



Oppose SB 760 –Relating to Local Business Taxes (Sen. Hays)

The Florida Association of Counties and its members OPPOSE the proposal to repeal local government's authority to levy and collect Local Business Taxes.

The proposed legislation will eliminate chapter 205 of the Florida statutes which authorizes Counties and Cities to levy and collect local business taxes (formerly known as the occupational license tax).

Currently, approximately only 35 out of 67 Counties levy and/or collect revenue from local business taxes.

Of those counties that levy the local business tax the use of the revenues may vary and include, but are not limited to: direct dedication to economic development purposes, as well as general support of local service provision.

The total fiscal impact of SB 760 would produce an estimated negative \$164 million impact to local governments (Counties, and Cities) annually. Of that total, approximately \$32 million in negative impact can be attributed to the affected counties.

Miami-Dade County (The Beacon Council), Broward County (The Broward Alliance), and Martin County (Business Development Board of Martin County) are successful examples of the use of Local Business Tax revenues to directly invest in local private economic development.

1. SB 760 ignores recent passed legislation affecting local government fiscal policy as well as the impact of the recession on local government
 - Reforms focused on reducing millage rates; over \$3 billion in reductions to date
 - Amendment "4" on the 2012 is estimated to have a -\$1.8 Billion impact on local government property tax revenues
 - SJR 314 – Super-Homestead Exemption is being considered and already been passed by two committees. It is estimated to have a -\$3.6 Billion impact on local government property taxes
2. SB 760 undermines the ability of local communities to determine their respective "mix" of local services and funding methods for those services
3. SB 760 ignores the consistent dedicated investment of local governments in local economic development

- In FY 2009*, of the 35 counties that levied Local Business Taxes, approximately \$32 million was collected; However, these same 35 counties spent almost \$458 million on direct economic development expenditures.