



Item No. 12.6.i

LAUDERDALE • BY • THE • SEA

Agenda Item Memorandum

Town Manager

Connie Hoffmann *CH*

Department

Department Director

COMMISSION MEETING DATE - 7:00 PM	Deadline to Town Clerk
<input checked="" type="checkbox"/> Sept 24 - Regular Meeting 7:00 PM	

*Subject to Change

- | | | | |
|---------------------------------------|---|---------------------------------------|---|
| <input type="checkbox"/> Presentation | <input type="checkbox"/> Reports | <input type="checkbox"/> Consent | <input checked="" type="checkbox"/> Ordinance |
| <input type="checkbox"/> Resolution | <input type="checkbox"/> Quasi-Judicial | <input type="checkbox"/> Old Business | <input type="checkbox"/> New Business |

FY2012 DESIGNATED HIGH PRIORITY ITEM - PRIORITY TOPIC

SUBJECT TITLE: SECOND READING OF ORDINANCE REDUCING THE PUBLIC SERVICE TAX (a.k.a. UTILITY TAX) LEVIED BY THE TOWN ON WATER SERVICES BY 50%

EXPLANATION: The Town has for many years levied a 10% utility tax on water services rendered within our municipal boundaries. The revenues from this tax go into the General Fund to support general operations of the Town. In developing the FY 2013 budget, staff looked for ways to reduce the LBTS tax burden on our residents and businesses. Because there has been much discussion in this past year of the unfair, but legal, 25% surcharge that Fort Lauderdale and Pompano Beach assess for utility services to LBTS customers we analyzed the impact of a reduction in utility taxes on water service. (Utility taxes are NOT levied against sewer charges.) We determined that we could reduce the utility tax on water service from 10% to 5%, adopt the roll back millage rate, and still balance the General Fund budget.

The Town Commission concurred with this recommendation in their discussion of the proposed budget in July and, on September 11, passed the attached ordinance amending Chapter 18, Section 18 of the Code of Ordinances to implement the reduction in the utility tax on water service.

The Commission waived their policy of waiting a month between first and second readings of ordinances so that this tax relief for LBTS residents and businesses can take effect more quickly. Both the cities of Fort Lauderdale and Pompano Beach have advised they can implement this change in the first billing cycle that starts in October.

EXHIBITS: Ordinance

Reviewed by Town Attorney
 Yes No

Town Manager Initials *CH*

Ordinance only.

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ORDINANCE 2012-17

AN ORDINANCE OF THE TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA, AMENDING CHAPTER 18, "TAXATION AND FINANCE" OF THE TOWN'S CODE OF ORDINANCES BY AMENDING ARTICLE II "PUBLIC SERVICE TAX", SECTION 18-18 "AMOUNT OF TAX"; AND PROVIDING FOR SEVERABILITY, CONFLICTS AND AN EFFECTIVE DATE.

11 **WHEREAS**, the Town Commission desires to amend its Code of Ordinances to reduce
12 the utility tax rate charged by the Town from ten percent (10%) to five percent (5%) for the
13 benefit of Town water users; and

14 **WHEREAS**, the new utility tax rate shall be effective commencing on the first day of the
15 water service billing cycle which begins in October, 2012.

16 **NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COMMISSION OF THE TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA, AS FOLLOWS:**

17 **SECTION 1. Recitals.** The foregoing "Whereas" clauses are ratified and confirmed as
18 being true, correct and reflective of the legislative intent underlying this Ordinance and are
19 hereby made a specific part of this Ordinance.

20 **SECTION 2. Amending Section 18-18.** Section 18-18 "Amount of Tax" of Article II
21 "Public Service Tax", Chapter 18 "Taxation and Finance" is hereby amended as follows:¹

22
23 **Sec. 18-18. - Amount of tax.**

24 (a) There is hereby levied and imposed by the Town, upon every purchase of electricity
25 in the corporate limits of the Town, included in or reflected by the authorized utility
26 franchisee to the purchaser hereunder, a tax of ten percent, exclusive of governmental
27 charges and taxes, of the total amount shown on such bill. The total amount of taxes
28 due pursuant to this section shall be computed to the nearest whole cent.
29

[1] Additions to existing text are shown in underline. Deletions are shown in ~~striketrough~~. Additions subsequent to first reading are shown in double underline and deletions subsequent to first reading are shown in ~~double striketrough~~

ORDINANCE 2012-17

30 (b) There is hereby levied and imposed by the Town, upon every purchase of natural gas
31 in the corporate limits of the Town, included in or reflected by the authorized utility
32 franchisee to the purchaser hereunder, a tax of ten percent, exclusive of governmental
33 charges and taxes, of the total amount shown on such bill. The total amount of taxes
34 due pursuant to this section shall be computed to the nearest whole cent.
35

36 (c) There is hereby levied and imposed by the Town, upon every purchase of water
37 service in the corporate limits of the Town, included in or reflected by the authorized
38 utility franchisee to the purchaser hereunder, a tax of ~~ten~~ five percent, exclusive of
39 governmental charges and taxes, of the total amount shown on such bill. The total
40 amount of taxes due pursuant to this section shall be computed to the nearest whole
41 cent.
42

43 **SECTION 3. Severability.** If any section, sentence, clause, or phrase of this Ordinance
44 is held to be invalid or unconstitutional by any court of competent jurisdiction, then said holding
45 shall in no way affect the validity of the remaining portions of this Ordinance.

46 **SECTION 4. Conflicts.** All prior ordinances or resolutions or parts thereof in conflict
47 herewith are hereby repealed to the extent of such conflict.

48 **SECTION 5. Effective Date.** This Ordinance shall become effective upon adoption on
49 second reading.

50 Passed on the first reading, this ____ day of _____, 2012.

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52 Passed and adopted on the second reading, this ____ day of _____, 2012.
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Mayor Roseann Minnet

	First Reading	Second Reading
57		
58		
59 Mayor Minnet	_____	_____
60 Vice-Mayor Sasser	_____	_____
61 Commissioner Brown	_____	_____
62 Commissioner Dodd	_____	_____
63 Commissioner Vincent	_____	_____

ORDINANCE 2012-17

64 Attest:

65 _____
66 Town Clerk, June White, CMC
67 (CORPORATE SEAL)

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69 Approved as to form:

70
71 _____
72 Town Attorney, Susan L. Trevarthen