSIONS OF EXISTING BUSINESSES; AMENDING THE HILLSBOROUGH COUNTY CODE BY AMENDING AND RESTATING CHAPTER 46, ARTICLE II, DIVISION 6, SECTIONS 46-128, 46-129, 46-130, 46-131, 46-134, AND 46-137, HILLSBOROUGH COUNTY CODE, TO REVISE, ADD AND DELETE CERTAIN DEFINITIONS; PROVIDING FOR THE AMOUNT OF EXEMPTIONS; PROVIDING FOR AN OUTSIDE COMMENCEMENT DATE FOR EXEMPTIONS; INCREASING THE MAXIMUM AMOUNT OF ANNUAL EXEMPTIONS THAT MAY BE GRANTED; PROVIDING ADDITIONAL REQUIREMENTS FOR INCLUSION IN AGREEMENTS FOR EXEMPTIONS; DELETING PROVISIONS PROVIDING FOR COMMUNITY REDEVELOPMENT AGENCY REVIEW AND INPUT; DELETING PROVISIONS PROVIDING FOR ADDITIONAL SUBMISSION REQUIREMENTS; REVISING THE ELIGIBILITY THRESHOLD FOR AN EXEMPTION; REVISING PROVISIONS REGARDING BUSINESSES INELIGIBLE FOR EXEMPTIONS; REVISING THE EXEMPTION CRITERIA TO BE APPLIED IN CONSIDERING GRANTING EXEMPTIONS; PROVIDING ADDITIONAL REQUIREMENTS FOR INCLUSION IN ORDINANCES GRANTING EXEMPTIONS; REVISING THE PRECEDENT STANDARD FOR CONSIDERATION OF APPLICATIONS FOR AN EXEMPTION; REVISING PROVISIONS REGARDING BOARD REVOCATION OF EXEMPTIONS; REVISING ORDINANCE SUNSET DATE TO CONFORM WITH APPLICABLE LAW; PROVIDING FOR SEVERABILITY; PROVIDING FOR APPLICABILITY; PROVIDING FOR REPEAL OF LAWS IN CONFLICT; PROVIDING FOR INCLUSION IN THE HILLSBOROUGH COUNTY CODE; PROVIDING AN EFFECTIVE DATE.

WHEREAS, Article VII, Section 3, of the Constitution of the State of Florida and Section 196.1995, Florida Statutes, empower the Board of County Commissioners of Hillsborough County, Florida (the "Board") to grant economic development ad valorem tax exemptions to new businesses and expansions of existing businesses after the electors of the County, voting on the question in a referendum, authorize such exemptions; and

1 **WHEREAS**, in a referendum held on November 2, 2010, the electors of Hillsborough
2 County authorized the Board to grant such exemptions; and

3
4 **WHEREAS**, pursuant to such authority, on February 2, 2011, the Board enacted
5 Ordinance No. 11-1, now codified as Chapter 46, Article II, Division 6, Hillsborough County Code
6 (the “Program Ordinance”), to establish a program for providing such exemptions for certain new
7 businesses and expansions of existing businesses and to provide procedures and guidelines for the
8 submission of applications for and the Board’s consideration of granting such exemptions; and
9

10 **WHEREAS**, the Board desires to amend the Program Ordinance for the principal purposes
11 of: simplifying the exemption criteria to be applied by the Board in granting exemptions from a
12 multi-tiered system, including bonus tiers, to a points based system; reducing the percentage
13 amount of any particular exemption that may be granted; increasing the maximum amount of
14 annual exemptions that may be granted; and revising requirements regarding the granting and
15 continuation of exemptions; and
16

17 **WHEREAS**, the amendments to the Program Ordinance are in the best interest of
18 Hillsborough County and serve both a county purpose and a public purpose;

19
20 **NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COUNTY**
21 **COMMISSIONERS OF HILLSBOROUGH COUNTY, FLORIDA, THIS ____ DAY OF**
22 **_____**, 2017, AS FOLLOWS:
23

24 **SECTION 1. Section 46-128 of the Hillsborough County Code is hereby amended to**
25 **read as follows (additions are indicated by underline text; deletions are indicated by strike-**
26 **through text):**
27

28 **Sec. 46-128. - Definitions.**

29 The following words, phrases and terms shall have the meanings set forth below. Except where
30 indicated otherwise such words, phrases and terms shall have the same meanings attributed to
31 them in the Florida Statutes and the Florida Administrative Code as amended from time to time:

1 *Administrator* means the chief administrative officer of the County, or such person's
2 designee.

3 *Applicant* means any person, firm, partnership or corporation who files an Application with
4 the Board seeking an Exemption.

5 *Application* means a written application for an Exemption on the form prescribed by the
6 Department, together with any supplemental form prescribed by the Administrator and any
7 additional information requested by the Administrator.

8 *Average Annual Employment* means the sum of the number of Full-Time Equivalent
9 Employees as of the last day of each month of the preceding calendar year divided by 12.

10 *Average Annual Private Sector Wage* means the ~~lesser of the~~ average annual private sector
11 wage throughout ~~the State of Florida, the MSA or~~ the County.

12 *Average annual wage* means the sum of the Wages paid to Full-Time Equivalent Employees
13 included in the Average Annual Employment as reported on W-2/RT-6 Forms, or the successor
14 of any such forms, divided by the Average Annual Employment.

15 *Board* means the Board of County Commissioners of Hillsborough County, Florida.

16 ~~*Brownfield Area* means an area designated as a brownfield area pursuant to F.S. § 376.80.~~

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

20 *Capital Investment* means any expenditure for an Expansion of an Existing Business or a
21 New Business to be located in Hillsborough County which can be capitalized under generally
22 accepted accounting principles.

23 ~~*Community Redevelopment Agency* means a public agency created by or designated~~
24 ~~pursuant to F.S. § 163.356 or F.S. § 163.357.~~

25 ~~*Community Redevelopment Area* means an area designated as a community redevelopment~~
26 ~~area pursuant to F.S. Ch. 163, pt. III (F.S. § 163.330 et seq.).~~

27 *County* means Hillsborough County, Florida.

28 *Department* means the Florida Department of Revenue.

29 ~~*Destination Retail Business* means an Expansion of an Existing Business or a New Business~~
30 ~~that is regularly engaged in, and whose Business consists to a substantial extent of, the selling~~

~~of unique Goods or such a wide assortment of Goods to a consumer, not principally for the purpose of resale, such that it attracts a substantial number of consumers who are willing to make a special trip from throughout a wide geographic area of sufficient distance to necessitate overnight stays generating lodging and entertainment expenditures.~~

Economic Development Ad Valorem Tax Exemption or *Exemption* means an ad valorem tax exemption granted by the Board in its sole and absolute discretion to a Qualified Business pursuant to this division as authorized by Article VII, Section 3 of the Constitution of the State of Florida and F.S. § 196.1995.

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

Exemption Criteria means the criteria to be applied by the Board in making its determination as to whether ~~to grant~~ an exemption may be granted, and, if so, the period of such Exemption, as provided for in Section 46-131(d).

Expansion of an Existing Business means:

(1) a. A Business establishing ten or more jobs to employ ten 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; or

b. A Business establishing 25 or more jobs to employ 25 or more full-time employees in this state, the sales factor of which for the facility with respect to which it requests an 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 ten percent or an increase in productive output of not less than ten percent.

~~(2) Any Business located in an Enterprise Zone or Brownfield Area that increases operations on a site collocated with a commercial or industrial operation owned by the same Business.~~

1 *Full-Time Equivalent Employee* means a person who is employed by a Business that works
 2 at least 35 hours per week and is eligible to receive benefits, including health benefits, through
 3 their employer, subject to any eligible vesting periods.

4 *Goods* means all personal property when purchased primarily for personal, family, or
 5 household use, but not including personal property sold for commercial or industrial use.

6 ~~*High Value Business* means an Expansion of an Existing Business or a New Business that
 7 is expected to have a significant economic impact as a result of the number of its Full-Time
 8 Equivalent Employees, its Average Annual Wage, the Capital Investment in the Business, or
 9 additional jobs subsequently created as a result of such Business.~~

10 *Improvements* means physical changes made to raw land, and structures placed on or under
 11 the land surface, including all Tangible Personal Property acquired to facilitate an Expansion of
 12 an Existing Business provided that the Tangible Personal Property is added or increased on or
 13 after the day an ordinance specifically granting a Business an Exemption is adopted. However,
 14 Tangible Personal Property acquired to replace existing property shall not be considered to
 15 facilitate a business expansion.

16 ~~*Metropolitan Statistical Area or MSA* means a geographical region with a relatively high
 17 population density at its core and close economic ties throughout the area. For purposes of this
 18 division, the MSA includes Hillsborough, Hernando, Pasco and Pinellas Counties.~~

19 *New Business* means:

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

24 b. A Business establishing 25 or more jobs to employ 25 or more full-time
 25 employees in this state, the sales factor of which for the facility with respect to which
 26 it requests an Exemption is less ~~than~~ 0.50 for each year the Exemption is
 27 claimed; or

28 c. An office space in this state owned and used by a corporation newly
 29 domiciled in this state; provided such office space houses 50 or more full-time
 30 employees of such corporation; provided that such business or office first begins

1 operation on a site clearly separate from any other commercial or industrial
2 operation owned by the same business.

3 (2) ~~Any business located in an Enterprise Zone or Brownfield Area that first~~
4 ~~begins operation on a site clearly separate from any other commercial or industrial~~
5 ~~operation owned by the same business.~~

6 ~~(3)~~ A Business that is situated on property annexed into a municipality and that,
7 at the time of the annexation, is receiving an Exemption from the County.

8 *Qualified Business* means a Business that is a ~~Destination Retail Business, a High Value~~
9 ~~Business, or a~~ Target Industry Business.

10 *Sales Factor* means a fraction, the numerator of which is the total sales of the taxpayer in
11 this state during the taxable year or period and the denominator of which is the total sales of the
12 taxpayer everywhere during the taxable year or period.

13 *Tangible Personal Property* shall have the meaning set forth in F.S. § 192.001(11)(d).

14 *Target Industry Business* means an Expansion of an Existing Business or a New Business
15 that is engaged in a Business designated as a Target Industry Business pursuant to F.S. § 288.106.

16 *Wages* means all compensation including salaries, bonuses, commissions and the value of
17 exercised stock options subject to federal income tax, but excluding fringe benefits as reported
18 on W-2/RT-6 Forms, or the successor of any such forms; provided stock options shall be
19 included in the calculation of wages in a manner consistent with the program established
20 pursuant to F.S. § 288.106.

21
22 **SECTION 2. Section 46-129 of the Hillsborough County Code is hereby amended to**
23 **read as follows (additions are indicated by underline text; deletions are indicated by strike-**
24 **through text):**

25
26 **Sec. 46-129. - Establishment of economic development ad valorem tax exemption.**

27 (a) *Incentive.* There is herein established an Economic Development Ad Valorem Tax
28 Exemption for ad valorem taxes levied by the County. The Exemption is a local option tax
29 incentive for a Qualified Business which may be granted or refused at the sole and absolute
30 discretion of the Board.

1 (b) *Ineligible Improvements.* The Exemption shall not accrue to Improvements made by or
2 for the use of a Qualified Business when such Improvements have been included on the
3 County ad valorem tax assessment rolls prior to the effective date of an ordinance specifically
4 granting a Business an Exemption.

5 (c) *Eligible Improvements.* At the sole and absolute discretion of the Board, and except as
6 otherwise provided for in this division, and subject to the application of the Exemption
7 Criteria, anthe Exemption may be granted for fifty up to 100 percent of the assessed value of
8 all Improvements made by or for the use of a qualifying New Business and of all Tangible
9 Personal Property of such New Business, or fifty up to 100 percent of the assessed value of all
10 added Improvements made to facilitate the qualifying Expansion of an Existing Business and
11 of the net increase in all Tangible Personal Property acquired to facilitate such Expansion of
12 an Existing Business, provided that the Improvements are made or the Tangible Personal
13 Property is added or increased on or after the day the ordinance specifically granting an
14 Exemption is adopted. Property acquired to replace existing property shall not be considered
15 to facilitate a business expansion.

16 (d) *Land.* No exemption shall be granted for the land upon which a New Business or an
17 Expansion of an Existing Business is to be located.

18 (e) *Exemption.* Except as otherwise provided for in this division, and subject to the
19 application of the Exemption Criteria, the Exemption may be for a period of up to ten years
20 and shall commence on January 1st of the year which is no more than five (5) calendar years
21 from the date the Board adopts the ordinance specifically granting ~~thean~~ Exemption.

22 (f) *Taxes applicable.* The Exemption shall apply only to taxes levied by the County. The
23 Exemption shall not apply to taxes levied by a municipality, school district, or water
24 management district, or to taxes levied for the payment of bonds or taxes authorized by a vote
25 of the electors pursuant to Section 9(b) or 12, Article VII of the Florida Constitution.

26 (g) *Maximum amount of annual exemptions.* Notwithstanding any other provision of this
27 division, the Exemptions granted by the Board for each fiscal year shall not result in an
28 estimated aggregate annual amount of forgone ad valorem tax revenues in excess of
29 \$3,000,000.00~~\$2,000,000.00~~ or such other amount approved by a supermajority vote of the
30 Board, which amount shall be calculated based on the Property Appraiser's estimates on the

1 revenue lost to the County during the then particular fiscal year by virtue of Exemptions
2 previously granted plus Exemptions under consideration in such particular fiscal year.

3
4 **SECTION 3. Section 46-130 of the Hillsborough County Code is hereby amended to**
5 **read as follows (additions are indicated by underline text; deletions are indicated by strike-**
6 **through text):**

7
8 **Sec. 46-130. - Application for exemption.**

9 (a) *Application.* Any eligible person, firm, partnership or corporation which desires an
10 Exemption shall file with the Board a written Application. The Application must be filed no
11 later than March 1 of the year the Exemption is desired to take effect.

12 (b) *Review.* Upon submittal of the Application, the Administrator shall review same and,
13 within ten days of submission, notify the Applicant of any facial deficiencies. Complete
14 Applications shall be scheduled for a public hearing before the Board no later than 45 days
15 following receipt by the Administrator of the Property Appraiser's report provided for in this
16 division. The Applicant shall be notified of the date and time of the public hearing.

17 (c) *Agreement.* As a condition to receiving an Exemption, a Business will be required to
18 enter into an agreement with the County to ensure that the Business satisfies all requirements
19 associated with the granting and continuation of the Exemption, including, but not limited to,
20 maintenance of the number of new Full-Time Equivalent Employees, the Average Annual
21 Wages and Capital Investment as indicated in the Application of the Business. Moreover,
22 such agreement shall include representations and warranties of the Business that the Property
23 Appraiser’s estimate of the assessed value of the land and/or Improvements for which the
24 Exemption was granted was determined by an appraisal methodology that complies with the
25 criteria of applicable law and professionally accepted appraisal practices, and is reasonable
26 and correct.

27 ~~(d) *Community Redevelopment Agency.* If a New Business is locating to, or an Expansion~~
28 ~~of an Existing Business is occurring in, a Community Redevelopment Area, the Community~~
29 ~~Redevelopment Agency overseeing such area shall be provided a copy of the Application for~~
30 ~~review and comment. Input from the Community Redevelopment Agency will be considered~~
31 ~~by the Board in deciding whether an Exemption is to be granted. Should the Community~~

1 ~~Redevelopment Agency object to the granting of an Exemption, the Community~~
 2 ~~Redevelopment Agency must submit an objection in writing to the Board for its consideration.~~
 3 ~~(e) — Additional submission requirements. An Application for an Exemption shall be~~
 4 ~~submitted in advance of any necessary permit application changing the future land use or~~
 5 ~~changing zoning. In the case of existing sites or facilities where adequate zoning and future~~
 6 ~~land use is in place, an Application shall be submitted prior to permits regarding building~~
 7 ~~occupancy submittals.~~

8
 9 **SECTION 4. Section 46-131 of the Hillsborough County Code is hereby amended to**
 10 **read as follows (additions are indicated by underline text; deletions are indicated by strike-**
 11 **through text):**

12
 13 **Sec. 46-131. - Board consideration of applications.**

14 (a) *Property appraiser review and report.* Before the Board takes action on an Application,
 15 a copy of the Application, once deemed complete, shall be delivered to the Property Appraiser
 16 for review. After careful consideration of the Application, the Property Appraiser shall
 17 provide a report to the Board which shall include the following:

- 18 (1) The total revenue available to the County for the current fiscal year from ad valorem
 19 tax sources, or an estimate of such revenue if the actual total revenue available cannot be
 20 determined;
- 21 (2) The amount of any revenue lost to the County for the current fiscal year by virtue
 22 of Exemptions previously granted, or an estimate of such revenue if the actual revenue
 23 lost cannot be determined;
- 24 (3) An estimate of the amount of revenue which would be lost to the County during
 25 the current fiscal year if the Exemption applied for were granted had the property for
 26 which the Exemption is requested otherwise been subject to taxation; and
- 27 (4) A determination as to whether the property for which an Exemption is requested is
 28 to be incorporated into a New Business or the Expansion of an Existing Business, or into
 29 neither, which determination the Property Appraiser shall also affix to the face of the
 30 Application. Upon request, the Department will provide the Property Appraiser such
 31 information as it may have available to assist in making such determination.

1 (b) *Eligibility threshold.* The threshold for eligibility to be considered for an Exemption is
 2 whether the Business ~~is meets the definition of~~ a New Business or ~~of~~ an Expansion of an
 3 Existing Business that will have Average Annual Wages of at least 80% of the Average
 4 Annual Private Sector Wage and a Capital Investment of at least \$5,000,000.00~~as provided in~~
 5 ~~this division.~~

6 (c) *Ineligible business.* Any Business in material violation of any federal, state, or local law
 7 or regulation, including but not limited to, laws or regulations pertaining to environmental
 8 matters, will not be eligible for an Exemption.

9 (d) *Exemption criteria.* In order to determine whether an Exemption may be granted, and, if
 10 so, the period of such~~making its determination as to whether to grant an~~ Exemption, the Board
 11 shall apply the number of new Full-Time Equivalent Employees, the Average Annual Wages
 12 and Capital Investment indicated in the Application of each Business to the Exemption
 13 Criteria provided below; ~~provided that the Board, in its sole and absolute discretion, may~~
 14 ~~deviate from the Exemption Criteria when considering Applications from Destination Retail~~
 15 ~~Businesses and High Value Businesses if the Board determines that such deviation is in the~~
 16 ~~best interest of the County:~~

<u>Full-Time Equivalent Employees</u>			
<u>Manufacturing</u>	<u>Non- Manufacturing with Sales Factor</u>	<u>Office</u>	<u>Points</u>
<u>>10</u>	<u>>25</u>	<u>>50</u>	<u>1</u>
<u>>20</u>	<u>>50</u>	<u>>75</u>	<u>2</u>
<u>>30</u>	<u>>75</u>	<u>>100</u>	<u>3</u>
<u>>40</u>	<u>>100</u>	<u>>125</u>	<u>4</u>
<u>>50</u>	<u>>125</u>	<u>>150</u>	<u>5</u>
<u>>60</u>	<u>>150</u>	<u>>175</u>	<u>6</u>
<u>>70</u>	<u>>175</u>	<u>>200</u>	<u>7</u>
<u>>80</u>	<u>>200</u>	<u>>250</u>	<u>8</u>
<u>>90</u>	<u>>225</u>	<u>>300</u>	<u>9</u>
<u>>100</u>	<u>>250</u>	<u>>400</u>	<u>10</u>

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<u>Percentage of Average Annual Private Sector Wages</u>	<u>Points</u>
<u>>80%</u>	<u>0</u>
<u>>100%</u>	<u>1</u>
<u>>115%</u>	<u>2</u>
<u>>150%</u>	<u>4</u>
<u>>200%</u>	<u>6</u>

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<u>Capital Investment</u>	<u>Points</u>
<u>≥\$5,000,000.00</u>	<u>1</u>
<u>≥\$10,000,000.00</u>	<u>2</u>
<u>≥\$15,000,000.00</u>	<u>3</u>
<u>≥\$25,000,000.00</u>	<u>4</u>
<u>≥\$50,000,000.00</u>	<u>5</u>
<u>≥\$75,000,000.00</u>	<u>6</u>
<u>≥\$100,000,000.00</u>	<u>7</u>
<u>≥\$150,000,000.00</u>	<u>8</u>
<u>≥\$200,000,000.00</u>	<u>9</u>

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<u>Total Points</u>	<u>Years^① (50% Exemption)</u>
<u>0-4</u>	<u>No Exemption</u>
<u>5-9</u>	<u>5 years</u>
<u>10-19</u>	<u>7 years</u>
<u>20-25</u>	<u>10 years</u>

6

7 ① If the Application of a Business indicates that 51% or more of the Capital Investment will be
 8 expended on Tangible Personal Property, the Business cannot receive a 10-year Exemption.

9

<u>TIER</u>	<u>NUMBER OF NEW JOBS</u>	<u>AVERAGE ANNUAL WAGE OR CAPITAL</u>	<u>PERIOD</u>	<u>MAXIMUM EXEMPTION</u>

		INVESTMENT PER JOB		
One	10 or more Full-Time Equivalent Employees in manufacturing jobs; or 25 or more Full-Time Equivalent Employees where the Business's Sales Factor is less than 50%; or 50 or more Full-Time Equivalent Employees in office jobs if a New Business.	115% of the Average Annual Private Sector Wage or Capital Investment exceeding \$200,000.00 per Full-Time Equivalent Employee	5 years	50%
BONUS— Enterprise-Zone; Brownfield Area or Community Redevelopment Area	10 or more Full-Time Equivalent Employees in manufacturing jobs; or 25 or more Full-Time Equivalent Employees where the Business's Sales Factor is less than 50%; or 50 or more Full-Time Equivalent Employees in office jobs if a New Business.	100%	5 years	75%
Two	30 or more Full-Time Equivalent Employees in manufacturing jobs; or 75 or more Full-Time Equivalent	115% of the Average Annual Private Sector Wage or Capital Investment exceeding	7 years	50%

	Employees where the Business's Sales Factor is less than 50%; or 100 or more Full-Time Equivalent Employees in office jobs if a New Business.	\$200,000.00 per Full-Time Equivalent Employee		
BONUS— Enterprise Zone, Brownfield Area or Community Redevelopment Area	30 or more Full-Time Equivalent Employees in manufacturing jobs; or 75 or more Full-Time Equivalent Employees where the Business's Sales Factor is less than 50%; or 100 or more Full-Time Equivalent Employees in office jobs if a New Business.	100%	7 years	75%
Three	90 or more Full-Time Equivalent Employees in manufacturing jobs; or 100 or more Full-Time Equivalent Employees where the Business's Sales Factor is less than 50%; or 200 or more Full-Time Equivalent Employees in office jobs if a New Business.	150%	10 years	50%

<p>BONUS— Enterprise Zone, Brownfield Area or Community Redevelopment Area</p>	<p>90 or more Full-Time Equivalent Employees in manufacturing jobs; or 100 or more Full- Time Equivalent Employees where the Business's Sales Factor is less than 50%; or 200 or more Full-Time Equivalent Employees in office jobs if a New Business.</p>	<p>100%</p>	<p>10 years</p>	<p>75%</p>
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2 (e) *Board ordinance.* After consideration of the Application, the Property Appraiser's report,
3 ~~input from a Community Redevelopment Agency, if applicable,~~ and such other information it
4 deems relevant, and the application of the Exemption Criteria, the Board may choose in its
5 sole and absolute discretion to adopt an ordinance granting an Exemption to the Applicant. If
6 the Board decides to adopt such an ordinance, the ordinance shall be adopted in the same
7 manner as any other general ordinance of the County, and shall include the following:

- 8 (1) The name and address of the New Business or the Expansion of an Existing Business
9 to which the Exemption is granted;
- 10 (2) The name of the owner(s) of the New Business or the Expansion of an Existing
11 Business;
- 12 (3) The total amount of revenue available to the County from ad valorem tax sources
13 for the current fiscal year, the total amount of revenue lost to the County for the current
14 fiscal year by virtue of Exemptions currently in effect, and the estimated revenue loss to
15 the County for the current fiscal year attributable to the Exemption of the Business named
16 in the ordinance;
- 17 (4) The period of time for which the Exemption will remain in effect and the expiration
18 date of the Exemption; ~~and~~

1 (5) The requirements associated with the granting and continuation of the Exemption,
 2 including, but not limited to, the maintenance of the number of new Full-Time Equivalent
 3 Employees and the Average Annual Wages therefor, and the amount and timeframe for
 4 making a Capital Investment in the New Business or the Expansion of an Existing
 5 Business, as indicated in the Application thereof, which the Board applied to the
 6 Exemption Criteria in making its determination regarding the Exemption; and

7 ~~(65)~~ A finding that the Business named in the ordinance meets the requirements of F.S.
 8 Section 196.012(15) or (16) (2010).

9 (f) *Precedent standard for consideration of applications.* No precedent shall be implied or
 10 inferred by the granting of an Exemption. Each Application shall be considered by the Board
 11 in its legislative capacity on a case-by-case basis, after considering the Property Appraiser's
 12 report on the Application, ~~and~~ the Exemption Criteria, and whether an Applicant demonstrates
 13 an historical pattern of contesting the assessed value of land and/or Improvements for purposes
 14 of ad valorem taxation.

15
 16 **SECTION 5. Section 46-134 of the Hillsborough County Code is hereby amended to**
 17 **read as follows (additions are indicated by underline text; deletions are indicated by strike-**
 18 **through text):**

19
 20 **Sec. 46-134. - Board revocation.**

21 Should any Business granted an Exemption pursuant to this division fail to file the annual
 22 renewal statement and/or annual report on or before March 1 of each year the Exemption has
 23 been granted as required by this division, fail to continue to meet the definition of a New
 24 Business or an Expansion of an Existing Business, fail to timely inform the Board of a change
 25 of ownership, fail to ~~file a new Application upon any change in the information provided in the~~
 26 ~~original Application,~~ comply with each of the terms, covenants, conditions, obligations or
 27 provisions of the agreement required pursuant to Section 46-130(c), fail to fulfill any other
 28 representation made to the Board during the Application process, and/or fail to comply with any
 29 other requirement provided for in this division, the Board may, upon 30 days' written notice to
 30 the respective Business, adopt an ordinance revoking the Exemption or take such other action
 31 with respect to the Exemption as it deems appropriate. Moreover, in the event that subsequent

1 to the grant of an Exemption pursuant to this division the Administrator determines that the
2 representations and warranties of the Business granted an Exemption that are contained in the
3 agreement required pursuant to Section 46-130(c) are not true in any material respect, or the
4 Business takes any action inconsistent with such representations and warranties, the
5 Administrator may recommend to the Board that the Board adopt an ordinance revoking the
6 Exemption for such Business upon 30 days' written notice to such Business.

7 (1) *Notification.* Upon revocation, the Board shall immediately notify the Property
8 Appraiser.

9 (2) *Recovery of taxes.* If it is determined that a Business was not in fact entitled to an
10 Exemption in any year for which the Business received an Exemption, the County,
11 Property Appraiser or Tax Collector shall be entitled to recover all taxes not paid on
12 Tangible Personal Property as a result of the Exemption, plus interest at the maximum
13 rate allowed by law, plus all costs of collection, including, without limitation, reasonable
14 attorney's fees.

15 (3) *Reapplication.* Nothing herein shall prohibit a Business from reapplying for an ad
16 valorem tax exemption pursuant to State law.

17
18 **SECTION 6. Section 46-137 of the Hillsborough County Code is hereby amended to**
19 **read as follows (additions are indicated by underline text; deletions are indicated by strike-**
20 **through text):**

21
22 **Sec. 46-137. - Sunset date.**

23 Pursuant to F.S. § 196.1995, this division shall expire on November 2, 2020, ten years after the
24 date such authority to grant Economic Development Ad Valorem Tax Exemptions was approved
25 by the electors of the County voting on the question in a referendum; provided that for purposes
26 of enforcement and revocation, this division shall survive such expiration date. No Business
27 shall be ~~granted~~allowed to begin receiving an Exemption after that date; however, the expiration
28 shall not affect the operation of any Exemption for which a Business was granted an
29 Exemption~~has qualified~~ under this division prior to November 2, 2020.

30
31 **SECTION 7. SEVERABILITY.**

1 If any provision of this Ordinance or the application thereof to any person or circumstance
2 is held invalid, the invalidity shall not affect other provisions or applications of this Ordinance
3 which can be given effect without the invalid provisions or applications. To this end, the
4 provisions of this Ordinance are declared severable.

5

6 **SECTION 8. APPLICABILITY.**

7 This Ordinance shall apply only to Economic Development Ad Valorem Tax Exemptions
8 granted after the effective date hereof. Economic Development Ad Valorem Tax Exemptions
9 granted prior to the effective date hereof shall continue to be governed by the provisions of
10 Ordinance No. 11-1, enacted by the Board on February 2, 2011.

11

12 **SECTION 9. CONFLICTS.**

13 All ordinances or parts of ordinances in conflict herewith are hereby superseded or repealed
14 to the extent of such conflict.

15

16 **SECTION 10. INCLUSION IN THE HILLSBOROUGH COUNTY CODE.**

17 The provisions of this Ordinance shall be included and incorporated in the Hillsborough
18 County Code as an addition or amendment thereto, and shall be appropriately renumbered to
19 conform to the uniform numbering system of the Hillsborough County Code.

20

21 **SECTION 11. FILING; EFFECTIVE DATE.**

22 The Clerk is directed to file a certified copy of this Ordinance with the Florida
23 Department of State within ten (10) days after enactment, and this Ordinance shall take effect
24 immediately upon such filing.

25

26 **STATE OF FLORIDA**)
27 **COUNTY OF HILLSBOROUGH**)

28

29 I, Pat Frank, Clerk of the Circuit Court and Ex Officio Clerk of the Board of County
30 Commissioners of Hillsborough County, Florida, do hereby certify that the above and foregoing
31 is a true and correct copy of an ordinance adopted by the Board at its regular meeting of

1 _____, 2017, as the same appears of record in Minute Book _____ of the
2 Public Records of Hillsborough County, Florida.

3

4

5 WITNESS my hand and official seal this _____ day of _____, 2017.

6

7

PAT FRANK,
CLERK OF CIRCUIT COURT

8

9

10

By: _____

11

Deputy Clerk

12 APPROVED BY COUNTY ATTORNEY
13 AS TO FORM AND LEGAL SUFFICIENCY:

14

15

16 By: _____

17 Senior Assistant County Attorney

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2 EDAVTE Proc Ordinance Amendments 9-6-17.docx