

# BAL HARBOUR

- VILLAGE -

## COUNCIL ITEM SUMMARY

### Condensed Title:

**AN ORDINANCE OF BAL HARBOUR VILLAGE, FLORIDA AMENDING ARTICLE II "LOCAL BUSINESS TAX" OF CHAPTER 9 "BUSINESS REGULATIONS AND BUSINESS TAX" OF THE BAL HARBOUR VILLAGE CODE OF ORDINANCES.**

### Issue:

Should the Village Council approve the proposed 5% Local Business Tax Rate Increase for FY 2025-26 on Second Reading?

### The Bal Harbour Experience:

- |   |  |   |
|---|--|---|
| <input checked="" type="checkbox"/> Beautiful Environment           | <input checked="" type="checkbox"/> Safety           | <input checked="" type="checkbox"/> Modernized Public Facilities/Infrastructure |
| <input checked="" type="checkbox"/> Destination & Amenities         | <input checked="" type="checkbox"/> Unique & Elegant | <input checked="" type="checkbox"/> Resiliency & Sustainable Community          |
| <input checked="" type="checkbox"/> Other: <u>State Requirement</u> |  |   |

### Item Summary / Recommendation:

Business Tax Receipt (BTR) fees are based on the type of business being run and gross sales. Businesses will need to pay a minimum fee plus a tax percentage based on the gross receipts for the calendar year. These fees are included in the General Fund revenue to fund operating budget expenditures.

With the exception of FY21, which was deferred due to the anticipated impacts of COVID-19, the BTR has been adjusted every other year since FY 2015. The annual renewal rate was increased by 5% after a historical analysis was conducted to determine BTR rate history. In FY 2015, it was determined that it had been more than 10 years since the BTR rates had been reviewed and changed, causing a significant erosion of real value due to inflation factors. The Council then approved the increase and directed staff to review the rates every other year to ensure we catch up and/or maintain the rates against inflation.

It is recommended that the Council approve the Ordinance authorizing a five-percent (5%) rate adjustment to Local Business Taxes for FY 2025-26. An increase of 5% would generate an increase of approximately \$44,000 of general revenue for FY 2026 for a projected total of \$923,079.

**THE ADMINISTRATION RECOMMENDS APPROVAL OF THIS ORDINANCE.**

### Financial Information:

	Amount	Account	Account #
	\$923,079	Business Tax Receipt Revenue	01-00-316000

### Sign off:

	Chief Financial Officer	Village Manager
	Claudia Dixon	Jorge M. Gonzalez
		