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Chapter 66 - TAXATION

ARTICLE V. - ECONOMIC DEVELOPMENT AD VALOREM TAX EXEMPTION

**ARTICLE V. - ECONOMIC DEVELOPMENT AD VALOREM TAX EXEMPTION**

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**Sec. 66-171. - Title.**

This Article shall be known as the "Plant City Economic Development Ad Valorem Tax Exemption Ordinance."

(Ord. No. 17-2011, § 1, 4-25-2011)

**Sec. 66-172. - Enactment authority.**

Article VII, Section 3, of the Constitution of the State of Florida and F.S. § 196.1995, empower the City to grant Economic Development Ad Valorem Tax Exemptions to New Businesses and Expansions of Existing Businesses after the electors of the City, voting on the question in a referendum, authorize such exemptions. In a referendum held on November 2, 2010, the electors of Plant City authorized the City Commission to grant Economic Development Ad Valorem Tax Exemptions.

(Ord. No. 17-2011, § 2, 4-25-2011)

**Sec. 66-173. - Findings of fact.**

- (a) It is a recognized function of local government to promote economic development within its jurisdiction by providing financial incentives that will encourage new businesses to relocate within its jurisdiction and existing businesses to expand, thereby creating employment opportunities that will benefit the entire community.
- (b) The current economic climate has impacted the quality of life for the citizens of Plant City and the sustainability of local businesses.

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- (c) In order to ensure that applications for Economic Development Ad Valorem Tax Exemptions are considered in a non-arbitrary and non-discriminatory manner, it is necessary to establish guidelines that further the City's economic development policy to assist the City Commission in making its determinations.
- (d) The City Commission determines that the granting of Economic Development Ad Valorem Tax Exemptions to new businesses locating in Plant City and to existing businesses expanding in Plant City as provided in this Article will promote and strengthen the local economy which will enhance the health, safety and welfare of the citizens of Plant City, which action is in the best interest of the City and serves both a City and a public purpose.

(Ord. No. 17-2011, § 3, 4-25-2011)

**Sec. 66-174. - Definitions.**

The following words, phrases and terms shall have the meanings set forth below. Except where indicated otherwise such words, phrases and terms shall have the same meanings attributed to them in the Florida Statutes and the Florida Administrative Code as amended from time to time:

*Applicant* means any person, firm, partnership or corporation who files an Application with the City seeking an Exemption.

*Application* means a written application for an Exemption on the form prescribed by the Department, together with any supplemental form prescribed by the City Manager and any additional information requested by the City Manager.

*Average Annual Employment* means the sum of the number of Full-Time Equivalent Employees as of the last day of each month of the preceding calendar year divided by twelve (12).

*Average Annual Private Sector Wage* means the lesser of the average annual private sector wage throughout the State of Florida, MSA or the County.

*Average Annual Wage* means the sum of the Wages paid to Full-Time Equivalent Employees included in the Average Annual Employment, divided by the Average Annual Employment.

*Brownfield Area* means an area designated as a brownfield area pursuant to F.S. § 376.80.

*Business* means any activity engaged in by any person, firm, partnership, corporation, or other business organization or entity, with the object of private or public gain, benefit, or advantage, either direct or indirect.

*Capital Investment* means any expenditure for an Expansion of an Existing Business or a New Business to be located in Plant City which can be capitalized under generally accepted accounting principles.

*City* means City of Plant City, Florida.

*City Commission* means the City Commission of the City.

*City Manager* means the City Manager of the City, or his/her designee.

*Community Redevelopment Agency* means a public agency created by or designated pursuant to F.S. §§ 163.356 or 163.357.

*Community Redevelopment Area* means an area designated as a community redevelopment area pursuant to F.S. ch. 163, pt. III.

*County* means Hillsborough County, Florida.

*Department* means the Florida Department of Revenue.

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*Economic Development Ad Valorem Tax Exemption or Exemption* means an ad valorem tax exemption granted by the City Commission in its sole and absolute discretion to a Qualified Business pursuant to this Article as authorized in Article VII, Section 3 of the Constitution of the State of Florida and F.S. § 196.1995.

*Enterprise Zone* means an area designated as an enterprise zone pursuant to F.S. § 290.0065.

**Exemption Criteria** means the criteria to be applied by the City Commission in making its determination as to whether to grant an Exemption, as provided for in Subsection [66-177](#)(d) of this Article.

**Expansion of an Existing Business means:**

- (1) a. A business establishing 10 or more jobs to employ **10 or more full-time employees** in this City, which manufactures, processes, compounds, fabricates, or produces for sale items of tangible personal property at a fixed location and which comprises an industrial or manufacturing plant; or
- b. A business establishing 25 or more jobs to employ **25 or more full-time employees** in this City, the sales factor of which for the facility with respect to which it requests an Exemption is **less than 0.50 for each year the Exemption is claimed**; provided that such business increases operations on a site colocated with a commercial or industrial operation owned by the same business, resulting in a **net increase in employment of not less than 10 percent or an increase in productive output of not less than 10 percent**.
- (2) Any business located in an Enterprise Zone or Brownfield Area that increases operations on a site colocated with a commercial or industrial operation owned by the same business.

*Full-Time Equivalent Employee* means a person who is employed by a Business that works at least 35 hours per week and is eligible to receive benefits, including health benefits, through their employer, subject to any eligible vesting periods.

*Goods* means all personal property when purchased primarily for personal, family or household use, but not including personal property sold for commercial or industrial use.

*High Value Business* means an Expansion of an Existing Business or a New Business that is expected to have a significant economic impact as a result of the number of its Full-Time Equivalent Employees, its Average Annual Wage, the Capital Investment in the Business, or additional jobs subsequently created as a result of such Business.

*Improvements* means physical changes made to raw land, and structures placed on or under the land surface, including all Tangible Personal Property acquired to facilitate an Expansion of an Existing Business provided that the Tangible Personal Property is added or increased on or after the day an ordinance specifically granting a Business an Exemption is adopted. However, Tangible Personal Property acquired to replace existing property shall not be considered to facilitate a business expansion.

*Metropolitan Statistical Area or MSA* means a geographical region with a relatively high population density at its core and close economic ties throughout the area. For purposes of this Article, the MSA includes Hillsborough, Hernando, Pasco and Pinellas Counties.

*New Business means:*

- (1) a. A business establishing 10 or more jobs to employ 10 or more full-time employees in this City, which manufactures, processes, compounds, fabricates, or produces for sale items of tangible personal property at a fixed location and which comprises an industrial or manufacturing plant;
- b. A business establishing 25 or more jobs to employ 25 or more full-time employees in this City, the sales factor of which for the facility with respect to which it requests an Exemption is less than 0.50 for each year the Exemption is claimed; or

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- c. An office space in this City owned and used by a corporation newly domiciled in this City; provided such office space houses 50 or more full-time employees of such corporation; and provided that such business or office first begins operation on a site clearly separate from any other commercial or industrial operation owned by the same business.
- (2) Any business located in an Enterprise Zone or Brownfield Area that first begins operation on a site clearly separate from any other commercial or industrial operation owned by the same business.

*Qualified Business* means a High Value Business or a Target Industry Business.

*Retail operation* means a Business regularly engaged in, and whose Business consists to a substantial extent of, selling goods to a buyer, not principally for the purpose of resale.

*Sales Factor* means a fraction, the numerator of which is the total sales of the taxpayer in this state during the taxable year or period and the denominator of which is the total sales of the taxpayer everywhere during the taxable year or period.

*Tangible Personal Property* shall have the meaning set forth in F.S. § 192.001(11)(d).

*Target Industry Business* means an Expansion of an Existing Business or a New Business that is designated by the State of Florida, Office of Tourism, Trade, and Economic Development pursuant to F.S. § 288.106, as a target industry business.

*Wages* means all compensation including salaries, bonuses, commissions and the value of exercised stock options subject to federal income tax, but excluding fringe benefits; provided stock options shall be included in the calculation of wages in a manner consistent with the program established pursuant to F.S. § 288.106.

(Ord. No. 17-2011, § 4, 4-25-2011)

**Sec. 66-175. - Establishment of economic development ad valorem tax exemption.**

- (a) *Incentive.* There is herein established an Economic Development Ad Valorem Tax Exemption for ad valorem taxes levied by the City. The Exemption is a local option tax incentive for a Qualified Business which may be granted or refused at the sole and absolute discretion of the City Commission.
- (b) *Ineligible Improvements.* The Exemption shall not accrue to Improvements made by or for the use of a Qualified Business when such Improvements have been included on the tax rolls prior to the effective date of an ordinance specifically granting a Business an Exemption.
- (c) *Eligible Improvements.* At the sole and absolute discretion of the City Commission, an except as otherwise provided for in this Article, the Exemption may be granted for up to 100 percent of the assessed value of all Improvements made by or for the use of a qualifying New Business and of all Tangible Personal Property of such New Business, or up to 100 percent of the assessed value of all added Improvements made to facilitate the qualifying Expansion of an Existing Business and of the net increase in all Tangible Personal Property acquired to facilitate such Expansion of an Existing Business, provided that the Improvements are made or the Tangible Personal Property is added or increased on or after the day the Ordinance specifically grants an Exemption is adopted. Property acquired to replace existing property shall not be considered to facilitate a business expansion.
- (d) *Land.* No exemption shall be granted for the land upon which a New Business or an Expansion of an Existing Business is to be located.
- (e) *Exemption.* Except as otherwise provided for in this Article, the Exemption may be for a period of up to 10 years from the date the City Commission adopts the ordinance specifically granting an Exemption.

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- (f) *Taxes Applicable.* The Exemption shall apply only to taxes levied by the City. The exemption shall not apply to taxes levied by Hillsborough County, school district, or water management district, or to taxes levied for the payment of bonds or taxes authorized by a vote of the electors pursuant to Section 9(b) or 12, Article VII of the Florida Constitution.
- (g) *Maximum Amount of Annual Exemptions.* Notwithstanding any other provision of this Article, the Exemptions granted by the City Commission for each fiscal year shall not result in an estimated aggregate annual amount of forgone ad valorem tax revenues in excess of Two Million Dollars (\$2,000,000.00) or such other amount approved by a supermajority vote of the City Commission, which amount shall be calculated based on the Property Appraiser's estimates on the revenue lost to the City during the then particular fiscal year by virtue of Exemptions previously granted plus Exemptions under consideration in such particular fiscal year.
- (h) *Retail.* No exemption shall be granted to any retail operation.  
(Ord. No. 17-2011, § 5, 4-25-2011)

**Sec. 66-176. - Application for exemption.**

- (a) *Application.* Any eligible person, firm, partnership or corporation which desires an Exemption shall file with the City Manager a written Application. The Application must be filed no later than March 1st of the year the Exemption is desired to take effect.
- (b) *Review.* Upon submittal of the Application, the City Manager shall review same and, within 10 days of submission, notify the Applicant of any facial deficiencies. Complete Applications shall be scheduled for a public hearing before the City Commission no later than forty-five (45) days following receipt by the City Manager of the Property Appraiser's report provided for in this Article. The Applicant shall be notified of the date and time of the public hearing.
- (c) *Agreement.* As a condition to receiving the Exemption, a Business will be required to enter into an agreement with the City to ensure that the Business satisfies all requirements associated with the granting and continuation of the Exemption.  
(Ord. No. 17-2011, § 6, 4-25-2011)

**Sec. 66-177. - Consideration of applications.**

- (a) *Property Appraiser Review and Report.* Before the City Commission takes action on an Application, a copy of the Application, once deemed complete, shall be delivered to the Property Appraiser for review. After careful consideration of the Application, the Property Appraiser shall provide a report to the City Commission which shall include the following:
  - (1) The total revenue available to the City for the current fiscal year from ad valorem tax sources, or an estimate of such revenue if the actual total revenue available cannot be determined;
  - (2) The amount of any revenue lost to the City for the current fiscal year by virtue of Exemptions previously granted, or an estimate of such revenue if the actual revenue lost cannot be determined;
  - (3) An estimate of the amount of revenue which would be lost to the City during the current fiscal year if the exemption applied for were granted had the property for which the Exemption is requested otherwise been subject to taxation; and
  - (4) A determination as to whether the property for which the Exemption is requested is to be incorporated into a New Business or the Expansion of an Existing Business, or into neither, which determination the Property Appraiser shall also affix to the face of the Application. Upon

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request, the Department will provide the Property Appraiser such information as it may have available to assist in making such determination.

- (b) *Eligibility Threshold.* The threshold for eligibility is whether the Business meets the definition of a New Business or of an Expansion of an Existing Business as provided in this Article.
- (c) *Ineligible Business.* Any Business in violation of any federal, state, or local law or regulation, including but not limited to, environmental matters, will not be eligible for an Exemption.
- (d) **Exemption Criteria.** In making its determination as to whether to grant an Exemption, the City Commission shall apply the Exemption Criteria provided below; provided that the Board, in its sole and absolute discretion, may deviate from the Exemption Criteria when considering Applications from High Value Businesses if the Board determines that such deviation is in the best interest of the City:

Tier	Number of New Jobs	Average Annual Wage or Capital Investment per job	Period	Maximum Exemption
One	10 or more Full- Time Equivalent Employees in manufacturing jobs; or 25 or more Full-Time Equivalent Employees where the Business's Sales Factor is less than 50%; or 50 or more Full-Time Equivalent Employees in office jobs if a New Business	115% of the Average Annual Private Sector Wage or Capital Investment exceeding \$200,000.00 per Full-Time Equivalent Employee	5 Years	50%
BONUS - Enterprise Zone, Brownfield Area or Community Redevelopment Area	10 or more Full-Time Equivalent Employees in manufacturing jobs; or 25 or more Full-Time Equivalent Employees where the Business's Sales Factor is less than 50%; or 50 or more Full-Time Equivalent Employees in office jobs if a New Business	100%	5 Years	75%
Two	<u>30</u> or more Full-Time Equivalent Employees in manufacturing jobs; or 75 or more Full-Time Equivalent Employees where the Business's Sales Factor is less than 50%; or 100 or more Full-Time Equivalent Employees in	115% of the Average Annual Private Sector Wage or Capital Investment exceeding \$200,000.00 per Full-Time Equivalent	7 Years	50%

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	office jobs if a New Business	Employees		
BONUS - Enterprise Zone, Brownfield Area or Community Redevelopment Area	<u>30</u> or more Full-Time Equivalent Employees in manufacturing jobs; or 75 or more Full-Time Equivalent Employees where the Business's Sales Factor is less than 50%; or 100 or more Full-Time Equivalent Employees in office jobs if a New Business	100%	7 Years	75%
Three	<u>90</u> or more Full-Time Equivalent Employees in manufacturing jobs; or 100 or more Full-Time Equivalent Employees where the Business's Sales Factor is less than 50%; or 200 or more Full-Time Equivalent Employees in office jobs if a New Business	150%	10 Years	50%
BONUS - Enterprise Zone, Brownfield Area or Community Redevelopment Area	<u>90</u> or more Full-Time Equivalent Employees in manufacturing jobs; or 100 or more Full-Time Equivalent Employees where the Business's Sales Factor is less than 50%; or 200 or more Full-Time Equivalent Employees in office jobs if a New Business	100%	10 Years	75%

(e) *Ordinance.* After consideration of the Application, the Property Appraiser's report, input from a Community Redevelopment Agency, if applicable, and such other information it deems relevant, and the application of the Exemption Criteria, the City Commission may choose in its sole and absolute discretion to adopt an ordinance granting an Exemption to the Applicant. If the City Commission decides to adopt such an ordinance, the ordinance shall be adopted in the same manner as any other general ordinance of the City, and shall include the following:

- (1) The name and address of the New Business or the Expansion of an Existing Business to which the Exemption is granted;
- (2) The name of the owner(s) of the New Business or the Expansion of an Existing Business;

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- (3) The total amount of revenue available to the County from ad valorem tax sources for the current fiscal year, the total amount of revenue lost to the County for the current fiscal year by virtue of Exemptions currently in effect, and the estimated revenue loss to the County for the current fiscal year attributable to the Exemption of the business named in the ordinance;
  - (4) The period of time for which the Exemption will remain in effect and the expiration date of the Exemption; and
  - (5) A finding that the Business named in the ordinance meets the requirements of F.S. §§ 196.012(15) or (16).
- (f) *Precedent; Standard for Consideration of Applications.* No precedent shall be implied or inferred by the granting of an Exemption. Each Application shall be considered by the City Commission in its legislative capacity on a case by case basis, after considering the Property Appraiser's report on the Application and the Exemption Criteria.

(Ord. No. 17-2011, § 7, 4-25-2011)

**Sec. 66-178. - Application fees.**

No fees shall be charged for processing Applications or any Exemption ordinance adopted by the City Commission.

(Ord. No. 17-2011, § 8, 4-25-2011)

**Sec. 66-179. - Continuing performance.**

(a) *Change in ownership.*

- (1) The Business granted an Exemption shall be required to inform the City Manager in writing within ten (10) days as to any changes in ownership of the Business granted an Exemption. Moreover, the transferee Business shall continue to comply with all exemption requirements and shall assume in writing all of the obligations of the transferor Business provided for in the agreement required pursuant to Subsection 66176(c) of this Article.
- (2) Failure of the Business granted an Exemption to notify the City Manager of any such changes in ownership is cause for revocation of the ordinance granting the Exemption, at the City Commission's discretion.

(b) *Annual Filings.* The ability to receive an Exemption for the period granted shall be conditioned upon the Applicant's ability to maintain the Qualified Business throughout the entire period. The Applicant shall be required to submit an annual renewal statement and an annual report to the City Manager on or before March 1st of each year for which the Exemption was granted. The Applicant shall also timely comply with all filing required pursuant to F.S. § 196.011.

- (1) The annual renewal statement shall certify that the information provided in the original Application has not changed.
- (2) The annual report shall provide a report on the status of the business, evidencing satisfaction of the business maintenance and continued performance conditions set forth in the Application. The report shall be prepared in substantially the form approved by the City Manager and shall contain such information as the City Manager may reasonably deem necessary for the purpose of determining continuing performance by the Business of the conditions provided for in this Article, the ordinance specifically granting the Business an Exemption and the representations made in the Application.

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(Ord. No. 17-2011, § 9, 4-25-2011)

**Sec. 66-180. - Revocation.**

Should any Business granted an Exemption pursuant to this Article fail to file the annual renewal statement and/or annual report on or before March 1st of each year the Exemption has been granted as required by this Article, fail to continue to meet the definition of a New Business or an Expansion of an Existing Business, fail to timely inform the City Manager of a change of ownership, fail to file a new Application upon any change in the information provided in the original Application, fail to fulfill any other representation made to the City during the Application process, and/or fail to comply with any other requirement provided for in this Article, the City Manager, may, upon thirty (30) days written notice to the respective Business, adopt an ordinance revoking the Exemption or take such other action with respect to the Exemption as it deems appropriate.

- (1) *Notification.* Upon revocation, the City Manager shall immediately notify the Property Appraiser.
- (2) *Recovery of Taxes.* If it is determined that a Business was not in fact entitled to an Exemption in any year for which the Business received an exemption, the City, Property Appraiser or Tax Collector shall be entitled to recover all taxes not paid on Tangible Personal Property as a result of the Exemption, plus interest at the maximum rate allowed by law, plus all costs of collection, including, without limitation, reasonable attorney's fees.
- (3) *Reapplication.* Nothing herein shall prohibit a Business from reapplying for an ad valorem tax exemption pursuant to state law.

(Ord. No. 17-2011, § 10, 4-25-2011)

**Sec. 66-181. - Sunset date.**

Pursuant to F.S. § 196.1995, the Ordinance from which this Article derives, shall expire on November 2, 2020, ten (10) years after the date such authority to grant Economic Development Ad Valorem Tax Exemptions was approved by the electors of the City voting on the question in a referendum; provided that for purposes of enforcement and revocation, this Article shall survive such expiration date. No business shall be allowed to begin receiving an Exemption after that date; however, the expiration shall not affect the operation of any Exemption for which a Business has qualified under this Article prior to November 2, 2020.

(Ord. No. 17-2011, § 13, 4-25-2011)

**Secs. 66-182—66-215. - Reserved.**