

AN ORDINANCE OF THE CITY OF PORT ST. LUCIE, FLORIDA, PROVIDING FOR THE IMPLEMENTATION OF THE ECONOMIC DEVELOPMENT AD VALOREM TAX EXEMPTION AS PROVIDED FOR BY SECTION 3, ARTICLE VII, OF THE CONSTITUTION OF THE STATE OF FLORIDA; CREATING THE ECONOMIC DEVELOPMENT AD VALOREM TAX EXEMPTION REGULATIONS OF THE CITY OF PORT ST. LUCIE; ESTABLISHING AN EXEMPTION OF CERTAIN AD VALOREM TAXATION FOR CERTAIN NEW AND EXPANDING BUSINESS PROPERTIES; PROVIDING DEFINITIONS AND REQUIREMENTS; PROVIDING FOR PROCEDURES FOR APPLICATION FOR EXEMPTION; SPECIFYING DUTIES OF THE PROPERTY APPRAISER IN CONNECTION WITH SUCH PROPERTY; PROVIDING FOR A SUNSET CLAUSE; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY; PROVIDING FOR CODIFICATION; 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 City of Port St. Lucie (“City”) to grant economic development ad valorem tax exemptions to new businesses and expansions of existing businesses after the electors of the City, voting on the question in a referendum, authorize such exemptions; and

WHEREAS, pursuant to Section 196.1995(7), Florida Statutes, the authority to grant economic development ad valorem tax exemptions expires ten (10) years after the date such authority was approved in an election; and

WHEREAS, the City’s authority to grant such tax exemptions may be renewed for subsequent ten-year periods if each ten-year renewal is approved by referendum; and

WHEREAS, in September of 2021, the City Council called for a referendum to be held at the Special Election scheduled for December 7, 2021; and

WHEREAS, the referendum of the electors of the City was held on December 7, 2021, at which election the electors authorized the City Council to grant, pursuant to Section 3, Article VII, of the State Constitution, property tax exemptions to new businesses and expansion of existing businesses; and

WHEREAS, by this Ordinance the City Council hereby establishes the economic development ad valorem tax exemptions, pursuant to Article VII, Section 3, of the Constitution of the State of Florida and Section 196.1995, Florida Statutes, and reenacts regulations, policies and procedures previously codified in the City’s Code of Ordinances, Chapter 115, to implement the direction of the electors.

NOW, THEREFORE, THE CITY OF PORT ST. LUCIE HEREBY ORDAINS:

Section 1. Ratification of Recitals. The foregoing recitals are hereby ratified and confirmed as true and correct and are hereby made a part of this Ordinance.

Section 2. Chapter 115 of the City's Code of Ordinances entitled "Economic Development Ad Valorem Tax Exemption Regulations" shall be enacted to read:

Sec. 115.01. Title.

This chapter shall be known as the City of Port St. Lucie Economic Development Ad Valorem Tax Exemption Regulations for the City of Port St. Lucie, Florida.

Sec. 115.02. Jurisdiction.

The area subject to this chapter shall be the incorporated area of the City of Port St. Lucie.

Sec. 115.03. Purpose and Intent.

The public health, safety, comfort, economy, order, convenience and general welfare require the harmonious, orderly and progressive development of new business and expansion of existing business within Florida and its incorporated municipalities and counties. In furtherance of this general purpose, municipalities are authorized and empowered to adopt, amend or revise and enforce measures relating to economic development ad valorem tax exemptions for new business and expansion of existing business. It is the intent of this chapter to secure or to ensure:

- (1) The establishment of criteria for granting such exemptions to certain types of businesses or industries or for denying exemptions on a rational, non-arbitrary, non-discriminatory basis by the city council.
- (2) 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 city council on a case-by-case basis for each application, after consideration of the property appraiser's report on that application.
- (3) Any exemption granted shall apply to up to 100 percent of the assessed value of all improvements to real property made by or for the use of a new business and all tangible personal property of such new business, or up to 100 percent of the assessed value of all added improvements to real property which additions are 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.
- (4) Any exemption shall be up to a full ten-year period from the time the exemption is granted.
- (5) No exemption shall be granted on the land on which new or expanded businesses are to be located.

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- (6) No exemption shall be granted on county ad valorem, school, or water management district taxes, or on taxes levied for payment of bonds or taxes authorized by a vote of the electors of the City pursuant to Sections 9 or 12, Article VII, of the State Constitution.

Sec. 115.04. 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:

- (1) *Applicant*. Any person or corporation submitting an economic development ad valorem tax exemption application to the city.
- (2) *City Council*. Port St. Lucie City Council, which is the governing authority of the City of Port St. Lucie.
- (3) *Business*. Any activity engaged in by any person, corporation or company with the object of private or public gain, benefit, or advantage, either direct or indirect.

(a) *New business*.

1. A business establishing ten or more jobs to employ ten or more full-time employees in this city, 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.
2. A business establishing 25 or more jobs to employ 25 or more full-time employees in this city, the sales factor of which, as defined by Section 220.15(5), Florida Statutes, for the facility with respect to which it requests an economic ad valorem tax exemption is less than 0.50 for each year the exemption is claimed.
3. An office space in this city owned and used by a corporation newly domiciled in this city; provided such office space houses 50 or more full-time employees of such corporation.
4. A business located in an area designated as an enterprise zone. Provided that such business or office referred to in subsections 115.04(3)a.1., 2. or 3. first begins operation on a site clearly separate from any other commercial or industrial operation owned by the same business.

(b) *Expansion of existing business*.

1. A business establishing ten or more jobs to employ ten or more full-time employees in the city, which manufactures, processes, compounds, fabricates, or produces for sale items or tangible personal property at a fixed location and which comprises an industrial or manufacturing plant.

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2. A business establishing 25 or more jobs to employ 25 or more full-time employees in this city, the sales factor, as defined by Section 220.15(5), Florida Statutes, for the facility with respect to which it requests an economic 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 co-located 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.

(4) *City.* The City of Port St. Lucie, Florida.

(5) *Department.* The Florida Department of Revenue.

(6) *Improvements.* Physical changes made to raw land, and structures placed on or under the land surface. All personal property acquired to facilitate an expansion of an existing business provided that the personal property is added or increased on or after the day the ordinance approving the exemption is adopted. However, personal property acquired to replace existing property shall not be considered to facilitate a business' expansion.

Sec. 115.05. General.

- (a~~1~~) The economic development ad valorem tax exemption is a local option tax incentive for new or expanding business which may be granted or refused at the sole discretion of the city council. To apply for such an exemption a business locating or expanding in the city must file an application therefor with the city.
- (b~~2~~) Satisfactory proof that the business meets the criteria for exemption as a new business or expansion of an existing business as defined by this ordinance and Section 196.012(15) and (16), Florida Statutes, must accompany the application.
- (c~~3~~) The application shall be filed on or before March 1 of the year in which an exemption is requested.

Sec. 115.06. Procedure.

- (a~~1~~) Before the city council acts on an application, it must be submitted to the property appraiser for review. After careful consideration, the property appraiser shall report to the city council concerning the fiscal impact of granting exemptions.
- (b~~2~~) The property appraiser's report shall include the following:
 - (1~~a~~) The total revenue available to the city for the current fiscal year from ad valorem tax sources.

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- (2b) The amount of revenue forfeited by the city for the current fiscal year from ad valorem tax sources.
 - (3c) An estimate of the amount of revenue which would be lost for the current fiscal year if the exemption is granted to the new or expanding business.
 - (4d) A determination that the business meets the definition of a new or expanding business as defined in this ordinance and Section 196.012(15) and (16), Florida Statutes. Upon request, the Department will provide the property appraiser such information as it may have available to assist in making this determination. After consideration of the report of the property appraiser, the city council may choose to adopt an ordinance granting the tax exemption to a new or expanding business. The ordinance shall be adopted in the same manner as any other ordinance of the city.
- (e3) The ordinance shall include the following information:
- (4a) The name and address of the new or expanding business.
 - (2b) The amount of revenue available from ad valorem tax sources for the current fiscal year, revenue lost for the current fiscal year because of economic development ad valorem tax exemptions currently in effect, and the amount of estimated revenue which would be lost because of the exemption granted to the new or expanding business.
 - (3c) The expiration date of the exemption. Up to ten years from date of city council adoption of the ordinance granting the exemption.
 - (4d) A finding that the business meets the definition of a new business or an expansion of an existing business.

Sec. 115.07. Fees.

Fees charged to offset the cost of processing the economic development ad valorem tax exemption application or any exemption ordinance shall be adopted by the city council by resolution.

Sec. 115.08. Eligible Business or Industry.

- (a1) Any business or industry as defined in subsection 115.04(3)3, and as determined by the city council [may be considered eligible].
- (b2) When considering the issue of whether or not a business or industry is an eligible business as defined herein, the city council shall consider the anticipated number of employees, average wage, type of industry or business, environmental impacts, volume of business or production or any other information relating to the issue of whether the proposed development would significantly improve economic development in the city prior to adopting the ordinance granting the exemption. The length of the exemption

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and the percentage amount of the exemption shall be formulated by the city council in the ordinance granting the exemption.

Sec. 115.09. Sunset Provision.

Pursuant to the provisions of Section 196.1995(7), Florida Statutes, the Economic Development Ad Valorem Tax Exemption expires ten years from the date approved by the electors, which shall be December 7, 2031.

Section 3. Conflict. If any ordinances, or parts of ordinances, are in conflict herewith this Ordinance shall control to the extent of the conflicting provisions.

Section 4. Severability. The provisions of this Ordinance are intended to be severable. If any provision of this Ordinance is determined to be void or is declared illegal, invalid, or unconstitutional by a Court of competent jurisdiction, the remainder of this Ordinance shall remain in full force and effect.

Section 5. Codification. The provisions of this Ordinance shall be made a part of the Code of Ordinances of the City of Port St. Lucie, Florida. The sections of this Ordinance may be renumbered or re-lettered to accomplish such intentions; the word “ordinance” may be changed to “section” or other appropriate word as may be necessary.

Section 6. Effective Date. This Ordinance shall become effective immediately upon final adoption on second reading.

PASSED AND ADOPTED by the City Council of the City of Port St. Lucie, Florida, this ____ day of _____, 2021.

CITY COUNCIL
CITY OF PORT ST. LUCIE

By: _____
Shannon M. Martin, Mayor

ATTEST:

Sally Walsh, City Clerk

APPROVED AS TO FORM:

James D. Stokes, City Attorney