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PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS AGENDA ITEM SUMMARY

Meeting Date:	March 11, 2025		Consent Ordinance		Regular Public Hearing
Department:	Office of Financial Management & Budget				

I. Executive Brief

Motion and Title: Staff recommends motion to approve on preliminary reading and permission to advertise for Public Hearing on April 8, 2025: An Ordinance of the Board of County Commissioners of Palm Beach County, Florida, for the repeal of the Local Government Infrastructure Surtax of one percent on December 31, 2025, and providing for the continuation of the Citizen Oversight Committee until only de minimis surtax proceeds remain.

Summary: On May 17, 2016, the Board of County Commissioners (BCC) approved on second reading an infrastructure surtax plan for one cent, maximum 10 years, creation of an oversight committee to review spending for compliance with approved projects, and the following allocations: 50% to the School District, 30% to the County, and 20% to the Municipalities. The Ordinance also includes a sunset provision that the surtax will end if \$2.7 billion is collected prior to September 1st of any year. All funding must be expended as prescribed by Florida Statutes.

This Ordinance will repeal the one-cent infrastructure surtax (surtax) as \$2.7 billion has been collected throughout the County. The surtax will end December 31, 2025.

The local discretionary sales surtaxes apply to all transactions subject to the state tax imposed on sales, use, services, rentals, admissions, and other authorized transactions. The surtax applies to the first \$5,000 of any single taxable tangible personal property item. Items such as groceries, baby food, baby formula, and medicines are exempt from sales tax. **Countywide** (**DB**)

Background and Policy Issues: On May 17, 2016, the BCC approved on second reading an infrastructure surtax plan as per the ordinance on May 3rd with the addition of a sunset provision that the surtax will end if \$2.7 billion is collected prior to September 1st of any year. This Ordinance for one-cent infrastructure surtax included ballot language for a referendum scheduled for November 8, 2016. In addition to creating an oversight committee(s), a project manager was hired to coordinate and monitor the program. An interlocal agreement establishing a distribution formula that would be inclusive of all proposed partners was approved by the County and the School Board at a joint meeting on May 10, 2016 and twenty-one (21) municipalities representing more than a majority, sixty-five percent (65%), of the County's incorporated population. The municipalities are: Atlantis, Belle Glade, Boynton, Briny Breezes, Delray, Greenacres, Haverhill, Highland Beach, Jupiter Inlet Colony, Lake Clarke Shores, Lake Park, Lake Worth, Lantana, Loxahatchee Groves, Pahokee, Palm Springs, Royal Palm Beach, South Bay, South Palm Beach, Wellington and West Palm Beach. The local discretionary sales surtax applies to all transactions subject to the state tax imposed on sales, use, services, rentals, admissions, and other authorized transactions and applies to the first \$5,000 of any single taxable tangible personal property item. Items such as groceries, baby food, baby formula, and medicines are exempt from sales tax. Florida's Department of Revenue (DOR) distributes the surtax directly to the School District, each Municipality, and the County.

Attachments: 1. Ordinance Recommended by: Department Director Approved By: County Administrator Date J/88/25

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:						
	Fiscal Years	<u>2025</u>	2026	<u>2027</u>	2028	<u>2029</u>
Opera Exteri Progr	al nditures ating Costs nal Revenues am Income (County) nd Match (County)					
NET F	SISCAL IMPACT			***************************************		
	DDITIONAL FTE TIONS (Cumulative)					
Is this	n Included In Current s item using Federal I s item using State Fu	Funds?	Yes Yes Yes	No No		
Budge Repor	et Account No.: Fund rting Category	Dep:	artment	Unit	Object	
В.	Recommended Sou	rces of Fun	ds/Summar	y of Fiscal I	mpact:	
C.	Departmental Fiscal	Review: _				
		III. <u>R</u> I	EVIEW COM	MENTS		
A.	A. OFMB Fiscal and/or Contract Dev. and Control Comments:					
	B 2/20 OFMB (2/26/20 1A 2/20	Cont	ract Dev. ar	MacM macM nd Control 26, 2.2	<u> [] </u>
B.	Legal Sufficiency:					
	Assistant County A	フロイク ttorney	25			
C.	Other Department R	eview:				
	Department D	irector	-			

REVISED 9/03 ADM FORM 01 (THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT.)

1	ORDINANCE NO. 2025
2 3 4 5 6 7 8 9 10 11 2 13 14 15 16 17 8 19 12 13 14 15 16 17 18 19 12 13 14 15 16 17 18 19 12 15 16 17 18 19 10 10 10 10 10 10 10 10 10 10 10 10 10	AN ORDINANCE OF THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA REPEALING THE LOCAL GOVERNMENT INFRASTRUCTURE SURTAX OF ONE PERCENT (1.0%) SECTIONS 17-491 THROUGH 17-494 OF THE PALM BEACH COUNTY CODE, WHICH CODIFIED ORDINANCE NO. 2016-032, WHICH REPEAL IS EFFECTIVE DECEMBER 31, 2025; PROVIDING FOR SURVIVAL OF RESTRICTIONS ON USE OF SURTAX PROCEEDS AS LONG AS ANY SURTAX PROCEEDS REMAIN UNSPENT; PROVIDING FOR THE CONTINUATION OF THE CITIZEN OVERSIGHT COMMITTEE(S) UNTIL ONLY DE MINIMIS SURTAX PROCEEDS REMAIN; PROVIDING FOR INCLUSION IN THE CODE OF LAWS AND ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR CAPTIONS; PROVIDING FOR SAVINGS CLAUSE; PROVIDING FOR AN EFFECTIVE DATE.
22 23	WHEREAS, on May 17, 2016, the Board of County Commissioners of Palm Beach
24	County, Florida ("Board") enacted Ordinance No. 2016-032 imposing a countywide local
25	government infrastructure surtax (Surtax) of one percent (1%) on all authorized taxable
26	transactions occurring within Palm Beach County as authorized by section 212.055(2), Florida
27	Statutes; and
28	WHEREAS, the Surtax imposed by Ordinance No. 2016-032 passed at a referendum
29	election held on November 8, 2016; and
30	WHEREAS, the imposition and collection of the Surtax began on January 1, 2017; and
31	WHEREAS, Ordinance No. 2016-032 provided that the Surtax would expire on
32	December 31, 2026 or alternately that the ordinance would sunset in the event that the total
33	aggregate distributions of Surtax proceeds equal or exceed the amount of \$2,700,000,000 on or
34	before September 1 of any year during the ten year term of the ordinance. In such an event the
35	Board is to take all necessary action to repeal the ordinance and notify the Florida Department of
36	Revenue prior to the applicable deadline so that the Surtax will not continue for the following
37	calendar year; and
38	WHEREAS, Total aggregate distributions of Surtax proceeds have exceeded
39	\$2,700,000,000, and the Surtax will sunset on December 31, 2025.
10	NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF COUNTY
1 1	COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, that:

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SECTION 1.

INCORPORATION OF RECITALS. The above recitals are

- true and correct and are hereby incorporated by reference.
- 44 SECTION 2. REPEAL OF LOCAL GOVERNMENT INFRASTRUCTURE
- 45 SURTAX. Palm Beach County Ordinance No. 2016-032, codified at Sections 17-491 through
- 46 17-494 of the Palm Beach County (County) Code, the Local Government Infrastructure Surtax
- 47 (Surtax) is hereby repealed in its entirety effective as of December 31, 2025.
- 48 SECTION 3. SURVIVAL OF RESTRICTIONS ON USE OF SURTAX
- 49 PROCEEDS. So long as any Surtax proceeds shall remain unspent, the restrictions imposed
- 50 under Ordinance No. 2016-032 concerning the distribution and use of such Surtax proceeds as
- well as the proceeds of any borrowings payable from Surtax proceeds, and all interest and other
- 52 investment earnings on either of them shall survive repeal and shall be fully enforceable in a
- 53 court of competent jurisdiction.
- 54 SECTION 4. CONTINUATION OF CITIZEN OVERSIGHT
- 55 COMMITTEE(S). The Citizen Oversight Committee(s) established under Ordinance No. 2016-
- 56 032 shall continue to function and carry out their responsibilities and duties as set forth in
- 57 Ordinance No. 2016-032 until only de minimis Surtax proceeds remain unspent. "De minimis"
- 58 for purposes of this section shall mean one percent (1%) of total aggregate distributions of Surtax
- 59 proceeds as calculated by the County.
- 60 SECTION 5. CODIFICATION. The provisions of this Ordinance shall
- become and be made a part of the Code of Laws and Ordinances of Palm Beach County,
- 62 Florida. The articles and sections of this Ordinance may be renumbered or relettered to
- 63 accomplish such, and the word "Ordinance" may be changed to "Section", "Article", or
- 64 other appropriate word.
- 65 SECTION 6. SEVERABILITY. Should any section or provision of this
- Ordinance or any portion thereof, or any paragraph, sentence, or word be declared by a court of
- 67 competent jurisdiction to be invalid, such decision shall not affect the validity of the remainder
- hereof other than the part declared to be invalid.
- 69 SECTION 7. CAPTIONS. The captions, sections headings, and section
- 70 designations used in this Ordinance are for convenience only and shall have no effect on
- 71 the interpretation of the provisions of this Ordinance.
- 72 SECTION 8. SAVINGS CLAUSE. Notwithstanding anything to the
- 73 contrary, all provisions of the Palm Beach County Ordinance No. 2016-032, which are
- 74 codified in Sections 17-491 through 17-494 of the Palm Beach County Code, are

75			l effect for the limited purpose of
76	enforcing any alleged viola	tions of said Code which or	courred prior to its repeal.
77	SECTION 9.	EFFECTIVE DATE.	After filing with the Florida Department
78	of State, this Ordinance sha	all become effective on Dec	ember 31, 2025.
79			
80	PASSED AND DU	ULY ENACTED by the I	Board of County Commissioners of Palm
81	Beach County, Florida in re	egular session, this da	y of, 2025.
82 83 84		PALM B	EACH COUNTY, FLORIDA
85		By:	a G. Marino
86			
87		May	ror
88	(SEAL)		
89	A COMPLICATE		
90	ATTEST:		
91 92 93	Joseph Abruzzo, Clerk of t	he Circuit Court & Comptro	oller
94			
95			
96	By:		
97	Deputy Clerk		
98	ADDROLLED ACTO FOR	A ANTO LECAL CLIEBUCI	ENICY
99 100	APPROVED AS TO FOR	M AND LEGAL SUFFICI	SNCI
100	$A = A \cup A \cup A \cup A$	The state of the s	
102	By: 100	and the state of t	
103	County Attorney	p.p., 100 -	
104	Filed with the Department	of State on the day of	, 2025