

Business Impact Estimate

This form should be included in the agenda packet for the item under which the proposed ordinance is to be considered and must be posted on the City's website by the time notice of the proposed ordinance is published.

Proposed ordinance's title/reference:

Ordinance No. 2025-343

An ordinance of the City of Gainesville, Florida, increasing local business taxes set forth in section 25-51, Code of Ordinances; providing directions to the codifier; providing a severability clause; providing a repealing clause; and providing an effective date.

This Business Impact Estimate is provided in accordance with section 166.041(4), Florida Statutes. If one or more boxes are checked below, this means the City is of the view that a business impact estimate is not required by state law¹ for the proposed ordinance, but the City is, nevertheless, providing this Business Impact Estimate as a courtesy and to avoid any procedural issues that could impact the enactment of the proposed ordinance. This Business Impact Estimate may be revised following its initial posting.

- ☐ The proposed ordinance is required for compliance with Federal or State law or regulation;
- ☐ The proposed ordinance relates to the issuance or refinancing of debt;
- ☒ The proposed ordinance relates to the adoption of budgets or budget amendments, including revenue sources necessary to fund the budget;
- ☐ The proposed ordinance is required to implement a contract or an agreement, including, but not limited to, any Federal, State, local, or private grant or other financial assistance accepted by the municipal government;
- ☐ The proposed ordinance is an emergency ordinance;
- ☐ The ordinance relates to procurement; or
- ☐ The proposed ordinance is enacted to implement the following:
 - a. Development orders and development permits, as those terms are defined in section 163.3164, F.S., and development agreements, as authorized under sections 163.3220-163.3243, F.S.;
 - b. Comprehensive Plan Amendments and land development regulation amendments initiated by an application by a private party other than the City;
 - c. Sections 190.005 and 190.046, Florida Statutes, regarding community development districts;
 - d. Section 553.73, Florida Statutes, relating to the Florida Building Code; or
 - e. Section 633.202, Florida Statutes, relating to the Florida Fire Prevention Code.

¹ See Section 166.041(4)(c), Florida Statutes.

In accordance with the provisions of controlling law, even notwithstanding the fact that an exemption noted above may apply, the City hereby publishes the following information:

1. Summary of the proposed ordinance (must include a statement of the public purpose, such as serving the public health, safety, morals, and welfare):

The ordinance amends section 25-51 of the Code of Ordinances as it applies to local business taxes. The ordinance increases local business tax fees by 5% in order to meet the City's expenses, which have increased due to inflation, and to continue to provide the same level of service. This increase is authorized under section 205.0535(4), Florida Statute. The business tax revenue is deposited to the general fund, which supports essential government services, such as police, fire, and public works.

2. An estimate of the direct economic impact of the proposed ordinance on private, for-profit businesses in the City, if any:

- (a) An estimate of direct compliance costs that businesses may reasonably incur;
- (b) Any new charge or fee imposed by the proposed ordinance or for which businesses will be financially responsible; and
- (c) An estimate of the City's regulatory costs, including estimated revenues from any new charges or fees to cover such costs.

The ordinance increases the local business tax by 5%. This is a tax assessed once per fiscal year. The tax increase will generate approximately \$43,100 over 4,370 accounts which averages \$9.86 per business tax account annually. Fifty-seven (57) % of businesses would not see an increase exceeding \$6.56 annually.

3. Good faith estimate of the number of businesses likely to be impacted by the proposed ordinance:

There are approximately 4,370 business tax accounts that would be affected.

4. Additional information the governing body deems useful (if any):

Fees proposed in the Ordinance were discussed by the Gainesville City Commission at its General Meeting on May 1, 2025; the agenda, audio, video and meeting minutes can be found online at gainesvillefl.gov.