

Business Impact Estimate

Florida law requires that before the County adopts a new ordinance, it must prepare a Business Impact Estimate that complies with Sec. 125.66(3), Fla. Stat. There are several exemptions to this requirement, which are outlined in the statute. This Business Impact Estimate form is provided to document compliance with and exemption from the requirements of Sec. 125.66(3), Fla Stat. If one or more boxes are checked below under "Applicable Exemptions," this indicates that Indian River County has determined that a business impact estimate is not required by law for the proposed ordinance. If no exemption is identified a business impact estimate is required by Sec. 125.66(3), Fla. Stat. and must be provided in the "Business Impact Estimate" section below. This Business Impact Estimate Form may be revised following its initial posting.

Proposed ordinance's title/reference:

AN ORDINANCE OF THE BOARD OF COUNTY COMMISSIONERS OF INDIAN RIVER COUNTY, FLORIDA, AMENDING SECTION 210.01 (TAXING DISTRICT AND LEVY) AND SECTION 210.03 (AUTHORIZED USES OF REVENUE) OF CHAPTER 210 (TOURIST DEVELOPMENT TAX) OF THE CODE OF INDIAN RIVER COUNTY, FLORIDA IN ORDER TO IMPOSE AN ADDITIONAL CENT OF TOURIST DEVELOPMENT TAXES AND TO REALLOCATE THE AUTHORIZED USES OF THE TOURIST DEVELOPMENT TAX REVENUE; AND PROVIDING FOR CODIFICATION, SEVERABILITY, REPEAL OF CONFLICTING PROVISIONS, AND AN EFFECTIVE DATE.

Applicable Exemptions

- ☐ 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
- ☐ The proposed ordinance is enacted to implement the following:
 - a. Part II of Chapter 163, *Florida Statutes*, relating to growth policy, county and municipal planning, and land development regulation, including zoning, development orders, development agreements and development permits;
 - b. Comprehensive plan amendments and land development regulation amendments initiated by an application by a private party other than the County;
 - 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*.

Business Impact Estimate:

Indian River County 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):

In November 2024, a majority of Indian River County voters approved a ballot measure authorizing the Indian River Board of County Commissioners to levy an additional cent of tourist development tax, which increases the amount collected from rental fees on lodging from four to five cents. The money collected will increase the monies for tourist promotion and beach renourishment. This will strengthen the local economy by drawing more visitors to Indian River County and will also further protect the environment.

2. An estimate of the direct economic impact of the proposed ordinance on private, for-profit businesses in the county, including the following, if any:

- (a) An estimate of direct compliance costs that businesses may reasonably incur if the ordinance is enacted:

This increase of one cent in the tourist development tax is estimated to raise an additional \$1 million dollars a year. The businesses impacted are those that rent or lease accommodation in any hotel, apartment hotel, motel, rooming house, RV or mobile home park for a term of six (6) months or less. These businesses are already collecting tourist development tax monies but there may be a cost to implement the additional cent – the exact cost on each business is unknown. However, to adjust to this new ordinance, each business would need to reach out to existing customers who signed contracts and paid rent prior to the change. Businesses would also need to update their contract verbiage and their websites with the updated tax rate information.

- (b) Identification of any new charge or fee on businesses subject to the proposed ordinance, or for which businesses will be financially responsible:

This increases the current tourist development tax by one cent.

- (c) An estimate of the County's regulatory costs, including an estimate of revenues from any new charges or fees that will be imposed on businesses to cover such costs:

There is a one-time cost of generating approximately 600 notices to affected businesses with updated returns along with the postage to mail those notices. There will not be an ongoing increase in regulatory costs due to the change. However, the volume of phone calls and emails have increased with questions about the rate change.

3. A good faith estimate of the number of businesses likely to be impacted by the ordinance:

Approximately 600 businesses/property owners.

4. Additional information the governing body determines may be useful (if any):