

Backup Material
Ordinance No. 25-5564

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Attachment A

Ordinance No. 25-5564

Pages 2-5

ORDINANCE NO. 25-5564

AN ORDINANCE OF THE CITY OF SARASOTA, FLORIDA, REPEALING § 37-96 AND CREATING § 37-2 OF THE SARASOTA CODE TO PROVIDE FOR AUTHORITY TO ASSESS AND COLLECT UTILITY FEES FROM CUSTOMERS THROUGH THIRD PARTY PROVIDERS; AND PROVIDING FOR CODIFICATION, SEVERABILITY, AND FOR AN EFFECTIVE DATE.

WHEREAS, the City's water and sewer code is set forth in Chapter 37 of the City Code; and; and

WHEREAS, City Code § 37-96, entitled *Authority to bill customers*, allows the City's Utilities Department to perform the billing and collection function related to the City's cross-connection control program through third parties; but

WHEREAS, the other Articles in Chapter 37 are silent as to this billing and collection method, creating the argument that the method is not permitted for any other area of operations of the City's Utilities Department including water and wastewater services; and

WHEREAS, the Utilities Department already does engage third parties for billing and collection services and wishes to have its authority to use this efficient and effective method for all of its operations clarified in the Code; and

WHEREAS, the provisions of this Ordinance would provide the necessary clarification of the ability of the Utilities Department to use third parties for billing and collection services; and

WHEREAS, the City Commission, having received the recommendation of the City Manager and upon having received relevant advice from the City Attorney's Office, finds that it is in the best interests of the City to adopt the Code revisions set forth in this Ordinance.

NOW, THEREFORE, BE IT ENACTED BY THE PEOPLE OF THE CITY OF SARASOTA, FLORIDA, THAT:

Section 1. City Code § 37-96 is hereby repealed in its entirety as follows:

~~Sec. 37-96. Authority to bill customers.~~

~~The city is authorized to bill water customers or property owners an amount equal to that incurred by the city to perform services required in this article. This includes, but is not limited to, costs incurred by city employees and third parties retained by the city.~~

Section 2. A new City Code § 37-2 is hereby created as follows:

Sec. 37-2. Customer billing and collections costs.

The city is authorized to bill water and sewer customers or property owners in the amounts set forth in the fee schedules provided for by or in this chapter, or, if no fee is set forth, then in an amount equal to that incurred by the city to perform services required in this chapter. This includes, but is not limited to, all costs and fees, including financial transaction servicing fees, incurred by the city either directly or by third party billing and collection services providers retained by the city.

Section 3. If any section, subsection, sentence, clause or provision of this ordinance is held invalid, the remainder of this ordinance shall not be affected by such invalidity.

Section 4. For purposes of codification of any existing section of the Sarasota Code herein amended, words **underlined** represent additions to original text, words **stricken** are deletions from the original text, and words neither underlined nor stricken remain unchanged.

Section 5. The Codifier shall codify the substantive amendments to the Sarasota City Code contained in Sections 1 and 2 of this Ordinance as provided for therein, and shall not codify the exordial clauses nor any other sections not designated for codification.

Section 6. Pursuant to Florida Statutes § 166.041(4), this Ordinance shall take effect immediately upon its adoption.

PASSED on first reading by title only, after posting on the bulletin board at City Hall for at least three (3) days prior to first reading, as authorized by Article IV, Section 2, Charter of the City of Sarasota, Florida this _____ day of _____, 2025.

PASSED on second reading and finally adopted this _____ day of _____, 2025.

CITY OF SARASOTA, FLORIDA

Liz Alpert, Mayor

ATTEST:

Shayla Griggs
City Auditor and Clerk

____ Mayor Liz Alpert
____ Vice Mayor Debbie Trice
____ Commissioner Jen Ahearn-Koch
____ Commissioner Kyle S. Battie
____ Commissioner Kathy Kelley Ohlrich

Cityatty/Ord25-5565(Repealing § 37-96 Creating § 37-2)/JJP/td/03-24-2025

Attachment B

Business Impact Estimate

Pages 6-8

Pursuant to F.S. 166.041(4), this form should be included in the agenda packet for the item under which the proposed ordinance is to be considered and must be posted on the City of Sarasota's website by the time notice of the proposed ordinance is published.

As approved as part of SB170 and effective October 1, 2023, pursuant to Section 166.041(4), Florida Statutes, the City is required to prepare a business impact estimate prior to enacting an ordinance, subject to exemptions noted in the Law. It adds to the process for local governments passing ordinances and gives certain additional rights to those challenging local ordinances. The bill requires a "business impact estimate" before passing an ordinance, with exceptions.

Effective October 1, 2024, updated laws will go into effect during the 2024 State Legislative Session. Senate Bill 1628 was signed by Florida's Governor on May 6, 2024. The bill eliminates the exemption from the requirement to file a business impact estimate for ordinances relating to a comprehensive plan amendment or land development regulation initiated by a municipality or county.

Proposed Ordinance – Title / Reference
<p>ORDINANCE NO. 25-5564</p> <p>AN ORDINANCE OF THE CITY OF SARASOTA, FLORIDA, REPEALING § 37-96 AND CREATING § 37-2 OF THE SARASOTA CODE TO PROVIDE FOR AUTHORITY TO ASSESS AND COLLECT UTILITY FEES FROM CUSTOMERS THROUGH THIRD PARTY PROVIDERS; AND PROVIDING FOR CODIFICATION, SEVERABILITY, AND FOR AN EFFECTIVE DATE.</p>
<p>1. Summary of the Proposed Ordinance (must include a statement of the public purpose, such as service the public health, safety, orals, and welfare).</p> <p>The City's water and sewer regulations are outlined in Chapter 37 of the City Code. Specifically, City Code § 37-96, titled Authority to bill customers, grants the City's Utilities Department the ability to manage billing and collection for the City's cross-connection control program through third-party entities. However, other sections within Chapter 37 do not address this billing and collection approach, leading to the interpretation that such a method may not be applicable to other operations of the Utilities Department, including water and wastewater services. The Utilities Department currently utilizes third parties for billing and collection and seeks to have its authority to implement this efficient and effective method across all its operations explicitly stated in the Code. The provisions of this Ordinance would clarify the Utilities Department's capacity to engage third parties for billing and collection services.</p>
<p>1) An estimate of the direct economic impact of the proposed ordinance on private, for-profit businesses in the City of Sarasota if any:</p> <p>A. An estimate of direct compliance costs that businesses may reasonably incur;</p>
<p>Several factors will impact a business, although they remain unspecified. Firstly, the business must utilize the Water and Sewer services provided by the City of Sarasota. Secondly, it must face a charge that is not detailed in the fee schedule established in City Code Chapter 37. The main objective of this Ordinance amendment is to enhance transparency regarding the inclusion of third parties in billing and collection services. This pertains to fees incurred by customers who choose to make payments using credit cards, PayPal, Apple Pay, Google Pay, or other electronic payment methods.</p>
<p>B. Any new charge or fee imposed by the proposed ordinance or for which businesses will be financially responsible; and</p>
<p>Businesses that utilize the Water and Sewer services provided by the City of Sarasota will be held financially accountable for any charges not detailed in the fee schedule specified in City Code Chapter 37. This responsibility encompasses all costs and fees, including financial transaction servicing fees, that the city incurs directly or through third-party billing</p>

and collection service providers engaged by the city. However, businesses that choose not to use a third-party billing and collection service for their water and sewer payments will not incur any new charges. Currently, the additional fee is set at 2.95% when a third-party billing and collection service is employed.

C. An estimate of the City of Sarasota regulatory costs, including estimated revenues from any new charges or fees to cover such costs.

As of February 2025, the Water and Sewer Business of the City of Sarasota caters to around 10.6% of its customer base. The annual expenses for the City amount to roughly \$540,000, which includes total transaction costs linked to third-party billing and transaction services. Of this total, approximately \$57,240 pertains specifically to business transactions. This Ordinance is designed to recoup only the costs incurred by the City for these fees.

2) Good faith estimate of the number of businesses likely to be impacted by the proposed ordinance.

It is estimated that there are approximately 2,138 business who are water customers and 2,000 business who are sewer customers who may be impacted by this Ordinance. However, the exact number of businesses are unknown, additionally businesses do have alternative options to avoid the impact by utilizing other payment options.

3) Additional information the governing body deems useful (if any):

You may wish to include in this section the methodology or data used to prepare the Business Impact Estimate. For example: City of Sarasota staff solicited comments from businesses in the City of Sarasota as to the potential impact of the proposed ordinance by contacting the chamber of commerce, social media posting, direct mail or direct email, posting on the City of Sarasota's website, public workshop, etc. You may also wish to include efforts made to reduce the potential fiscal impact on businesses. You may also wish to state here that the proposed ordinance is a generally applicable ordinance that applies to all persons similarly situated (individuals as well as businesses) and, therefore, the proposed ordinance does not affect only businesses.

The City Commission, after considering the City Manager's recommendation and obtaining pertinent counsel from the City Attorney's Office, concludes that adopting the Code revisions outlined in this Ordinance serves the best interests of the City.

Attachment C

Public Notice

Pages 9-10



**CITY OF SARASOTA
NOTICE OF PUBLIC HEARING**

Notice is hereby given that the **CITY COMMISSION** of the City of Sarasota, Florida will meet on **Monday, April 21, 2025, at 9:00 a.m.** in the Commission Chambers, City Hall, 1565 First Street, Sarasota, Florida. **Starting at 9:00 a.m. or as soon thereafter as possible, the Commission will open the scheduled Public Hearings in the order they appear on the agenda.** The Commission will recess for lunch at approximately 12:00 p.m. The following Ordinance will be considered at the above scheduled meeting:

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Said proposed Ordinance is on file in the Office of the City Auditor and Clerk at City Hall. If you wish to obtain a copy, please call (941) 263-6222 between 8:00 a.m. to 5:00 p.m. Monday through Friday. If required, the Business Impact Estimate as required by Florida Statutes 166.041(4)(a) can be found on the city's Online Public Notice Bulletin Board at www.sarasotafl.gov/government/city-auditor-and-clerk/meeting-notice-board.

Interested persons are welcome to attend and may register to speak in respect to the above-proposed ordinance. Individuals who prefer to participate remotely in the City Commission meeting may obtain instructions to participate via zoom by emailing clerk@sarasotafl.gov with your request no later than the **deadline of 5:00 pm on Friday, April 18, 2025**. Individuals may provide written comments for agenda items which allow citizens input up until 15 minutes prior to the start of the meeting by utilizing the eComments link next to the published agenda on the [Upcoming Events](#) webpage accessible through the City of Sarasota website by clicking on "Meetings/Agendas/Video from the main page.

If a person decides to appeal any decision made by the board, agency, or commission with respect to any matter considered at such meeting or hearing, he or she will need a record of the proceedings, and, for such purpose, he or she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

In accordance with the Americans with Disabilities Act of 1990 and Section 286.26, Florida Statutes, persons with disabilities needing special accommodation to participate in such public hearing should contact the City of Sarasota ADA Coordinator at (941) 263-6269 at least two (2) business days prior to the date of the public hearing as to the nature of the aid and/or service desired. Reasonable auxiliary aids and services will be made available to qualified disabled individuals to the extent that no undue financial or administrative burden results. For the benefit of individuals utilizing hearing aids with a T-coil, the City Commission Chambers and SRQ Media Studio are outfitted with a Hearing Induction Loop for enhanced hearing assistance.

CITY OF SARASOTA

By: Shayla Griggs
City Auditor and Clerk

Legal Date: April 11, 2025