

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.

Ordinance No. 2026-322

An ordinance of the City of Gainesville, Florida; relating to the provision of stormwater services, facilities, and programs throughout the incorporated area of Gainesville, Florida; authorizing the imposition and collection of stormwater services assessments against property; providing certain definitions including a definition for the term “stormwater services assessment”; establishing a procedure for imposing stormwater services assessments; providing that stormwater services assessments constitute a lien on assessed property upon adoption of the assessment roll; providing that the lien for a stormwater services assessment collected pursuant to law shall, upon perfection, attach to the property on the prior January 1, the lien date for ad valorem taxes; providing that a perfected lien shall be equal in rank and dignity with the liens of all state, county, district, or municipal taxes and assessments and superior in dignity to all other prior liens, mortgages, titles, and claims; providing a procedure for the collection of stormwater services assessments; providing for severability; providing directions to the codifier and providing an immediate 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

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

- 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.

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):

Florida Statute 409.0893 requires the City to provide stormwater services. The statute also provides that stormwater service may be funded by user fees or special assessments. The City has a stormwater management system that collects and treats stormwater runoff from properties with impervious surfaces. The City's stormwater system is comprised of a network of pipes, culverts, ditches, storm drains, and detention basins designed to collect runoff generated from impervious surfaces such as streets, rooftops, and parking areas. Once collected, stormwater is conveyed through a combination of engineered infrastructure and natural drainage features, including creeks, wetlands, and vegetated swales. Some of the special benefits provided to properties that receive stormwater services include reduced flooding, increased safety and better access to property, and stabilization or the increase of property values. This ordinance establishes processes for the imposition of a special assessment against properties that receive stormwater services provided by the City. Special assessments constitute a lien against the property against which they are imposed and it is anticipated that they will be collected through the annual ad valorem tax bill. The City may decide by Resolution whether to impose special assessments to fund the stormwater system.

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 itself does not impose the special assessment, but rather establishes the process for the imposition of a special assessment. It also provides that after the assessment is imposed, the assessment will constitute a lien on the property. The process includes the adoption of an initial assessment resolution and final assessment resolution, which will set forth the amount of the special assessments for different property types.

Businesses currently pay for stormwater as a monthly fee, which is collected through the general utility bill. If the City Commission were to pass an initial assessment resolution and final assessment resolution in 2026 according to the procedures in the proposed ordinance, the special assessment will be collected on the annual ad valorem tax bill as a one-time annual payment, instead of the monthly user fee.

Residential property occupants who receive stormwater services currently pay for stormwater charges as a monthly fee, which is collected through the general utility bill. For owner-occupied properties, the owner typically pays the utility bill. For rented properties, the tenant typically pays the utility bill. If the City Commission were to pass an initial assessment resolution and final assessment resolution in 2026 according to the procedures in the proposed ordinance, the special assessment will be collected on the annual ad valorem tax bill as a one-time annual payment. This means that the responsibility for paying the stormwater charge will likely transition from the tenant to the owner.

The special assessment amount is charged based upon the number of ERUs (equivalent residential units) assigned to a property. One ERU is the equivalent of 2,300 square feet. For non-residential properties, the total amount of impervious and partial impervious area is divided by the 2,300 square feet to arrive at the total number of ERUs assigned to the property.

The amount of the special assessment will be approximately the same as the user fees currently collected on the utility bill. At the time the initial assessment resolution is passed, the City will establish a methodology for assessing different property classifications and will have more data to determine the rate per ERU that is required in order to produce the amount of revenue needed to fully fund the stormwater management costs. Based upon projections from prior years and current estimates, the amount of revenue needed to fully fund stormwater management costs provided to all properties within the City is \$12,124,295.00. This estimate is approximately the same as revenue generated from user fees, but is subject to change.

In transitioning from collecting stormwater fees on the utility bill to collecting stormwater charges as a special assessment on the tax bill, the City will incur additional costs associated with the tax bill collection method, also referred to as “the uniform method.” These include the Tax Collector’s fee, Property Appraiser’s fee, and statutory early payment discount applied to property tax bills, which collectively add approximately \$704,280 in annual costs to the stormwater management budget. These additional costs will be distributed fairly among all property owners who receive stormwater management services and incorporated into the ERU rate.

Certain local government properties that currently pay the stormwater fee will not receive a tax bill and thus will no longer pay the stormwater fees. This will result in a decrease in the total billable ERUs in the City.

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

Approximately 17,212 businesses will be impacted by the ordinance. This estimate includes 12,840 non-homesteaded single-family residential parcels and condominiums, which indicates they could be rental properties.

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

If this ordinance is adopted and the City Commission decides to collect stormwater charges as special assessments, the final assessment resolution adopted pursuant to the procedures in this proposed ordinance will be passed prior to September 15, 2026. The special assessment will be collected on the November 2026 property tax bills. The special assessment is paid in advance of services provided during the City’s 2027 fiscal year, which begins October 1, 2026.