



## Legislation Details (With Text)

**File #:** 20-0432  
**Type:** Departmental  
**Status:** Passed  
**In control:** Board of County Commissioners  
**On agenda:** 2/25/2020  
**Final action:** 2/25/2020  
**Title:** REAUTHORIZATION OF ECONOMIC DEVELOPMENT AD VALOREM TAX EXEMPTION  
**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. MC BoCC EcDev Ad Valorem Incentive Briefing Updated 01272020.pdf, 2. Tax Abatement Referendum FAQs 01062020.pdf

Date	Ver.	Action By	Action	Result
2/25/2020	1	Board of County Commissioners	approved	Pass

**PLACEMENT:** Departmental

**TITLE:**

**REAUTHORIZATION OF ECONOMIC DEVELOPMENT AD VALOREM TAX EXEMPTION**

### EXECUTIVE SUMMARY:

The economic development ad valorem tax exemption program was approved by the Martin County voters August 24, 2010 and is designed to encourage the expansion of existing businesses expand attract new businesses to locate in Martin County. Pursuant to Florida law, this exemption expires in August 2020. The Board is being asked to consider placing a referendum on the ballot that, if approved, would reauthorize such tax exemption program.

**DEPARTMENT:** Administration

**PREPARED BY:** **Name:** George M. Stokus  
**Title:** Assistant County Administrator

**REQUESTED BY:** Business Development Board of Martin County

**PRESET:** 9:30 AM

**PROCEDURES:** None

### BACKGROUND/RELATED STRATEGIC GOAL:

Many Florida counties and cities use this exemption as an incentive to attract new businesses and encourage expansion of existing businesses. Our surrounding counties (Indian River, Okeechobee, Palm Beach and St. Lucie) also use economic development exemptions to encourage economic development.

The Business Development Board of Martin County (BDBMC) proposes that the referendum appear on this year's August 2020 Primary Election ballot. All registered voters in Martin County would be eligible to vote on this nonpartisan issue which was first approved by voters in 2010. If the Ad Valorem Tax Exemption Program is reauthorized by the voters, it will allow the Board to grant qualifying businesses a temporary Martin County property tax exemption of up to 100% on new capital improvements and/or tangible personal property for up to 10 years. The exemption will not reduce the tax an existing business is currently paying in County taxes on existing real or personal property nor to existing improvements acquired by a new business. The exemption does not apply to the land upon which the improvements are to be located. The exemption does not apply to school or municipal taxes.

Additionally, the BDBMC recommends updating program guidelines from 2010 to ensure alignment with County economic development goals and the potential use of the program by target and legacy industries, data centers and businesses located in designated economic development areas such as community redevelopment areas.

### **ISSUES:**

Section 101.161(1) Fla. Stat. sets forth the requirements for a referendum which includes a ballot title of not more than fifteen words in length by which the measure is commonly referred to (Ex. Economic Development Incentive Ad Valorem Exemption) as well as a ballot summary which shall be an explanatory statement, not exceeding 75 words in length, of the chief purpose of the measure. An example of ballot summary language used in St. Lucie County's successful re-authorization of its economic development ad valorem exemption program follows:

### **ECONOMIC DEVELOPMENT INCENTIVE AD VALOREM TAX EXEMPTION**

The Economic Development Ad Valorem Tax Exemption would allow the County to encourage the establishment of new businesses and the expansion of existing businesses by granting an exemption from County property taxes of up to 100 percent of only the assessed value of improvements and personal property for those businesses. Any exemption would only remain in effect for up to ten (10) years and would not apply to school, city or voter approved taxes

In addition, Section 196.1955(2) Fla. Stat. requires that the following language be used in substantially this form:

Shall the Board of County Commissioners of Martin County be reauthorized to grant, pursuant to Section 3, Article VII of the State Constitution, property tax exemptions to new businesses and expansions of existing businesses that are expected to create new, full time jobs and purchase new equipment or make new capital improvements in the county?

YES	For reauthorization to grant exemptions
NO	Against reauthorization to grant exemptions

### **LEGAL SUFFICIENCY REVIEW:**

This item has been reviewed for legal sufficiency to determine whether it is consistent with applicable law, but this is primarily a policy decision for the Board.

### **RECOMMENDED ACTION:**

## RECOMMENDATION

Move that the Board agree to direct staff to develop a proposed referendum in accordance with Florida law and Board direction to be returned for Board consideration.

## ALTERNATIVE RECOMMENDATIONS

Provide staff with further direction.

## FISCAL IMPACT:

## RECOMMENDATION

None

Funding Source	County Funds	Non-County Funds
Subtotal		
Project Total		

## ALTERNATIVE RECOMMENDATIONS

None

## DOCUMENT(S) REQUIRING ACTION:

- ☐ Budget Transfer / Amendment   ☐ Chair Letter   ☐ Contract / Agreement  
☐ Grant / Application   ☐ Notice   ☐ Ordinance   ☐ Resolution  
☐ Other:

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