

By Senator Rich

34-1013-05

See HB 373

1                                   A bill to be entitled

2           An act relating to local occupational license

3           taxes; amending ss. 205.0315, 205.043, and

4           205.0535, F.S.; revising, updating, and

5           conforming criteria and provisions for

6           ordinances imposing local occupational license

7           taxes; removing limitations on the authority of

8           municipalities and counties to reclassify

9           businesses, professions, and occupations and

10          establish new rate structures for occupational

11          license taxes; requiring the establishment of a

12          review board rather than an equity study

13          commission for certain purposes; deleting a

14          schedule of limitations on increases in license

15          taxes; authorizing increasing, decreasing, or

16          eliminating local occupational license tax

17          rates; specifying a limit on increases in such

18          tax rates; providing an effective date.

19

20 Be It Enacted by the Legislature of the State of Florida:

21

22           Section 1. Section 205.0315, Florida Statutes, is

23           amended to read:

24           205.0315 Ordinance adoption after October 1,

25           1995.--Beginning October 1, 1995, a county or municipality

26           that has not adopted an occupational license tax ordinance or

27           resolution may adopt an occupational license tax ordinance.

28           The occupational license tax rate structure and

29           classifications in the adopted ordinance must be reasonable

30           and based upon the rate structure and classifications

31           prescribed in ordinances adopted by adjacent local governments

1 ~~or that have implemented s. 205.0535. If no adjacent local~~  
2 ~~government has implemented s. 205.0535, or if the governing~~  
3 ~~body of the county or municipality finds that the rate~~  
4 ~~structures or classifications of adjacent local governments~~  
5 ~~are unreasonable, the rate structure or classifications~~  
6 ~~prescribed in its ordinance may be based upon those prescribed~~  
7 ~~in ordinances adopted by local governments that have~~  
8 ~~implemented s. 205.0535 in counties or municipalities that~~  
9 have a comparable population.

10 Section 2. Section 205.043, Florida Statutes, is  
11 amended to read:

12 205.043 Conditions for levy; municipalities.--

13 (1) The following conditions are imposed on the  
14 authority of a municipal governing body to levy an  
15 occupational license tax:

16 (a) The tax must be based upon reasonable  
17 classifications and must be uniform throughout any class.

18 ~~(b) Unless the municipality implements s. 205.0535 or~~  
19 ~~adopts a new occupational license tax ordinance under s.~~  
20 ~~205.0315, an occupational license tax levied under this~~  
21 ~~subsection may not exceed the rate in effect in the~~  
22 ~~municipality for the year beginning October 1, 1971; however,~~  
23 ~~beginning October 1, 1980, the municipal governing body may~~  
24 ~~increase occupational license taxes authorized by this~~  
25 ~~chapter. The amount of the increase above the license tax rate~~  
26 ~~levied on October 1, 1971, for license taxes levied at a flat~~  
27 ~~rate may be up to 100 percent for occupational license taxes~~  
28 ~~that are \$100 or less; 50 percent for occupational license~~  
29 ~~taxes that are between \$101 and \$300; and 25 percent for~~  
30 ~~occupational license taxes that are more than \$300. Beginning~~  
31 ~~October 1, 1982, an increase may not exceed 25 percent for~~

1 ~~license taxes levied at graduated or per unit rates. Authority~~  
2 ~~to increase occupational license taxes does not apply to~~  
3 ~~licenses granted to any utility franchised by the municipality~~  
4 ~~for which a franchise fee is paid.~~

5       **(b)(c)** A license is not valid for more than 1 year and  
6 all licenses expire on September 30 of each year, except as  
7 otherwise provided by law.

8       (2) Any business license may be transferred to a new  
9 owner, when there is a bona fide sale of the business, upon  
10 payment of a transfer fee of up to 10 percent of the annual  
11 license tax, but not less than \$3 nor more than \$25, and  
12 presentation of the original license and evidence of the sale.

13       (3) Upon written request and presentation of the  
14 original license, any license may be transferred from one  
15 location to another location in the same municipality upon  
16 payment of a transfer fee of up to 10 percent of the annual  
17 license tax, but not less than \$3 nor more than \$25.

18       (4) If the governing body of the county in which the  
19 municipality is located has levied an occupational license tax  
20 or subsequently levies such a tax, the collector of the county  
21 tax may issue the license and collect the tax thereon.

22       **(5) Any person who is engaged in the business of**  
23 **providing local exchange telephone service or pay telephone**  
24 **service in a municipality or in the unincorporated area of a**  
25 **county and who pays the occupational license tax under the**  
26 **category designated for telephone companies or a pay telephone**  
27 **service provider certified pursuant to s. 364.3375 is deemed**  
28 **to have only one place of business or business location in**  
29 **each municipality or unincorporated area of a county. Pay**  
30 **telephone service providers may not be assessed an**  
31 **occupational license tax on a per-instrument basis.**

1           Section 3. Subsections (1) and (2), paragraphs (a) and  
2 (b) of subsection (3), and subsection (4) of section 205.0535,  
3 Florida Statutes, are amended to read:

4           205.0535 Reclassification and rate structure  
5 revisions.--

6           (1) Municipalities and counties ~~By October 1, 1995,~~  
7 ~~any municipality or county~~ may, by ordinance, reclassify  
8 businesses, professions, and occupations and may establish new  
9 rate structures, ~~if the conditions specified in subsections~~  
10 ~~(2) and (3) are met. A person who is engaged in the business~~  
11 ~~of providing local exchange telephone service or a pay~~  
12 ~~telephone service in a municipality or in the unincorporated~~  
13 ~~area of a county and who pays the occupational license tax~~  
14 ~~under the category designated for telephone companies or a pay~~  
15 ~~telephone service provider certified pursuant to s. 364.3375~~  
16 ~~is deemed to have but one place of business or business~~  
17 ~~location in each municipality or unincorporated area of a~~  
18 ~~county. Pay telephone service providers may not be assessed an~~  
19 ~~occupational license tax on a per instrument basis.~~

20           (2) Before adopting a reclassification and revision  
21 ordinance, the municipality or county shall appoint a board to  
22 review the current classifications and rate structure and to  
23 ~~must establish an equity study commission and appoint its~~  
24 ~~members. Each member of the study commission must be a~~  
25 ~~representative of the business community within the local~~  
26 ~~government's jurisdiction. Each equity study commission shall~~  
27 recommend to the appropriate local government a classification  
28 system and rate structure for local occupational license  
29 taxes.

30           (3)(a) After the reclassification and rate structure  
31 revisions have been transmitted to and considered by the

1 appropriate local governing body, it may adopt by majority  
2 vote a new occupational license tax ordinance. ~~Except that a~~  
3 ~~minimum license tax of up to \$25 is permitted, the~~  
4 ~~reclassification shall not increase the occupational license~~  
5 ~~tax by more than the following: for licenses costing \$150 or~~  
6 ~~less, 200 percent; for licenses costing more than \$150 but not~~  
7 ~~more than \$500, 100 percent; for licenses costing more than~~  
8 ~~\$500 but not more than \$2,500, 75 percent; for licenses~~  
9 ~~costing more than \$2,500 but not more than \$10,000, 50~~  
10 ~~percent; and for licenses costing more than \$10,000, 10~~  
11 ~~percent; however, in no case may any license be increased more~~  
12 ~~than \$5,000.~~

13 (b) The total annual revenue generated by the new rate  
14 structure for the fiscal year following the fiscal year during  
15 which the rate structure is adopted may not exceed:

16 1. For municipalities, the sum of the revenue base and  
17 10 percent of that revenue base. The revenue base is the sum  
18 of the occupational license tax revenue generated by licenses  
19 issued for the most recently completed local fiscal year ~~or~~  
20 ~~the amount of revenue that would have been generated from the~~  
21 ~~authorized increases under s. 205.043(1)(b), whichever is~~  
22 ~~greater~~, plus any revenue received from the county under s.  
23 205.033(4).

24 2. For counties, the sum of the revenue base, 10  
25 percent of that revenue base, and the amount of revenue  
26 distributed by the county to the municipalities under s.  
27 205.033(4) during the most recently completed local fiscal  
28 year. The revenue base is the occupational license tax revenue  
29 generated by licenses issued for the most recently completed  
30 local fiscal year or the amount of revenue that would have  
31 been generated from the authorized increases under s.

1 205.033(1)(b), whichever is greater, but may not include any  
2 revenues distributed to municipalities under s. 205.033(4).  
3 (4) ~~After the conditions specified in subsections (2)~~  
4 ~~and (3) are met,~~ Municipalities and counties may, at any time  
5 after adoption of the ordinance establishing the occupational  
6 license tax every other year thereafter, increase, decrease,  
7 or eliminate by ordinance the rates of local occupational  
8 license taxes. Any increase shall not exceed by up to 5  
9 percent. Any ~~The~~ increase, however, may not be enacted by less  
10 than a majority plus one vote of the governing body.

11 Section 4. This act shall take effect upon becoming a  
12 law.

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