

**PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY**

Meeting Date: April 8, 2025

11

Consent

Regular

[X] Public Hearing

Department: Office of Financial Management & Budget

I. Executive Brief

Motion and Title: Staff recommends motion to adopt: 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.

Summary: On March 11, 2025, the Board of County Commissioners (BCC) approved on first reading the repeal of the infrastructure surtax that was created 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 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 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:

Shant

Date _____

3/6/2025

Approved By:

[Signature]

Date _____

Date 3/12/25

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 (County)					
In-Kind Match (County)					
NET FISCAL IMPACT					
No. ADDITIONAL FTE POSITIONS (Cumulative)					
Is Item Included In Current Budget?	Yes		No		
Is this item using Federal Funds?	Yes		No		
Is this item using State Funds?	Yes		No		

Budget Account No.: Fund Department Unit Object
Reporting Category

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

C. Departmental Fiscal Review:

III. REVIEW COMMENTS

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

Chris O'Neil 3/5/2025
CB 3/5 OFMB
DA 3/5

Heidi Mueller 3/5/25
Contract Dev. and Control
267 3525

B. Legal Sufficiency:

VR 3/6/25
Assistant County Attorney

C. Other Department Review:

Department Director

ORDINANCE NO. 2025-_____

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.

WHEREAS, on May 17, 2016, the Board of County Commissioners of Palm Beach County, Florida (“Board”) enacted Ordinance No. 2016-032 imposing a countywide local government infrastructure surtax (Surtax) of one percent (1%) on all authorized taxable transactions occurring within Palm Beach County as authorized by section 212.055(2), Florida Statutes; and

WHEREAS, the Surtax imposed by Ordinance No. 2016-032 passed at a referendum election held on November 8, 2016; and

WHEREAS, the imposition and collection of the Surtax began on January 1, 2017; and

WHEREAS, Ordinance No. 2016-032 provided that the Surtax would expire on December 31, 2026 or alternately that the ordinance would sunset in the event that the total aggregate distributions of Surtax proceeds equal or exceed the amount of \$2,700,000,000 on or before September 1 of any year during the ten year term of the ordinance. In such an event the Board is to take all necessary action to repeal the ordinance and notify the Florida Department of Revenue prior to the applicable deadline so that the Surtax will not continue for the following calendar year; and

WHEREAS, Total aggregate distributions of Surtax proceeds have exceeded \$2,700,000,000, and the Surtax will sunset on December 31, 2025.

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

SECTION 1. INCORPORATION OF RECITALS. The above recitals are

43 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
51 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

61 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
66 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
68 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

specifically preserved and remain in full force and effect for the limited purpose of enforcing any alleged violations of said Code which occurred prior to its repeal.

77 **SECTION 9.** **EFFECTIVE DATE.** After filing with the Florida Department
78 of State, this Ordinance shall become effective on December 31, 2025.

80 **PASSED AND DULY ENACTED** by the Board of County Commissioners of Palm
81 Beach County, Florida in regular session, this day of, 2025.

PALM BEACH COUNTY, FLORIDA

By:

Maria G. Marino
Mayor

(SEAL)

ATTEST:

Joseph Abruzzo, Clerk of the Circuit Court & Comptroller

By:

Deputy Clerk

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

By:

County Attorney

104 Filed with the Department of State on the day of . 2025