

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2025	2026	2027	2028	2029
Capital Expenditures					
Operating Costs					
External Revenues					
Program Income					
In-Kind Match (County)					
NET FISCAL IMPACT	*				

# ADDITIONAL FTE POSITIONS (Cumulative)					
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Is Item included in Current Budget? Yes _____ No X
 Does this Item include the use of Federal funds? Yes _____ No X
 Does this item include the use of State funds? Yes _____ No X

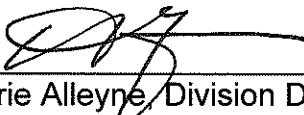
Budget Account No.:

Fund _____ Dept _____ Unit _____ Object _____ Program Code/Period _____

B. Recommended Sources of Funds/Summary of Fiscal Impact:


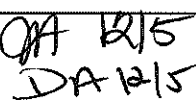
* The fiscal impact associated with this item is indeterminable at this time. Tax Exemptions will depend on the number of applications, number and value of projects.


C. Departmental Fiscal Review:


 Valerie Alleyne, Division Director II
 Finance and Administrative Services, DHED


III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development and Control Comments:

 12/5/24
 OFMB
 12/5


 Contract Development and Control
 ZG 12.11.24

B. Legal Sufficiency:

 12/16/24
 Assistant County Attorney

C. Other Department Review:

 Department Director

(THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT)

Palm Beach County Economic Development Ad Valorem Tax Exemption Program Summary

Introduction

The Palm Beach County Economic Development Ad Valorem Tax Exemption (AVTE) Program is designed to encourage economic development and to support new or expanding businesses within the County. The program offers an "economic exemption" for improvements made to real property and/or tangible personal property that are not already listed on the Palm Beach County Tax Roll. Property acquired to replace existing property is not considered an expansion of an existing business. The AVTE Program was created to stimulate economic growth, create jobs, and enhance the local economy. The exemption only applies to taxes levied by Palm Beach County, where the County is the taxing authority. Each individual business AVTE incentive is approved by the Board of County Commissioners (BCC) on a case-by-case basis.

Ordinance Background

The AVTE Program was initially established by voter approval of a Referendum in September 1994, and implemented through BCC adoption of Ordinance 1994-021. Pursuant to Florida Statutes §196.1995, the authority to grant exemptions expires after 10-years, but may be renewed for subsequent 10-year periods if reauthorized by Referendum. The AVTE Program has been renewed pursuant to Referendums held on August 31, 2004 (Ord. 2005-004, expired 2014), and on November 6, 2012 (Ord. 2013-022, expired August 2024). On August 20, 2024, the voters of Palm Beach County again approved a Referendum authorizing the BCC to renew the AVTE Program.

Program Requirements

All exemptions are contingent upon proof that the applicant is a new or an expansion of an existing business as defined in Florida Statutes §196.012. When applying for an AVTE, businesses are required to include the industry and location of the business, capital investment, and number, type, and average & median salary of new and retained jobs. These factors are all included when calculating the economic impact (direct and indirect) of the project and providing recommendations regarding the AVTE. Businesses are required to create jobs that are paying an average wage that is above the average wage in the area. The duration of an approved exemption can range from one to ten years; however, the BCC has historically approved a maximum amount, allowable over the approved exempted period. If the BCC approves an AVTE, the business is required to enter into a separate Agreement with the County through the Department of Housing & Economic Development to ensure compliance regarding job creation and other obligations. A Letter of Credit or Cash Bond from the business is required to secure the incentive.

Outcomes

From 2013 to 2023, the County provided \$6.2M in AVTEs to six out of 20 businesses receiving incentives. In addition to the AVTE program, Palm Beach County has also contributed cash incentives totaling \$3,948,100. Combined incentive amounts for these companies during this period from various sources including municipalities, the County and State totaled \$35,912,600.

Those investments have resulted in 2,246 jobs retained, 2,800 jobs created and a capital investment of \$428.1M. This influx of capital has resulted in a total estimated 5-year economic impact of \$5.7B.

1 NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COUNTY
2 COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, that:

3 **SECTION 1. Title**

4 This Ordinance shall be known as the "Economic Development Ad Valorem Tax
5 Exemption Program Ordinance of Palm Beach County, Florida."

6 **SECTION 2. Enactment Authority**

7 Article VII, Section 3, of the Constitution of the State of Florida and Section
8 196.1995, Florida Statutes, as may be amended, empowers the County to grant
9 economic development ad valorem tax exemptions after the electors of the County, voting
10 on the question in a referendum, authorize such exemptions. In a referendum held on
11 August 20, 2024, the voters of Palm Beach County authorized the Board of County
12 Commissioners to grant economic development ad valorem tax exemptions.

13 **SECTION 3. Intent and Declaration**

14 It is the intent of the Board of County Commissioners of Palm Beach County
15 (hereinafter the "BCC") in enacting this Ordinance to provide an incentive to those new
16 or expanded businesses which make a positive contribution to the economy of Palm
17 Beach County in terms of new jobs and improvements to real and personal property.

18 The intent of the BCC is to promote the economy by creating jobs in Palm Beach
19 County in such a way so as not to disadvantage existing businesses while recognizing
20 that productive competition assists in economic growth.

21 The BCC desires to provide incentives to businesses of diverse industries having
22 a positive impact on the economy of Palm Beach County. The BCC declares that the
23 provision of ad valorem tax exemptions pursuant to this Ordinance serves the public
24 purpose of fostering economic growth in Palm Beach County, all to the benefit of Palm
25 Beach County's residents and business owners.

26 **SECTION 4. Definition of Terms**

27 For the purpose of this Ordinance, terms are defined in accordance with Florida
28 Statutes §196.012, as may be amended, unless otherwise defined below. Where a
29 conflict exists between the Ordinance and the Statute, the Statute shall prevail.

30 A. Applicant - Any person, firm, partnership, or corporation who files an application
31 with the BCC seeking an economic development ad valorem tax exemption.

32 B. BCC - The Board of County Commissioners of Palm Beach County.

- 1 C. Business - Any activity engaged in by any person, firm, partnership, corporation,
2 or other business organization or entity, with the object of private or public gain,
3 benefit, or advantage, either direct or indirect.
- 4 D. Expansion of an Existing Business - As defined in Florida Statutes §196.012, as
5 may be amended.
- 6 E. Goods - All personalty when purchased primarily for personal, family, or household
7 use, but not including personalty sold for commercial or industrial use.
- 8 F. New Business - As defined in Florida Statutes §196.012, as may be amended.

9 **SECTION 5. Establishment of Economic Development Ad Valorem Tax**
10 **Exemption Program**

- 11 A. Establishment - There is herein established an Economic Development Ad
12 Valorem Tax Exemption (hereinafter the "exemption"). The exemption is a local
13 option tax incentive for new or expanding businesses, which may be granted or
14 refused at the sole discretion of the BCC, on a case by case basis.
- 15 B. Taxes Applicable - The exemption applies only to taxes levied by Palm Beach
16 County. The exemption does not apply to taxes levied by a municipality, school
17 district, or water management district, or to taxes levied for the payment of bonds
18 or taxes authorized by a vote of the electors pursuant to Section 9 and Section 12,
19 Article VII of the State Constitution.
- 20 C. Exemption Period - The exemption may be for a period up to ten (10) years from
21 the date the BCC adopts the ordinance granting the exemption.
- 22 D. Eligibility - The ability for an applicant to be eligible for an exemption under this
23 Program is defined in Title XIV - Taxation and Finance, Chapter 196 - Exemption,
24 Florida Statutes, as may be amended, and applies to new businesses locating in
25 Palm Beach County and to expansions of existing businesses presently located in
26 Palm Beach County.
- 27 E. Land - No exemption shall be granted for the land upon which new or expanded
28 businesses are to be located.

29 **SECTION 6. Applicability**

30 This Ordinance shall be applicable in all areas of Palm Beach County where Palm
31 Beach County is the taxing authority.

1 **SECTION 7. Application and Approval Process**

2 A. Application - Any person, firm, or corporation which desires an economic
3 development ad valorem tax exemption shall file a written application on a form
4 prescribed by the Florida Department of Revenue by March 1st in the year that the
5 exemption is desired to take effect. The application shall request that the BCC
6 adopt an ordinance granting the applicant the exemption and shall include the
7 information required by Florida Statutes §196.1995, as may be amended.

8 B. Property Appraiser Report - Before the BCC takes action on the application, the
9 BCC shall deliver a copy of the application to the Property Appraiser for review.

10 The Property Appraiser shall report the following information to the BCC:

- 11 1. The total revenue available to the County for the current fiscal year from ad
12 valorem tax sources, or an estimate of such revenue if the actual total
13 available revenue cannot be determined;
- 14 2. The amount of revenue lost to the County for the current fiscal year by virtue
15 of exemptions previously granted, or an estimate of such revenue if the
16 actual revenue lost cannot be determined;
- 17 3. An estimate of the amount of revenue which would be lost to the County for
18 the current fiscal year if the exemption applied for were granted had the
19 property for which the exemption is requested otherwise been subject to
20 taxation; and
- 21 4. A determination as to whether the property for which an exemption is
22 requested is to be incorporated into a new business or the expansion of an
23 existing business, or into neither, which determination the Property
24 Appraiser shall also affix to the face of the application. Upon request of the
25 Property Appraiser, the Florida Department of Revenue will provide the
26 Property Appraiser such information as it may have available to assist in
27 making this determination.

28 C. BCC Consideration of Application

- 29 1. The granting or denial of applications will be conducted on a rational, non-
30 arbitrary, nondiscriminatory basis by the BCC, in furtherance of the
31 economic development goals of Palm Beach County. Any and all
32 applications granted must result in an economic benefit to the County.

1 2. In considering any application, the BCC must take into account the criteria
2 set forth in Florida Statutes §196.1995, as may be amended.

3 D. Written Tax Exemption Agreement - Upon approval of an application for a tax
4 exemption, as a condition precedent to enacting an ordinance granting an
5 exemption, the BCC and the applicant shall enter into a written tax exemption
6 agreement, which shall include performance criteria consistent with the
7 requirements of Florida Statutes §196.1995, as may be amended, and any other
8 applicable laws, including a provision regarding the authority to revoke, in whole
9 or in part, the exemption if the applicant fails to meet expectations and
10 representation and such other provisions as deemed necessary by the BCC.

11 E. Ordinance - An ordinance granting an exemption under this section shall be
12 adopted in the same manner as any other ordinance of the County and shall
13 include the required information contained in Florida Statutes §196.1995, as may
14 be amended.

15 **SECTION 8. Monitoring, Revocation of Exemption, and Recovery of Funds**

16 A. Exemption Renewal Application - On or before March 1st of the first year an
17 exemption takes affect and for every year thereafter for the duration of the
18 exemption, the applicable business shall submit a renewal exemption application
19 in a form prescribed by the Florida Department of Revenue.

20 B. Annual Report - At the same time that the applicable business submits the renewal
21 application, the business shall submit an annual report to the County
22 demonstrating compliance with the terms and conditions of the written tax
23 agreement, and that the business continues to meet the definition of a new
24 business or an expansion of an existing business.

25 C. Revocation - Should the business fail to file the aforementioned annual report with
26 the County on or before March 1st of each year the exemption has been granted,
27 or fail to continue to meet the definition of a new business or an expansion of an
28 existing business, and/or fail to fulfill any other representation made to the BCC in
29 the written tax agreement or during the application process, including the creation
30 and maintenance of the total number of new jobs identified by a business in the
31 application and/or in the written tax agreement, the BCC may adopt an ordinance
32 revoking the ad valorem tax exemption. The BCC's authority to revoke the ad

1 valorem tax exemption shall continue beyond the expiration of this Ordinance on
2 August 19, 2034. The effective date for the revocation of the exemption will be
3 identified in the ordinance revoking the ad valorem tax exemption.

4 D. Notification - Upon revocation, the BCC shall immediately notify the Property
5 Appraiser.

6 E. Recover Taxes - For any year that taxes may have been exempted and the BCC
7 finds that the business was not entitled to the exemption, such taxes may be
8 recovered and the Property Appraiser will assist the BCC to recover any taxes
9 exempted.

10 F. Property Appraiser - Should any new business or expansion of an existing
11 business fail to file the annual exemption renewal application with the Property
12 Appraiser on or before March 1st of each year the exemption has been granted as
13 required in accordance with Florida Statutes §196.011(1)(a), as may be amended,
14 or fail to continue to meet the definition of a new business or an expansion of an
15 existing business, the Property Appraiser may deny the exemption in accordance
16 with Florida Statutes §196.193(5), as may be amended.

17 G. Reapply - Nothing herein shall prohibit a business from reapplying for an ad
18 valorem tax exemption pursuant to State law.

19 **SECTION 9. Appeals**

20 The decision of the BCC not to grant an exemption to a particular business is
21 subject only to judicial review.

22 **SECTION 10. Inclusion in the Code of Laws and Ordinances**

23 The provisions of this Ordinance shall become and be made a part of the Code of
24 Laws and Ordinances of Palm Beach County, Florida. The sections of this Ordinance may
25 be renumbered or relettered to accomplish such, and the word "ordinance" may be
26 changed to "section", "article", or any other appropriate word.

27 **SECTION 11. Severability**

28 If any section, paragraph, sentence, clause, phrase, or word of this Ordinance is
29 for any reason held by a Court to be unconstitutional, inoperative or void, such holding
30 shall not affect the remainder of this Ordinance.

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SECTION 12. Repeal of Laws in Conflict

All local ordinances in conflict with any provision of this Ordinance are hereby repealed to the extent of such conflict.

SECTION 13. Providing for Sunset

This Ordinance shall sunset on August 19, 2034.

SECTION 14. Savings Clause

For purposes of enforcement and revocation, this Ordinance shall survive the sunset date of August 19, 2034.

SECTION 15. Effective Date

The provisions of this Ordinance shall become effective upon filing with the Secretary of State.

APPROVED AND ADOPTED by the Board of County Commissioners of Palm Beach County, on the _____ day of _____, 2025.

ATTEST:
JOSEPH ABRUZZO
CLERK & COMPTROLLER
PALM BEACH COUNTY, FLORIDA
BY ITS BOARD OF COUNTY COMMISSIONERS

By: _____ By: _____
Deputy Clerk Maria G. Marino, Mayor

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY:

By: 
David Behar
Assistant County Attorney

EFFECTIVE DATE: Filed with the Department of State on the _____ day of _____, 2025.

BUSINESS IMPACT ESTIMATE

This Business Impact Estimate is provided in accordance with Florida Statutes §125.66(3)(a).

Meeting Date: January 14, 2025 BCC Public Hearing.

Proposed Ordinance Title/Reference: Economic Development Ad Valorem Tax Exemption Program Ordinance of Palm Beach County, Florida.

Summary of Proposed Ordinance and Statement of Public Purpose to be Served:

An Ordinance of the Board of County Commissioners (BCC) of Palm Beach County, Florida, establishing the Economic Development Ad Valorem Tax Exemption (AVTE) program for a ten-year period, authorizing the BCC to grant property tax exemptions to new businesses and expansions of existing businesses, to encourage economic development and establish new jobs in the County.

Estimate of Direct Economic Impact on Private, For Profit Businesses:

- a. **Estimate of direct business compliance costs:** The AVTE program is voluntary. Eligible applicants must be new businesses or expansions of existing businesses that will create new jobs in Palm Beach County. Pursuant to Florida Statutes §196.1995(12), and County policy, eligible businesses approved under this program will be required to enter into a written tax exemption agreement, to include timeframes for reporting improvements to real property, the actual number of new, full-time jobs created and their actual wages. Such agreements may be for a period of up to ten-years, subject to submittal and approval of an annual report and AVTE form 418 for the property appraiser, in accordance with Florida Statutes §196.011. Required information includes verifying proposed improvements to property for which an exemption is requested, and information on jobs created that employers already report to the State of Florida for State Unemployment Insurance laws, or similar. As such, any business compliance costs will be de minimis.
- b. **New charges or fee on businesses impacted:** No new charges or fees are being proposed by the County's Department of Housing and Economic Development (HED) at this time. The AVTE program was initially established by the BCC in 1994 pursuant to a Referendum approved by County voters, for a ten-year period as authorized by Florida Statutes §196.1995. The BCC re-authorized the AVTE program for 2004 and 2014, with the latter establishing a \$2,000 application fee. No changes to previously established fees are proposed at this time.
- c. **Estimate of regulatory costs:** DHED administers several economic development incentive programs and coordinates with local, state and federal agencies to seek grants and tax incentives for business development or expansion, and job creation or retention. On average, the County has historically processed one or fewer AVTE applications on an annual basis since program inception in 1994. As such, any additional costs to administer the AVTE program will be coincidental to overall HED economic development efforts and/or addressed by existing fees.

Any Additional Information: N/A.

LOCALiQ

The Gainesville Sun | The Ledger
Daily Commercial | Ocala StarBanner
News Chief | Herald-Tribune
News Herald | The Palm Beach Post
Northwest Florida Daily News

PO Box 631244 Cincinnati, OH 45263-1244

AFFIDAVIT OF PUBLICATION

Jillian Zalewska
Board Services/Minutes, 2nd floor, Room 203.2
Clerk of the Circuit Court & Comptroller
PO Box 4036
West Palm Beach FL 33402

STATE OF WISCONSIN, COUNTY OF BROWN

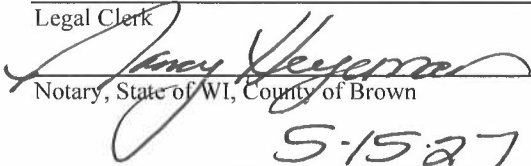
Before the undersigned authority personally appeared, who on oath says that he or she is the Legal Coordinator of the Palm Beach Post, published in Palm Beach County, Florida; that the attached copy of advertisement, being a Public Notices, was published on the publicly accessible website of Palm Beach County, Florida, or in a newspaper by print in the issues of, on:

12/01/2024

Affiant further says that the website or newspaper complies with all legal requirements for publication in chapter 50, Florida Statutes.

Subscribed and sworn to before me, by the legal clerk, who is personally known to me, on 12/01/2024

Legal Clerk


Notary, State of WI, County of Brown

5-15-27

My commission expires

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NANCY HEYRMAN
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State of Wisconsin

AMENDED NOTICE OF PUBLIC HEARING

THIS NOTICE AMENDS THE NOTICE PUBLISHED ON NOVEMBER 22, 2024. PLEASE TAKE NOTICE THAT AT 9:30 A.M. ON JANUARY 14, 2025, in the Palm Beach County Governmental Center, Jane Thompson Memorial Chambers, 6th Floor, 301 North Olive Avenue, West Palm Beach FL., the Board of County Commissioners of Palm Beach County, FL., intends to hold a public hearing for the purpose of considering the following proposed Palm Beach County Ordinance (s):

ORDINANCE NO. 2024- AN ORDINANCE OF THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, RELATING TO THE ECONOMIC DEVELOPMENT AD VALOREM TAX EXEMPTION PROGRAM FOR NEW BUSINESSES AND EXPANSIONS OF EXISTING BUSINESSES; PROVIDING FOR TITLE; PROVIDING FOR ENACTMENT AUTHORITY; PROVIDING FOR INTENT AND DECLARATION; PROVIDING FOR DEFINITION OF TERMS; PROVIDING FOR ESTABLISHMENT OF AN ECONOMIC DEVELOPMENT AD VALOREM TAX EXEMPTION PROGRAM; PROVIDING FOR APPLICABILITY; PROVIDING FOR APPLICATION AND APPROVAL PROCESS; PROVIDING FOR MONITORING, REVOCATION OF EXEMPTION, AND RECOVERY OF FUNDS; PROVIDING FOR APPEALS; PROVIDING FOR INCLUSION IN THE CODE OF LAWS AND ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR REPEAL OF LAWS IN CONFLICT; PROVIDING FOR SUNSET; PROVIDING FOR A SAVINGS CLAUSE; AND, PROVIDING FOR AN EFFECTIVE DATE.

A copy of the above-referenced proposed ordinance is available for inspection in the Minutes Department, 2nd floor, Room 203.2, Governmental Center. All interested parties may appear at the meeting and be heard with respect to the proposed ordinance(s).

If a person decides to appeal any decision made by this commission with respect to any matter considered at this meeting or hearing they will need to have a record of the proceeding, and for that, for such purpose, they may need to ensure that a verbatim record of the proceeding is made, which record includes the testimony and evidence upon which the appeal is based.

JOSEPH ABRUZZO,
Clerk of the Circuit Court & Comptroller
Board of County Commissioners
12/1/24 10806643

