

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: Regulated Industries Committee

BILL: CS/SB 2218

INTRODUCER: Committee on Regulated Industries, Senator Lawson and others

SUBJECT: Local Occupational License Tax

DATE: April 23, 2006

REVISED: 4/23/06

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Vickers</u>	<u>Yeatman</u>	<u>CA</u>	<u>FAV/1Amendment</u>
2.	<u>Tomkiewicz</u>	<u>Imhof</u>	<u>RI</u>	<u>Fav/CS</u>
3.	<u> </u>	<u> </u>	<u>GE</u>	<u> </u>
4.	<u> </u>	<u> </u>	<u> </u>	<u> </u>
5.	<u> </u>	<u> </u>	<u> </u>	<u> </u>
6.	<u> </u>	<u> </u>	<u> </u>	<u> </u>

I. Summary:

Currently, a county or municipality may, by resolution or ordinance, impose an occupational license tax for the privilege of engaging in or managing a business, profession, or occupation within its jurisdiction.

This CS changes the name of the “Local Occupational License Tax Act” to the “Local Business Tax Act” and conforms the name change throughout ch. 205, F.S. The CS incorporates whereas clauses in the bill and changes references from business tax “certificate” to business tax “receipt” in order to clarify that a person who pays occupational business taxes receives only a receipt for payment, not a certificate.

This bill substantially amends the following sections of the Florida Statutes: 205.013, 205.022, 205.023, 205.0315, 205.032, 205.033, 205.042, 205.043, 205.045, 205.053, 205.0532, 205.0535, 205.0536, 205.0537, 205.054, 205.063, 205.064, 205.065, 205.162, 205.171, 205.191, 205.192, 205.193, 205.194, 205.196, 205.1965, 205.1967, 205.1969, F.S., 205.1971, and 205.1973.

This CS becomes effective January 1, 2007.

II. Present Situation:

In 1972, the Florida Legislature delegated authority to local governments to administer occupational license tax programs. Local governments have since been authorized to levy occupational license taxes pursuant to ch. 205, F.S., the Local Occupational License Act (Act). The amount of the tax, and the occupations and businesses upon which the tax is imposed, are determined at the discretion of the local government within limitations established in the Act.

Under current law, a county or municipality may, by resolution or ordinance, impose an occupational license tax for the privilege of engaging in or managing a business, profession, or occupation within its jurisdiction. Licenses are sold by the tax collector beginning on August 1 of each year, are due and payable on or before September 30 of each year, and expire on September 30 of the succeeding year.

Currently, 368 of Florida's 404 municipalities, and 52 of Florida's 67 counties, have implemented some type of local occupational license tax program.¹

Although the local occupational license tax is intended to be purely revenue-producing in nature without regard to the competency of the person to whom the license is issued, the license has been utilized by some persons as proof of competency to perform various repairs and services. This bill specifies that "changing the name of the item issued by local governments from occupational license tax to local business tax may eliminate some fraudulent misrepresentations."

Licensure Requirements - Section 205.194, F.S., prohibits local governments from issuing occupational licenses for professions regulated by the Department of Business and Professional Regulation (DBPR) without verifying that the person has satisfied DBPR requirements. Applicants are required to submit proof of registration, certification, or licensure issued by DBPR upon initial licensure in the jurisdiction. By August 1 of each year, DBPR is required to supply local officials with a list of the professions it regulates and persons that should not be allowed to renew their occupational license due to suspension, revocation, or inactivation of licensure, certification, or registration. DBPR currently regulates the following professions:

- certified public accountants and accounting businesses,
- alarm system contractors,
- asbestos consultants and contractors,
- athlete agents,
- auctioneers and their businesses,
- barbers and barber shops,
- building code administrators and inspectors,
- constructing contractors and constructing contracting businesses,
- community association managers,
- cosmetologists and cosmetology salons,
- electrical contractors,
- employee leasing,
- farm labor,
- geologists and geologist businesses,
- landscape architects and landscape architect businesses,
- pilots (harbor),
- surveyors and mappers and surveyor and mapper businesses,
- talent agencies, and
- veterinarians and veterinary establishments.

¹ Data provided by the Legislative Committee on Intergovernmental Relations

Section 205.023, F.S., prohibits the issuance of an occupational license to an applicant that does not provide proof of any applicable fictitious name registrations with the Division of Corporations in the Department of State.

Sections 205.1965, 205.1969, 205.1971, and 205.1973, F.S., require additional verification from pest control businesses, health studios and ballroom dance studios, businesses engaged in the selling of travel, and telemarketing businesses. These businesses must provide verification of licensure, registration, or exemption by the Department of Agriculture and Consumer Services before a local government may issue a local occupational license.

Section 205.196, F.S., requires pharmacies to produce a current permit from the Board of Pharmacy before a local government may issue a local occupational license.

Section 205.1965, F.S., requires that assisted living facilities must provide verification of licensure from the Agency for Health Care Administration before a local government may issue a local occupational license.

III. Effect of Proposed Changes:

This bill changes the name of the Act from “Local Occupational License Tax Act” to “Local Business Tax Act” and conforms the name change throughout ch. 205, F.S. The CS incorporates whereas clauses in the bill and changes references from business tax “certificate” to business tax “receipt” in order to clarify that a person who pays occupational business taxes receives only a receipt for payment, not a certificate.

The bill also adds a definition for “certificate” to mean the document that is issued by the local governing authority which evidences that the person in whose name the document is issued has complied with the provisions of the Local Business Tax Act.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None

C. Government Sector Impact:

None

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

VIII. Summary of Amendments:

None.

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