

**Jacksonville City Council  
2019 Orientation**

**CITY COUNCIL RESEARCH DIVISION**

**Materials Prepared and Edited by:**

**Jeff Clements, Chief of Research**

MAY 2019

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## JACKSONVILLE CITY COUNCIL RESEARCH DIVISION

### I. RESEARCH DIVISION FUNCTIONS and DUTIES

#### A. Bill Summaries

The division produces a brief summary of most of the bills introduced for Council consideration (excluding zoning and land use-related ordinances, purely congratulatory resolutions, and quasi-judicial actions). The purpose of the bill summary is to give Council Members and the general public a quick overview of the main features and intended purposes of the legislation, distilled into one page. The summary includes the bill number, the sponsor(s), the committee(s) to which the bill is referred, the type of action the bill proposes (i.e. amendment to the Ordinance Code, appropriation of funds, approval of a contract, etc.), a brief summary of the main points of the bill, any background or related information that might help explain the bill's purpose and context, a general statement of the policy area being effected, and the fiscal impact of the bill, if known. Bill summaries are produced on the Friday of Council meeting weeks and are made available electronically via the Agendas page on the City Council web site. The direct web address to access the bill summaries is <http://cityclts.coj.net/coj/CurrentYear/Council/21-BILL-SUMMARY-REPORTS.htm>. Notice of the posting and availability of the bill summaries is disseminated via e-mail to the CITYC group.

#### B. Amendments and Substitutes Summary (“Blue Sheet”)

The division compiles a summary of the amendments and substitutes recommended by the standing committees during each committee cycle and provides them to the Legislative Services Division for distribution to the Council Members at Council meetings. The “blue sheet” (so called because it is printed on blue paper for easy identification) provides an easy reference source for all proposed amendments and substitutes for bills pending on the Council Agenda that are scheduled for action during that evening's meeting.

#### C. Research

The division provides research services to the full Council, the Council committees, and to individual Council Members, in that order of priority. Division staff attend all Council committee meetings to maintain familiarity with the pending legislation and to provide research assistance as may be requested by a committee or its members. Research may take the form of searching for historical data on City topics, surveying other jurisdictions regarding their operational practices and procedures, searching on-line ordinance code resources for ordinances in other jurisdictions, performing literature searches, and otherwise supporting the data and policy needs of the Council and its members. Research requests should be directed to the Division Chief for assignment to the appropriate staff member based on areas of expertise and distribution of workload.

#### D. Board and Commission Staffing

The division is occasionally called upon to provide the necessary staff support to appointed citizen boards and commissions created by the Council. Examples include the TRUE (Taxation, Revenue and Utilization of Expenses) Commission, the Jacksonville Waterways Commission, and the Charter Revision Commission.

Responsibilities include scheduling and posting notices for meetings, preparing agendas and supporting materials, recording meetings, producing minutes, providing research, and otherwise facilitating the work of the board or commission.

#### **E. Research Library**

The division maintains a library of books, historical data, reports, newspaper clippings, publications, and other files that document the work of the Council and preserve a record of the issues researched and legislated upon since consolidation in 1968. The library also collects and retains CDs of the PowerPoint presentations made by various parties to Council and committee meetings for future reference.

#### **F. Other Duties**

- Resolution Drafting – While most legislation considered by the Council is drafted by attorneys from the General Counsel’s Office, the Research Division may, for reasons of cost savings, draft purely congratulatory or otherwise ceremonial resolutions for Council Members. Requests for resolution should be made to the Chief of Research for assignment to a staff member based upon expertise and distribution of workload. The Research Division staff members drafting resolutions depend upon information provided by the requesting Council Member or available through public data sources (such as *Florida Times-Union* articles) to provide the subject matter for the text. Draft resolutions are returned to the requesting sponsor for review, revisions and final approval to submit the resolution for introduction. Resolutions approved for introduction are forwarded to the Office of General Counsel for final approval as to legal form and for submission to the Legislative Services Division for numbering and placement on the next available Council Agenda for first reading. The Research Division is not involved in scheduling presentations of approved resolutions to the honorees at City Council meetings; the resolution sponsor or their ECA should coordinate with the honoree and with the Legislative Services Division to reserve a mutually agreeable presentation appointment slot at a future Council meeting.
- Certificate Drafting – Council Members wishing to congratulate or honor a person, institution or event for some activity, occasion, anniversary, etc. that does not rise to the importance of meriting a full City Council resolution may request the division to draft an honorary certificate for presentation. Requests should be made to the Chief of Research for assignment to a staff member based upon expertise and distribution of workload. The certificate – printed on parchment paper with an embossed foil city seal – can be requested and signed by one or more Council Members on their own volition and presented to the honoree by the Council Member(s) in an embossed blue folder.
- Media Releases – Since the elimination of the Council’s public information officer position some years ago, the division drafts and disseminates news media releases on an as-needed basis. Requests should be made to the Chief of Research for assignment to a staff member for drafting. Draft media releases are returned to the Council Member for review and approval prior to dissemination via email to the local media outlets.

- Newspaper Clippings File – The division receives and clips city government-related articles from various newspapers, including the *Florida Times-Union*, *Jacksonville Business Journal*, *Jacksonville Free Press*, *Financial News and Daily Record*, *Folio Weekly*, *Beaches Leader*, and others. Copies of the clippings are indexed for storage and retrieval via the City's OnBase document management system at: <http://onbase.coj.net/OnBase/Login.aspx>
- Correspondence – The division does not draft Council Members' personal correspondence, but can assist Council Members and their ECA with official correspondence to the extent that assistance may be needed in understanding the subject matter of a letter from a constituent, researching an issue raised by a correspondent, or reviewing a draft letter produced by a Council Member or ECA for accuracy.
- Update *Ordinance Code* books – The division updates the *Ordinance Code* volumes in the City Council Chamber and in the Council Research library as new supplements are released by the codifier. The pages being replaced by the new supplement are scanned and saved in an archive in the Research Division to provide a permanent record of the *Ordinance Code* as it has changed through time. The archived pages can be used to recreate the text of the *Code* at a specific time in the past.

## II. BOARDS and COMMISSIONS APPOINTMENTS

The City of Jacksonville has various boards and commissions tasked to advise and/or oversee various functions and programs within the City. Most of these boards and commissions require City Council confirmation of membership appointments and several have members appointed directly by the City Council. Confirmation and direct appointment are both accomplished through Resolution of the City Council. In accordance with Council Rule 4.1101, new appointees must appear before the Rules Committee and may be interviewed at that time.

Most boards and commissions are governed by Chapters 50 and 58, *Ordinance Code*, however; some are authorized by the *Charter* or by *Florida Statute*. Generally, the boards and commissions act in an advisory capacity; however, some have more substantive powers and appointees therefore act as office holders and partially assume the authority of government officials. Because of this assumption of authority, appointees to non-advisory boards and commissions are required to take an oath of office, at the time of appointment, pursuant to Sec. 2.101, *Ordinance Code*. Members are also required to file financial disclosure through the City Office of Ethics, Compliance and Oversight and each must comply with Florida's "Government in the Sunshine" provisions.

Pursuant to Council Rule 1.201(g), the Council President is responsible for recommending to the Council persons for appointment by the Council. The exception to this rule is the Jacksonville-Duval County Council on Elder Affairs, which includes one member nominated by each of the 14 District Council Members.

Additionally, the membership of several boards and commissions includes Council Members, either in a voting or ex-officio capacity. Again, the Council President is tasked to make those appointments. The composition of a handful of boards and commissions also include Council Members appointed by the Mayor. Traditionally, the Mayor will seek the advice and counsel of the Council President before appointing Council Members to serve on boards and commissions.

Information about City Council appointment opportunities is available on the City Council webpage at <http://www.coj.net/city-council/city-council-appointments.aspx>. A listing of all City boards and commissions is online at <http://www.coj.net/departments/boards-and-commissions.aspx>.

Richard Distel, Research Assistant, is the staff member responsible for maintaining the master list of City Council appointed and/or confirmed boards and commissions. He verifies eligibility and membership requirements and drafts legislation for appointments and confirmations. Mr. Distel may be contacted at (904) 630-1497 or [RDistel@coj.net](mailto:RDistel@coj.net).

### III. EXHIBITS

#### EXHIBIT 1. Bill Summary – Naming Rights Agreement/Ordinance Code Amendment

##### CITY COUNCIL RESEARCH DIVISION LEGISLATIVE SUMMARY

**JEFFREY R. CLEMENTS**  
Chief of Research  
(904) 630-1377



117 West Duval Street  
City Hall, Suite 425  
Jacksonville, FL 32202  
FAX (904) 630-3403

**Bill Type and Number:** Ordinance 2019-95

**Introducer/Sponsor(s):** Council President at the request of the Mayor, and by Council Members Hazouri, Freeman, White and Gulliford

**Date of Introduction:** February 12, 2019

**Committee(s) of Reference:** F

**Date of Analysis:** February 14, 2019

**Type of Action:** Authorization to execute agreement; Ordinance Code amendment; designation of oversight agency

**Bill Summary:** The bill authorizes execution of a naming rights agreement between the City and VyStar Credit Union to attach the VyStar name to the Jacksonville Veterans Memorial Arena. The bill amends Ordinance Code Chapter 111 – Special Revenue and Trust Accounts – to create a Veterans Memorial Arena Trust Fund, and amends Chapter 122 – Public Property – to remove the prohibition against the arena having the name of an individual or company attached to it. The Office of Sports and Entertainment is designated as the City’s oversight agency for the naming project.

**Background Information:** VyStar Credit Union has offered to enter into a naming rights agreement to name the arena the VyStar Veterans Memorial Arena for a period of 15 years in return for an annual license fee payment of \$525,000 (total of \$15 million over 15 years). VyStar also agrees to provide matching funds of up to \$50,000 each year to match donated funds collected at the arena’s concession stands to benefit veterans’ causes, to contribute up to \$80,000 per year to support quarterly veterans events at the arena, and to provide a one-time \$50,000 contribution for a new veterans’ memorial element inside the arena or on the arena grounds. The newly created Veterans Memorial Arena Trust Fund will receive 10% of the City’s annual naming rights revenue from VyStar along with any private gifts or other donated funds which will provide for periodic funding to support veterans’ programs and initiatives under guidelines and procedures to be promulgated by the Mayor via executive order. A fund committee, also created by executive order, will administer the fund in accordance with the guidelines.

**Policy Impact Area:** Arena naming rights; funding for veterans’ services and initiatives

**Fiscal Impact:** The City will receive \$525,000 per year in naming rights revenues, of which 10% will be allocated to the Veterans Memorial Arena Trust Fund for veterans’ services programs. VyStar will also provide matching funds of up to \$50,000 each year to match donated funds collected at the arena’s concession stands to benefit veterans’ causes, will contribute up to \$80,000 per year to support quarterly veterans events at the arena, and will provide a one-time \$50,000 contribution for a new veterans’ memorial element inside the arena or on the arena grounds.

**Analyst:** Clements

## EXHIBIT 2. Bill Summary – Polling Location Change

### CITY COUNCIL RESEARCH DIVISION LEGISLATIVE SUMMARY



**JEFFREY R. CLEMENTS**  
Chief of Research  
(904) 630-1377

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Jacksonville, FL 32202  
FAX (904) 630-3403

**Bill Type and Number:** Ordinance 2007-326

**Sponsor:** Council President at the request of the Supervisor of Elections

**Date of Introduction:** March 27, 2007

**Committee(s) of Reference:** R

**Date of Analysis:** March 30, 2007

**Type of Action:** Change of polling locations

**Bill Summary:** The bill approves a change in polling locations for 6 precincts as follows:

| <u>Precinct</u> | <u>From</u>   | <u>To</u>  |
|-----------------|---|--|
| 02R             | FCCJ South – Wilson Center<br>11901 Beach Blvd.                                   | New Covenant Ministries<br>2361 Cortez Road                |
| 03C             | FCCJ South – Wilson Center<br>11901 Beach Blvd.                                   | Beachwood Civic Center<br>11758 Marina Drive               |
| 03N             | Timberwood Trace Apts.<br>12250 Atlantic Blvd.                                    | JEA Ridenour Water Treatment Plant<br>1500 Kernan Blvd. N. |
| 04V             | Hilton Garden Inn<br>9745 Gate Parkway N.   | To be determined   |
| 13V             | Carver Community Center<br>738 4 <sup>th</sup> Avenue South<br>Jacksonville Beach | Pablo Hamlet<br>1600 Shetter Avenue<br>Jacksonville Beach  |
| 14L             | Fire Station #14<br>4242 Herschel Street  | St. Johns Presbyterian Church<br>4275 Herschel Street      |

**NOTE:** Location for relocated precinct 04V yet to be determined – will need amendment in committee.

**Background Information:** The Council, in its capacity as a county commission, is required to approve changes in polling locations within the county. These changes will be effective for the City general election in May.

**Policy Impact Area:** Election operations

**Fiscal Impact:** Minimal

**Analyst:** Clements

**EXHIBIT 3. Research – Boater Safety**  
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**OFFICE OF CITY COUNCIL  
RESEARCH DIVISION**

JEFFREY R. CLEMENTS  
CHIEF OF RESEARCH  
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SUITE 425, CITY HALL  
117 W. DUVAL STREET  
JACKSONVILLE, FLORIDA 32202

**MEMORANDUM:**

**DATE:** August 5, 2002  
**TO:** The Jacksonville Waterways Commission  
The Honorable Lake Ray, Chairman  
**THROUGH:** Jeff Clements, Chief of Research *J*  
**FROM:** John J. Jackson, Research Assistant *JJJ*  
**RE:** Boater Safety

Pursuant to the Chairman's directive, I have compiled the data on marine units in various counties and have included the number of vessels (recreational and total) registered in 2001.

| <u>COUNTY</u> | <u>Marine Unit</u>   | <u>Recreational Vessels/Total</u> |
|---------------|--|-----------------------------------|
| Broward       | 13 primary boats, 6 inflatables<br>1 sergeant, 9 deputies  | 45,603 47,984                     |
| Clay          | 3 patrol boats, 1 dive boat,<br>1 special boat (from Navy)<br>1 full-time officer, 2 part-time,<br>5 or 6 auxiliary officers | 11,481 11,710                     |
| Collier       | 1 patrol boat per officer,   | 21,485 22,495                     |

### EXHIBIT 3. Research – Boater Safety

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|              |   |        |        |
|--------------|---|--------|--------|
|              | Air boat, jet skis, John boat<br>7 officers   |        |        |
| Duval        | 2 boats<br>3 officers   | 32,897 | 33,763 |
| Hillsborough | 12 vessels (4 of which are jet skis)<br>13 officers   | 44,449 | 45,853 |
| Lee          | 9 boats<br>4 full-time officers   | 41,918 | 43,652 |
| Miami-Dade   | 8 boats<br>14 officers  | 54,991 | 57,848 |
| Orange       | 18 vessels (ski jets, patrol boats.<br>3 air boats; John boat, Zodiac<br>Inflatables, power boat, pontoon boat<br>Five full-time officers | 33,886 | 34,647 |
| Palm Beach   | four 31 ft boats, 1 rigid hull;<br>3 flat boats; 2 wave runners<br>1 sergeant & 13 officers.  | 40,700 | 42,292 |
| Seminole     | 3 boats, 2 air boats<br>1 sergeant & 2 range & water<br>deputies  | 18,561 | 18,984 |

**EXHIBIT 4. Research – “Percent for the Arts” Funding**  
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**JACKSONVILLE CITY COUNCIL  
RESEARCH DIVISION**

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SUITE 425, CITY HALL  
117 W. DUVAL STREET  
JACKSONVILLE FL 32202

**MEMORANDUM**

**TO:** Council Member Elaine Brown  
**FR:** Jeff Clements, Chief of Research  
**RE:** Percent for the Arts programs  
**DATE:** January 29, 2007

Per your request I have researched the “percent for the arts” ordinances and programs in a number of jurisdictions, looking particularly for any that may include requirements for public art contributions by private developers. I have located the following information:

Public art required of private developments

- Vancouver, B.C.: the city requires that any private sector developments requiring rezoning for construction of greater than 161,463 sq. ft. (15,000 sq. meters) are required to choose one of three options to fulfill the city’s public art requirement of expenditure of \$0.95 p.s.f.: a) the developer may commission a juried public art process via the city’s Public Art Committee; b) the developer may pay 100% of the assessment to the city’s Public Art Reserve fund; or c) the developer may use 60% of the assessment for on-site art and pay the remaining 40% to the Public Art Reserve.
- Coral Springs, FL: the city requires that all development, redevelopment or conversion greater than 12,500 sq. ft. in non-residential districts, mixed use districts, or multi-family districts greater than 1 acre shall participate in the Public Art Program. Owners may either purchase on-site artwork or make a contribution to the city’s Public Art Fund at one of the following rates:
  - New construction: \$0.41 p.s.f. to the Public Art Fund or \$0.51 p.s.f. for on-site art;
  - Remodeling or conversion: \$0.20 p.s.f. to the Public Art Fund or \$0.25 p.s.f. for on-site artwork.
- Brea, CA: requires that developments costing over \$1.5 million must provide 1% of their total value in outdoor sculpture for public display. Artwork is selected, funded, owned and maintained by the private developer.
- Tampa, FL: developers pulling city building permits for commercial structures are encouraged to commit 1% of construction or reconstruction costs (up to \$200,000) to the provision of on-site artwork or to donate an equal amount to the city’s public art program; each building permit issued

## EXHIBIT 4. Research – “Percent for the Arts” Funding

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by the city shall note the developer/owner’s participation or lack thereof in the public art program; any building permit issued for construction or reconstruction of a commercial structure shall be reported to the city’s public art committee.

### Percent for the Arts in public construction

- Austin, TX: appropriates 2% of the cost of public construction projects valued over \$100,000 for public art, including buildings, parking facilities, parks and parkland, street improvements (other than repair or reconstruction), streetscapes, bridges or water or wastewater treatment facilities (capped at \$300,000 for public art).
- Seattle, WA: allocates 1% of the cost of construction projects paid for in whole or in part by the city for public art, including construction or remodeling of any building, structure, park, utility, street, sidewalk, or parking facility. A court case limited the requirement that the city’s utility make a public arts contribution using ratepayer’s funds.
- Broward County, FL: allocates 2% of the total new construction budget for Broward County government facilities for commissioned artwork.
- St. Petersburg, FL: allocates 1% of the first \$2.5 million and 0.5% of the next \$5 million of the cost of public works projects costing over \$300,000 to public art acquisition; eligible projects include construction, rehabilitation, renovation, remodeling or improvement any facility, which shall include but not be limited to any building, structure, park or parking facility, or any portion thereof, within the limits of the City. It shall not include street, alley, sidewalk or sewer projects conceived and executed as projects independent of any other projects which may qualify as a public works project. It does not include any stormwater management projects or any portion of a water or storm sewer project that is built below ground level.
- Volusia County, FL: allocates 0.5% of the total new construction budget for county buildings for commissioned artwork.
- Albuquerque, NM: allocates 1% of capital projects budgets funded via general obligation bond to public art; allocates 1% of revenue bonds for construction to public art if such art allocation is included in the bond authorization ordinance.
- Delray Beach, FL: allocates 1.5% of the cost of capital improvements (excluding underground utilities) for incorporation of public art into the project; the same 1.5% allocation is made from projects under \$200,000 into a pool for the creation of art projects independent of specific projects.
- Orlando, FL: allocates 1% of the first \$50 million of the cost of capital projects for public art, including building construction and remodeling, decorative or commemorative structures, parks, parking facilities or beautification projects.
- Portland, OR: allocates 2% of the cost of construction, rehabilitation, remodeling, improvement or purchase for public use of any building, structure, park, public utility, street, sidewalk or parking facility to public art; improvement projects that are developed privately and leased back to the city are subject to the public art assessment.
- Houston, TX: allocates 1.75% of the cost of capital improvements for civic art.
- Chicago, IL: allocates 1.33% of the cost of construction or renovation of public buildings and of outdoor site improvements on sites designated as eligible for public art by the Public Art Committee for public art installation.

I hope this provides you with sufficient information about the range of “percent for the arts” programs that exist. If you have any questions or need additional information, please feel free to call on me.

JRC

**EXHIBIT 5. Research – Short Term Rental Regulatory Ordinances**

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**SHORT TERM RENTAL REGULATORY ORDINANCES**

|  |   |
|--|---|
| <p>Categories of short term rentals</p>                        | <p><b>Asheville</b> – Homestay, Bed and Breakfast Inn, Short-Term Vacation Rental<br/> <b>Savannah</b> – Short Term Vacation Rental<br/> <b>Denver</b> – Short Term Rental<br/> <b>Orlando</b> – Owner Occupied Home Sharing<br/> <b>New Orleans</b> – Accessory Short Term Rental, Temporary Short Term Rental, Commercial Short Term Rental<br/> <b>Fairfax County VA</b> – Short Term Lodging (STL), Bed and Breakfast<br/> <b>Charleston</b> – Short Term Rental (STR) – Residential; STR – Commercial; Bed and Breakfast</p>   |
| <p>Is a business license required? If so, what is the fee?</p> | <p><b>Asheville</b> – homestay permit required, \$208 zoning application and technology fee required; annual renewal required<br/> <b>Savannah</b> – business tax certificate required; annual renewal required; \$300 fee for initial STR certificate application, \$150 annual renewal fee<br/> <b>Denver</b> – business license, lodger’s tax license and occupational privilege tax required; business license fee for STRs is \$25/year; lodger’s license application fee is \$50 every 2 years, lodger’s tax is 10.75% of rental fee; occupational privilege tax (due if an owner generates more than \$500 per month in revenue from operation of a business) is \$4 per month.<br/> <b>Orlando</b> – home sharing registration required, \$275 first year, \$100 annually thereafter if owner-occupied, \$125 if non-owner-occupied<br/> <b>New Orleans</b> – STR license required; Accessory STR - \$200/year; Temporary STR - \$50/year for homesteaded property, \$150 for non-homesteaded; Commercial STR - \$500/year<br/> <b>Fairfax County VA</b> – STL permit required, \$200 application fee, expires after 2 years. If gross receipts exceed \$10,000 per calendar year, a Business Professional and Occupational License (BPOL) is required.<br/> <b>Charleston</b> – STR permit and business license required, renewable annually. Business license fee - \$64 base fee plus \$3.90 per additional \$1,000 of expected income. Zoning and application review fee - \$200.</p> |
| <p>Is owner required to be present during the rental?</p>      | <p><b>Asheville</b> – A homestay operation must be managed by a full-time resident of the property for whom that is their primary residence; must be present throughout a lodger’s stay except during normal activities such as going to work or school, shopping, etc. (may not be out of town, on vacation, etc.)<br/> <b>Denver</b> – no, but host must leave the renter a welcome packet that includes contact information and instructions on city services<br/> <b>Orlando</b> – yes, must be the host’s primary residence and host must be present during rental<br/> <b>New Orleans</b> – Accessory Short Term Rental must be the host’s primary residence and host must be present during rental; Temporary Short Term Rental – owner not required to be present; Commercial Short Term Rental - owner not required to be present<br/> <b>Fairfax County VA</b> – an STL operator must be a permanent resident of the property hosting the STL, either as owner or a tenant with the written permission of the owner to operate the property as an STL.<br/> <b>Charleston</b> - While the host does not have to be present for the complete duration of their guests’ stay, they must be “generally available” and sleep overnight at the property whenever it is being rented.</p>   |

## EXHIBIT 5. Research – Short Term Rental Regulatory Ordinances

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|  |   |
|--|---|
| <p>Is designation of a local property representative required?</p>           | <p><b>Savannah</b> – yes, with 24 hour contact information<br/> <b>Denver</b> – no<br/> <b>New Orleans</b> – yes for Temporary Short Term Rentals; all STR applications require name and physical address of a natural person in Orleans Parish upon whom service of notices may be made.<br/> <b>Fairfax County VA</b> - yes</p>   |
| <p>Limits on maximum occupancy?</p>  | <p><b>Asheville</b> – limit by number of rooms rented (homestay – 2 guest rooms, short term rental – 6 guest rooms), not number of persons<br/> <b>Savannah</b> – the number of occupants shall not exceed 4 adults in dwellings with up to 2 bedrooms or more than 2 adults per bedroom in homes with 3 or more bedrooms<br/> <b>Denver</b> – no specific limit on number of guests, but since STRs are an accessory to primary residential use, the overall character of the property must remain residential; only one rental contract may be in effect at a time in any STR (multiple contracts with separate parties prohibited)<br/> <b>Orlando</b> – maximum 2 people per room, no more than 4 non-family members in an STR at one time; only one rental contract permitted at a time<br/> <b>New Orleans</b> – Accessory Short Term Rental - limited to 3 bedrooms (excluding the owner’s bedroom) and 6 guests maximum; Temporary Short Term Rental – limited to 2 guests per bedroom or a total of 10 guests, whichever is less; Commercial Short Term Rental – limited to 5 bedrooms and 10 guests<br/> <b>Fairfax County VA</b> – maximum 6 adults per night, with no limit on number of children associated with those adults<br/> <b>Charleston</b> – maximum of 4 adults</p> |
| <p>Are there restrictions on use (i.e. no weddings, receptions, events)?</p> | <p><b>Asheville</b> – no activities other than lodging may be provided<br/> <b>Denver</b> – residential use only; commercial events such as parties or weddings are prohibited<br/> <b>New Orleans</b> – use for commercial or social events prohibited; STRs cannot interfere with the residential character of neighborhoods by generating noise, glare, odors or other conditions that unreasonably interfere with any person’s enjoyment of their residence<br/> <b>Fairfax County VA</b> - events and commercial activities such as weddings, luncheons, banquets, parties, wedding, meetings, fund raising, or advertising activities and any other gathering of persons other than authorized lodgers, whether for direct or indirect compensation are prohibited in association with any STL operation</p>  |
| <p>Parking requirements?</p>   | <p><b>Asheville</b> – no additional off-street parking is required for a homestay<br/> <b>Savannah</b> – STRs with 4 or more bedrooms require a parking plan be submitted to the city<br/> <b>Fairfax County VA</b> – application to operate a STL must include identification of the location of one designated parking space available for lodgers, which the Operator has the authority to reserve for STL purposes.<br/> <b>Charleston</b> - property must contain a third parking space for the additional STR use in addition to the 2 required for each residential unit. If the property contains multiple Dwelling Units, each must have adequate legal parking in addition to the one required STR space.</p>   |

## EXHIBIT 5. Research – Short Term Rental Regulatory Ordinances

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|   |  |
|---|--|
| <p>Limitations on signage?</p>                                      | <p><b>Asheville</b> – no signage allowed for homestays<br/> <b>Denver</b> – only 1 non-animated, non-illuminated sign is allowed on the property identifying it as a STR<br/> <b>New Orleans</b> – city-issued STR placard must be prominently displayed on the front façade of the building clearly visible from the street during all periods of occupancy, no other signage is permitted.<br/> <b>Charleston</b> – signage prohibited</p>   |
| <p>Insurance requirements</p>                                       | <p><b>Asheville</b> – homestay operator must maintain liability insurance on the property which covers the homestay use and homestay guests<br/> <b>Savannah</b> – insurance required that acknowledges that the premises are used as an STR<br/> <b>Denver</b> – liability insurance to cover bodily and property damage required in an amount not less than \$1 million, or use of hosting platform insurance of at least that amount<br/> <b>New Orleans</b> – liability insurance of \$500,000 or more required<br/> <b>Charleston</b> – general liability insurance in an amount of \$1 million or more per occurrence required</p>   |
| <p>Required annual inspections (fire marshal, property safety)?</p> | <p><b>Asheville</b> – annual city inspection required for compliance with the homestay ordinance; homestay area of the structure must comply with all current and applicable building codes.<br/> <b>Savannah</b> – city permits/inspections required for any building improvement required for initial STR applications; premises must be inspected by the owner on a regular basis to ensure compliance with all applicable zoning, building, health and life safety codes.<br/> <b>Denver</b> – owner must certify that their STR has fire extinguisher, carbon monoxide detector, smoke alarm, and liability insurance to cover bodily and property damage.<br/> <b>New Orleans</b> – owner must certify that the property has working smoke detectors in every bedroom, outside of sleeping area, and on all floors and a properly working, charged fire extinguisher; emergency contact information and fire exits and escape routes must be posted prominently; property must be in compliance with city’s minimum property maintenance, building, electrical, mechanical and plumbing codes.<br/> <b>Fairfax County VA</b> - inspections are not required prior to issuance of the permit. However, the home used for STL must be open, upon request, for inspection by County personnel during reasonable hours. STR operators are responsible to ensure that any areas used for STL provides the following minimum life safety features: a working multi-purpose fire extinguisher, interconnected smoke detectors, carbon monoxide detectors (when required for a fireplace or gas service), and a plan posted inside the door of each sleeping room showing the exit pathway from the sleeping room used for STL to the nearest exit from the dwelling or mobile home.<br/> <b>Charleston</b> – Initial fire inspection and plan review - \$40 base inspection fee, \$32.21 plan review fee, plus \$32.61 per number of floors in the unit being inspected. On an annual basis the zoning administrator shall determine whether each STR use permitted under this section remains in compliance with all the terms of this chapter, and shall initiate such enforcement procedures as may be appropriate. All operators of STR uses permitted under this Section shall cooperate fully with the zoning administrator and his designees, including, but not limited to, providing pertinent information upon request and affording access to that portion of the property which is used for the STR use for reasonable site inspections</p> |

## EXHIBIT 5. Research – Short Term Rental Regulatory Ordinances

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| <p>Process for revocation of permit/ license?</p>   | <p><b>Savannah</b> – if a property owner has accumulated 3 code violations for a particular property within 12 consecutive months, the city shall revoke any pending certificates and reject all applications for the subject premises for a period of 12 consecutive months. If a property owner has been cited and found to be in violation of any zoning, building, health or life safety code provision, the owner must demonstrate compliance with the applicable code prior to being eligible to receive an STR certificate. Citations for violations may be heard by a short-term vacation rental staff board (full-time city employees appointed by the city manager and representing revenue, zoning, tourism and the police department), or by the county Recorder’s Court. Appeals may be made to the City Manager. STR certificates automatically expire after 1 year if not timely renewed.</p> <p><b>Denver</b> - The Director of Excise and Licenses may enter a summary suspension order for the immediate suspension of any STR license pending further investigation through a show-cause hearing which could lead to revocation of the STR license.</p> <p><b>Orlando</b> – violation of any standards, requirements, conditions, code or law will result in revocation of the required registration for home sharing</p> <p><b>Fairfax County VA</b> - STR Permit may be revoked by the Zoning Administrator for failure to comply with the new STL regulations.</p> <p><b>Charleston</b> – A violation of the chapter is a misdemeanor punishable by a fine and/or incarceration. Each day of violation constitutes a separate offense. Any violation of the chapter entitles the zoning administrator to revoke the STR or Bed and Breakfast permit</p>  |
| <p>Zoning limitations on areas where they are allowed? (single-family, multi-family, commercial areas)?</p> | <p><b>Asheville</b> – Short term rentals (not homestays) are not a permitted use by right in any zoning district except resort districts; conditional zoning permission is required. Homestays are permitted in residential zoning categories.</p> <p><b>Savannah</b> – STRs permitted in the Historic District in RIP, RIP-A, RIP –A-1, RIP-B, RIP-B-1, RIP-C, RIP-D and R-D; in business and industrial zones, STRs are permitted in B-H, B-C, BC-1, B-B, R-B-C and RB-C-1 zones; in the Victorian District STRs are permitted in the Victorian District and Mid-City District.</p> <p><b>Denver</b> – STRs allowed as an accessory use to a primary residence wherever residences are allowed (residential and some mixed-use commercial districts); private homeowner associations may prohibit STRs; non-primary residence rentals are categorized as Lodging Facilities and require a Zone Use Permit based on the zoning category</p> <p><b>Orlando</b> – residential zoning required; the home-sharing portion of the residence must be designated as an accessory use; if located in a neighborhood with an HOA, permission from the HOA must be provided at time of registration</p> <p><b>New Orleans</b> – STRs prohibited in the French Quarter; Accessory STRs permitted in almost all districts. New Orleans City Council passed an ordinance in May 2018 prohibiting issuance of new and renewal Temporary License applications in this district, as well as issuance of new Commercial STR licenses for STR use on the first floor of a multi-story building that can or may contain residential uses on subsequent floors.</p> <p><b>Fairfax County VA</b> – STRs permitted as an accessory use in all zoning district that permit residential uses, and in all types of dwellings i.e. single-family homes, townhouses, condos, mobile homes and apartments.</p> <p><b>Charleston</b> – zone-specific criteria apply in Category 1 (Old and Historic.</p> |

## EXHIBIT 5. Research – Short Term Rental Regulatory Ordinances

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|   | District – must be individually listed on the National Register of Historic Plaes), Category 2 (outside existing STR Overlay/Old and Historic District on peninsula – must be over 50 years old), Category 3 (non-peninsula area), or the Short Term Rental Overlay (allowed as a conditional use on commercially zoned properties).  |
| Physical limitations on the structure (#bedrooms required, whole house vs. room for rent, min. sq. footage)?                              | <p><b>Asheville:</b> homestay - maximum of 2 bedrooms may be rented; short-term rental – maximum of 6 guest rooms may be rented; exterior lighting shall be residential in nature and comply with the lighting requirements of the Unified Development Ordinance; homestay area may not have a kitchen (cooking facilities, refrigerator over 5 cu. ft., large sink)</p> <p><b>Orlando</b> – the rental portion of the residence must be designated as an accessory use space, and the rental space must be 50 percent or less of the whole property (for example, only one bedroom in a three-bedroom house or two bedrooms in a four-bedroom house may be listed); whole-house rentals prohibited; half of a duplex may be rented if the owner resides in the other half and if the STR half is of equal or lesser size and located on the same development site</p> <p><b>New Orleans</b> – STRs are not permitted outdoors, in an accessory structure (i.e. shed, garage, etc.), or in a recreational vehicle; STR shall appear outwardly as a residence; STR use limited to 3 bedrooms.</p> <p><b>Fairfax County VA</b> - STRs are prohibited in detached accessory structures, accessory dwelling units, temporary family health care structures, affordable dwelling units or workforce dwelling units. Basements and/or any other non-traditional space converted to sleeping room(s) in association with the STL use must comply with the most current building code requirements, including but not limited to providing a second means of egress such as an emergency egress window.</p> |
| Approval from neighbors?  | <p><b>Savannah</b> – all of-record property owners adjacent to a proposed STR shall be notified of the use prior to issuance of an STR certificate.</p> <p><b>New Orleans</b> – as part of the application process, an STR applicant must confirm that he/she has made best efforts to notify immediate neighbors of the application for an STR license</p> <p><b>Charleston</b> – when an application is filed for an STR permit, the zoning administrator shall cause notice to be posted on the property upon which the proposed STR use is to be located for fifteen (15) consecutive calendar days, advising that the Resident-owner of the property has applied for a zoning permit to establish a STR use at the location and supplying a phone number to call for further information.</p>  |
| Limits on number of permits issued (either a cap on the total number within the jurisdiction, or cap on number issued to any one person)? | <p><b>Asheville</b> – since the homestay must be the operator’s primary residence, permits limited to 1 per person at any given time</p> <p><b>Savannah</b> – STRs subject to a cap per city ward as established in the zoning code</p> <p><b>Charleston</b> - since the STR must be the operator’s primary residence, permits limited to 1 per person at any given time</p>  |

## EXHIBIT 5. Research – Short Term Rental Regulatory Ordinances

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| <p>Responsibility for collecting taxes?</p>          | <p><b>Savannah</b> – STR owners are subject to all applicable state and local taxes and are liable for the payment thereof.<br/> <b>Denver</b> – STR owners are responsible for collecting all taxes due (Airbnb remits lodger’s taxes for rentals booked on its platform)<br/> <b>Orlando</b> – STR owners are responsible for collecting and remitting taxes (Airbnb remits taxes for rentals booked on its platform)<br/> <b>Fairfax County VA</b> – owner is responsible for collecting and remitting Transient Occupancy Tax.<br/> <b>Charleston</b> - The resident owner shall comply with all business license and revenue collection laws of the City of Charleston, Berkeley County or Charleston County, whichever is applicable, and State of South Carolina.</p>   |
| <p>Enforcement for failure to collect taxes?</p>     | <p><b>Savannah</b> – The city may seek payment of all applicable taxes to the extent provided by law, including injunctive relief.</p>   |
| <p>Amount for civil penalties?</p>                   | <p><b>Asheville</b> - \$500 per day<br/> <b>Savannah</b> - \$500 first violation, \$750 second violation within 12 months, \$1,000 third violation within 12 months<br/> <b>Denver</b> – up to \$999 per violation of STR regulations</p>  |
| <p>Limitations on sexual offenders or predators?</p> | <p><b>Miami Beach</b> - The responsible party is required to obtain confirmation of a nationwide search from the Miami-Dade County Police Department or other law enforcement agency that the prospective transient occupant is not a registered sexual offender or sexual predator as a result of a conviction of a sexual offense, as defined in <a href="#">Section 21-280</a>. If the vacation rental property is within 2,500 feet of a school, pursuant to <a href="#">Section 21-281</a> it is a violation of this section for a sexual offender or sexual predator to occupy the property for a period of 4 or more days in any month.<br/> The responsible party may call the Miami-Dade County Answer Center (311) to obtain assistance or referrals to determine whether a prospective transient occupant is a sexual offender or predator and to determine whether a residence is 2,500 feet from a particular school. If the vacation rental property is within 2,500 feet of a school, it will be a violation to allow any person to occupy the property with knowledge that such person is a registered sexual offender or registered sexual predator in any jurisdiction.<br/> <b>Miami-Dade County</b> – Same as Miami Beach<br/> <b>Fort Lauderdale</b> - It is unlawful for any property owner or designated representative to allow another person to occupy any residential property as a Vacation Rental within the City of Fort Lauderdale, as a Transient Occupant if such property owner or designated representative knew or should have known that the vacation rental will be occupied by a person prohibited from establishing a permanent residence or temporary residence at said residential property pursuant to Section 16-127 of the Code of Ordinances, if such place, structure, or part thereof, trailer or other conveyance, is located within one thousand four hundred (1,400) feet of any school, designated public school bus stop, child day care facility, park or playground or other place where children regularly congregate as described in Article VI, Chapter 16 of the Code of Ordinances. Property owner or designated representative shall determine prior to submission of an application for a Certificate of Compliance, whether the Vacation Rental property is located in an area in which it is unlawful for sexual offenders or predators to establish residence pursuant to section 16-127.</p> |

## EXHIBIT 5. Research – Short Term Rental Regulatory Ordinances

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| Regulations for properties with swimming pools? | <p><b>Miami Beach</b> - If there is a swimming pool onsite, the responsible party must ensure that the swimming pool has in place at least one of the pool safety features listed in Section 515.27, Florida Statutes, (i.e., pool safety barrier, pool safety cover, pool alarm, or door latch/alarm) prior to use of the property as a vacation rental by any person under the age of six. This provision shall not apply to a vacation rental with a community swimming pool onsite, such as in a condominium, as determined by the Director. Compliance with this provision shall be in addition to compliance with Section 33-12 of this code pertaining to swimming pool fences.</p> <p><b>Miami-Dade County</b> – same as Miami Beach</p> |
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**EXHIBIT 6. Draft Congratulatory Resolution**  
Page 1 of 2

1 Introduced by Council Members Corrigan, Alvarez, Brown, Clark,  
2 Copeland, Daniels, Davis, Fullwood, Fussell, Graham, Hyde, Jenkins,  
3 Johnson, Jones, Lockett-Felder, Ray, Self, Shad and Yates:

4  
5  
6 **RESOLUTION 2006-1338**

7 A RESOLUTION COMMENDING AND THANKING VYSTAR  
8 CREDIT UNION FOR ESTABLISHING ITS "PAY AND  
9 SAVE LOAN" PROGRAM; PROVIDING AN EFFECTIVE  
10 DATE.

11  
12 **WHEREAS**, earlier this year the City Council, recognizing the  
13 detrimental effect that short-term, high-interest "payday loans"  
14 may have on the financial condition of borrowers, enacted an  
15 ordinance to strongly regulate such lending practices, particularly  
16 when targeted at our city's military community; and

17 **WHEREAS**, VyStar Credit Union, in response to the needs of the  
18 marketplace and the requests of its members, has developed a new  
19 "Pay and Save Loan" program to provide a new short-term, affordable  
20 lending option for its members who may be in need of resources to  
21 meet emergency needs; and

22 **WHEREAS**, the program aims to achieve two purposes - short-term  
23 access to funds and the promotion of financial planning and saving  
24 - by combining an affordable loan program with a mandatory savings  
25 component and free access to financial counseling services; and

26 **WHEREAS**, the Pay and Save Loan program is a valuable addition  
27 to the range of financial services available to the Jacksonville  
28 community, and should be of great assistance to its users in  
29 meeting their short-term financial needs while avoiding the deeper  
30 financial troubles that can sometimes result from sub-prime  
31 borrowing; and

**EXHIBIT 6. Draft Congratulatory Resolution**  
Page 2 of 2

1           **WHEREAS,** VyStar Credit Union should be commended for  
2 developing this new product to meet a particular need of its  
3 customers; now therefore

4           **BE IT RESOLVED** by the Council of the City of Jacksonville:

5           **Section 1.** That the City hereby commends and thanks  
6 VyStar Credit Union for establishing its "Pay and Save Loan"  
7 program as an affordable and accessible alternative to high-cost  
8 payday loans, and especially commends the savings and financial  
9 counseling aspects of the program which should prove invaluable to  
10 the members who avail themselves of the service.

11           **Section 2. Effective Date.** This Resolution shall become  
12 effective upon signature by the Mayor or upon becoming effective  
13 without the Mayor's signature.

14  
15 Form Approved:

16  
17           /s/ Margaret M. Sidman          

18 Office of General Counsel

19 Legislation Prepared By: Jeff Clements, City Council Research

20 G:\shared\LEGIS.CC\2006\res\VyStar Pay and Save Loan res.doc

**EXHIBIT 7. Research – Property Tax Reform Issues in Florida**  
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**PROPERTY TAX REFORM ISSUES IN FLORIDA**

**Jacksonville City Council  
Research Division**

**May 2007**

**Jeff Clements  
Chief of Research**

## **EXHIBIT 7. Research – Property Tax Reform Issues in Florida**

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### **Property Tax Reform in Florida**

#### **Introduction**

The issue of property tax reform has been gaining strength in recent years in Florida because of a confluence of several circumstances, including some unintended consequences from the implementation in 1995 of the 1992 Save Our Homes constitutional amendment. That amendment limited the amount by which ad valorem property taxes could be raised on homestead residences each year to the lesser of 3% or the increase in the inflation rate. This provision, while collectively saving the owners of homesteaded properties over \$400 billion in property taxes (according to Florida Tax Watch, utilizing state data), has also had the effect of shifting most of those taxes to the owners of non-homestead residential, commercial and industrial properties.

Because the amendment provides that a homesteaded property returns to being taxed at its full assessed value when the property changes ownership, the amendment has also had the effect of making some homeowners feel “locked in” to living in their current residence because of the tax implications of moving to another residence and paying a full tax load on that new home while giving up the accumulated Save Our Homes savings on their previous home. Depending on the length of time an owner has been in a homesteaded residence and the accumulated value of the discount, that owner might be facing the prospect of a substantially higher tax bill even if they moved to a smaller residence. Some would argue that the root cause of all these issues is the rapid inflation of property values in Florida over the past decade, which led to the increasing tax assessments and rapidly rising property tax bills that generated the push for the Save Our Homes amendment in the first place. Florida Tax Watch reported that taxable values in Florida increased by 25% from 2005 to 2006 alone.

#### **Property Tax Reform Committee**

In June 2006, Governor Jeb Bush, by executive order, created a Property Tax Reform Committee to study the issues associated with property tax reform and to help inform the public debate on the issue, utilizing input from a wide variety of Florida citizens, businesses and institutions. No one from the Northeast Florida area served on the committee. The committee was to make reports in December 2006, March 2007 and a final report in December 2007 to the Governor, Legislature, and the upcoming Taxation and Budget Reform Commission that will be created in 2007 to study budget and taxation issues and, if necessary, to propose amendments to the State Constitution in time for the voters to consider at the 2008 general election. The Property Tax Reform Committee issued its first report in December 2006, after which newly-elected Governor Charlie Crist, wanting to pursue one of his campaign platform priorities in an expeditious manner, disbanded the committee in favor of appointing members to the Taxation and Budget Reform Commission and charging them to continue on with the original committee’s work.

The Property Tax Reform Committee in its first and only report identified 6 fundamental issues, made 3 basic recommendations, and identified 13 specific topics which it intended to study and evaluate in detail before it was disbanded.

#### **Fundamental issues:**

- Affordability – property taxes are no longer affordable for many taxpayers.
- The “lock-in” effect – long-time permanent resident homeowners are finding it difficult or cost prohibitive to move to another home within Florida.
- Equity – Florida’s property tax system creates and sustains significant inequities among taxpayers.

## EXHIBIT 7. Research – Property Tax Reform Issues in Florida

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- Agricultural classification – the agricultural use classification is, in some cases, being misused to avoid higher taxes on soon-to-be developed land.
- Value adjustment boards – several areas of improvement have been identified by the Florida Auditor General.
- Homestead exemption – loss of homestead exemption under select circumstances may not be desirable public policy.

### Recommendations

- Any recommendations to improve property taxation in Florida should be founded on a comprehensive approach, with an emphasis on simplifying the system for all taxpayers.
- The Property Tax Reform Committee should continue to meet and formulate recommendations as contemplated in Executive Order Number 06-141.
- The Property Tax Reform Committee concurs with the suggestions offered by the Auditor General in his performance audit of the Value Adjustment Board process (Report #2006-007), except for the possible creation of an appeals process at the regional or state level.

### Topics for further study and evaluation

- Assess business property based on current use only, instead of “highest and best use” value.
- Cap tax revenue growth for individual local governments.
- Cap tax growth for individual properties.
- Full or partial replacement of the property tax with other forms of taxation.
- Assess properties using a moving average value of several years’ assessments instead of using just the current year’s value.
- Simplify the “Truth In Millage” (TRIM) notice to be more easily understood by taxpayers.
- Increase the homestead exemption.
- Save Our Homes portability.
- Phase-out of the Save Our Homes tax preference.
- Partial-year assessment of improvements to real property.
- Agricultural use classification improvements.
- Protecting homestead-related tax benefits when property is taken through the use of governmental powers of eminent domain.
- Protecting homestead-related tax benefits during frequent relocations required by military service.

### Florida Tax Watch report: *Controlling Escalating Property Taxation and Local Government Spending and Revenue*

Also in December 2006, Florida Tax Watch, a private, non-profit, non-partisan research institute acting as a “watchdog” over state and local government taxation, expenditures, public policy and programs in Florida, issued a report outlining its view that “Florida’s property tax system is in crisis, with skyrocketing levies accompanied by explosive local government spending that is exceeding the taxpayers’ ability to pay.” (Florida Tax Watch news release, December 15, 2006)

The report identified a number of issues and trends and made several recommendations for action to resolve the problems the organization attributes to those issues and trends.

## EXHIBIT 7. Research – Property Tax Reform Issues in Florida

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### Issues and trends

- Failure of TRIM process to restrain tax revenue growth – rapidly escalating property values allow local governments and school districts to realize significant increases in tax revenue without increasing, or even slightly reducing, millage rates.
- Other local revenues are also growing rapidly – virtually all local revenue sources, including special assessments and impact fees, are increasing substantially.
- Profligate revenue/spending practices are commonplace – spending is growing because local officials cannot resist spending from swollen revenue bases.
- Responsible controls on local government spending are critical.
- Save Our Homes has been a tax shift – millage rates are higher than they would be without SOH, and a large part of the burden has been shifted to rental residential, commercial and industrial property owners.
- Save Our Homes removes many voices from local tax and spend decisions – the system placates disgruntled homeowners who are one of the most effective methods of restraining local government spending practices.
- Taxes are shifted among homeowners as well – large tax burdens are shifted from long-time homeowners to first-time buyers and people moving within the state as properties are reassessed for tax purposes at the time of sale.
- Inequities created by Save Our Homes place its constitutionality in question – vast disparities in taxes levied on identical houses raises issues of equal protection violations.
- Lack of homestead portability is a problem – people feel “trapped in their homes” because of potentially huge tax increases faced in leaving a long-term homestead and buying another property.
- Save Our Homes impacts affordable housing – the increasing tax burden on non-homestead residences increases taxes on renters and makes rental property less affordable.
- Change is needed or distortions and inequities will continue to increase.
- The relative value of the homestead exemption is decreasing over time – because the homestead exemption value has not increased since 1982, despite skyrocketing property values, the exemption represents a much smaller percentage of an average home’s value than previously.
- Property tax savings from Save Our Homes now dwarfs the homestead exemption – because of the failure to increase the homestead exemption to keep up with inflation, SOH protects much more of the value of some long-held homesteads against taxation than does the homestead exemption.
- Increasing the homestead exemption, by itself, does not make sense – absent other changes to the tax structure, increasing the homestead exemption while keeping the Save Our Homes exemption just increases the tax shift to other kinds of properties and exacerbates the existing inequities.

### Recommendations

- Repeal the Save Our Homes amendment.
- Allow homeowners currently under SOH protection to keep the current dollar amount of reduced assessment during future reassessments.
- Institute a cap on local governments, either in the form of a limit on revenue growth tied to an inflation factor based on population growth and/or inflation and/or personal income growth, or via a redefined mechanism for calculating the TRIM rolled-back millage rate.

## EXHIBIT 7. Research – Property Tax Reform Issues in Florida

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### Suggestions on other property tax-related issues

- Assess business property based on current use – do away with requirement to assess commercial property based on “highest and best use”.
- Assess property using a 5-year moving average to eliminate big changes in assessed value and therefore tax liability in a single year.
- Replace property taxes with another revenue source.

### Various Property Tax Reform Proposals

Three competing proposals have emerged during the 2007 Florida legislative session to address property tax reform – one in the House of Representatives, another in the Senate, and a third by Governor Charlie Crist. The important provisions of the three proposals are outlined in the attached Exhibit 1.

### The Jacksonville Context

As always, Jacksonville is unique among city and county governments in Florida as the only fully consolidated city/county government in the state. As a result, comparisons of Jacksonville to other cities and counties can be somewhat challenging, as the consolidated city provides a full array of city services to the population and land area of a county. Nevertheless, figures show that Jacksonville’s overall property tax millage rate is lower than the combined city and county millage rates (county, city, schools, water management district, Florida Inland Navigational District, transit districts, hospital districts, etc.) in the largest cities across Florida:

| <u>City/County</u>             | <u>Combined millage</u> |
|--------------------------------|-------------------------|
| Jacksonville                   | 18.1825                 |
| Hillsborough County/Tampa      | 23.4370                 |
| Miami-Dade County/Miami        | 24.6443                 |
| Orange County/Orlando          | 19.9190                 |
| Pinellas County/St. Petersburg | 26.1552                 |

(Source: *Duval County Property Appraiser’s Annual Report – 2006*)

In addition, the Consolidated City of Jacksonville has traditionally not imposed other types of user fees and charges levied by other Florida jurisdictions. Jacksonville does not charge a monthly garbage collection fee (\$33 per month in Miami-Dade/Miami, \$25 per month in Hillsborough/Tampa), does not levy a dedicated millage for a Children’s Services district, fire and rescue services, recreational services, stormwater management, or library services, and does not impose impact fees on new development.

Part of the reason for Jacksonville’s relatively conservative millage rate history lies in a 3 percent ad valorem revenue growth cap approved by the voters in a May 1991 referendum. Commonly known as the “3% Tax Cap”, the charter amendment approved by the referendum prohibited the City Council from enacting a millage rate that would result in the collection of more than 3 percent additional ad valorem tax revenue when compared with the previous year. As assessed valuation grew each year, the cap required a proportionate reduction in millage to reduce the net revenue increase to no more than 103 percent of the previous year’s revenue. The City challenged the constitutionality of the revenue cap on the grounds that the voters could not, by means of a charter amendment, bind the actions of future city councils in exercising one of their

## **EXHIBIT 7. Research – Property Tax Reform Issues in Florida**

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fundamental responsibilities under state statute – that of enacting an annual budget to meet the service needs of the city. After several years a court ruled in favor of the City’s position and declared the charter amendment invalid. However, respecting the clearly articulated feelings of the citizens expressed in their approval of the referendum, subsequent mayors and city councils voluntarily abided by the spirit of the charter amendment and rolled back the ad valorem millage each year to keep tax revenues within the 3 percent growth cap.

Over the years those millage reductions added up to nearly \$200 hundred million in foregone revenue over the course of 13 years. By way of example, the city’s basic operating millage rate was 11.1367 in fiscal year 92/93 which, when applied to a taxable base of approximately \$18 billion, produced just over \$190 million for the city’s operating budget. If the millage rate had remained unchanged at 11.1367 through the years to FY2006-07, the new assessed valuation of \$46.8 billion would have produced ad valorem revenue of \$497.8 million. Instead, the cumulatively rolled-back millage rate of 9.64 for county operations in FY06-07 produced \$430.9 million or \$66.9 million in foregone revenue for that year alone.

The mayor and city council abided by the spirit of the referendum cap and continued keeping ad valorem revenue growth to 3 percent a year until just a few years ago. The mayor and council reached a decision that the growth of the city and its service needs outweighed the advisory nature of the voters’ expressed opinion more than a decade before and allowed the city’s constantly growing property tax valuations to produce greater revenues for the budget. The mayor and council have continued to reduce the county operating tax millage each year, albeit by much smaller amounts than before.

It should be noted that one of the primary factors behind the push for property tax reform, as expressed by the Florida House and Senate, the Governor, Florida Tax Watch, and others, is the perception that local government revenues are “out of control” and growing at an unjustifiable pace. The general feeling seems to be that, considering Florida’s skyrocketing property values, cities and counties should be rolling back their millage more vigorously to drastically reduce the growth in their budgets. Again for comparative purposes, it may be interesting to compare Jacksonville’ growth rate in taxable property value, millage rate, and taxes levied with the other large cities and counties in Florida (see Exhibit 2).

The table indicates that of the 5 counties listed, Jacksonville had the smallest growth in total taxable value, the smallest percentage increase in county taxes levied (in several instances, by significant amounts), and the smallest percentage increase in total taxes levied by all taxing authorities, while at the same time having the second largest percentage decrease in millage rate during the period. On these measures, Jacksonville appears to be raising revenue fairly conservatively when compared with comparable large cities in urban counties across the state.

### **Estimated Effect of Tax Reform Proposals on Jacksonville’s FY2007-08 Budget**

The Mayor and his administration have calculated the potential impact of the major House, Senate and gubernatorial proposals on the City’s upcoming FY07-08 budget for purposes of informing the legislature about the proposals’ effects on the City’s finances and also for purposes of crafting the budget proposal that is due for presentation to the City Council in early July. While the various proposals will likely be modified during the legislature’s special session in June in order to achieve a consensus package that will pass both houses, these are the administration’s estimates of the impacts of the various proposals as they stood at the time of the legislature’s adjournment in early May:

**EXHIBIT 7. Research – Property Tax Reform Issues in Florida**  
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House of Representatives proposals

Statutory proposal – property tax growth cap: first year impact - \$16.7 million

Constitutional proposal – sales tax swap for property tax: first year impact - \$50 million

Senate proposals

Statutory proposal – property tax growth cap: first year impact - \$12.6 million

Constitutional proposal – double the homestead exemption for first-time homebuyers; portability of Save Our Homes differential; \$25,000 tangible personal property tax exemption; affordable housing to be based on rent collected rather than fair market value – impact unknown except for doubling the homestead exemption (\$47 million)

Governor’s proposal

Statutory proposal – property tax growth cap: first year impact - \$28.5 million

Constitutional proposal – double the homestead exemption; portability of Save Our Homes differential; 25% exemption for first-time homebuyers; \$25,000 tangible personal property tax exemption for businesses - impact unknown except for doubling the homestead exemption (\$47 million).

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**EXHIBIT 1 – FEATURES OF PROPERTY TAX REFORM PROPOSALS**  
**Tax rate/revenue caps**

| <b>Issue</b>  | <b>House proposals</b>   | <b>Senate proposals</b>   | <b>Governor's proposal</b>   |
|---|--|---|--|
| General Rule - Limitation on annual property tax growth | HB 7001 & HJR 7089 – Increases limited to taxes on net new construction (proxy for population growth) plus an adjustment for CPI inflation   | SB 1020 - After FY2009, increases limited to taxes on net new construction (proxy for population growth) plus an adjustment for growth in statewide per capita personal income                              | Increases limited to taxes on net new construction (proxy for population growth) plus an adjustment for CPI inflation                |
| FY2007-08 cap   | HB 7001 - Limit local levies to levels that would have resulted had the general rule been applied beginning in FY2001-02 (base year FY2000-01)   | SB 1020 - Limit local property taxes to the greater of FY2005-06 levies grown forward according to the general rule, or FY2006-07 actual levies   | Limit local levies to levels that would have resulted had the general rule been applied beginning in FY2003-04 (base year FY2002-03) |
| FY2008-09 cap   | HB 7001 - Limit growth from FY2007-08 as determined by the general rule  | SB 1020 - Limit local property taxes to the greater of FY2007-08 levies grown only for net new construction, or 85% of levies that would result from applying FY2006-07 tax rates to the FY2008-09 tax base | Limit growth from FY2007-08 as determined by the general rule  |
| FY2009-10 cap and thereafter                            | HB 7001 - Limit growth from FY2008-09 as determined by the general rule.<br>HJR 7089 - Establish maximum revenues consistent with levels that would have resulted had the general rule been applied beginning in FY2004-05 (base year FY2003-04) | SB 1020 - Limit growth from FY2008-09 as determined by the general rule   | Limit growth from FY2008-09 as determined by the general rule  |
| Cap override mechanism in FY2007-08 and FY2008-09       | HB 7001 - Requires a vote of a majority plus 1 or 2/3 of the local governing body, whichever is greater  | SB 1020 - No overrides allowed in FY2007-08 or FY2008-09  |  |
| Cap override mechanism in FY2009-10 and thereafter      | HJR 7089 - Requires unanimous vote of the local governing body   | SB 1020 - Requires 2/3 vote of the local governing body or approval by the voters in a referendum   |  |

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| <b>Issue</b>    | <b>House proposals</b>  | <b>Senate proposals</b>  | <b>Governor's proposal</b> |
|-----------------|---|--|----------------------------|
| Exempt entities | <p>HB 7001 - Initial rate/revenue rollback does not apply to school districts, fiscally constrained counties and cities in those counties, cities in rural areas of critical economic concern, independent hospital districts, children's services centers, and to taxes levied by a county to provide children's services or indigent care pursuant to certain operating agreements. Only school districts are exempt from the revenue limitation after the initial phase-in period.</p> <p>Also exempt are governments that have levied property taxes for less than 5 years.</p> | <p>SB 1020 - Provisions apply only to counties and cities. School districts and independent special districts are exempt from the limitations.</p> |                            |
| Exempt entities | <p>HR 7089 - Initial rollback does not apply to schools, independent special districts, fiscally constrained counties and cities in those counties, and cities in Rural Areas of Critical Economic Concern. Also does not apply to taxes levied by a county to provide children's services or indigent care pursuant to certain operating agreements. No exemptions from the limits going forward.</p> <p>Also exempt are governments that have levied property taxes for less than 5 years.</p>  | <p>Also exempt are governments and MSTUs that have levied property taxes for less than 5 years.</p>  |                            |

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| <b>Issue</b>   | <b>House proposals</b>   | <b>Senate proposals</b>   | <b>Governor's proposal</b> |
|--|--|---|----------------------------|
| Exclusions   | HB 7001 - Voted debt service millage outside of the 10 mill cap<br>- Voted millages that are outside of the 10 mill cap  | CS/HB 7001 - Voted debt service millage outside of the 10 mill cap<br>- Voted millages that are outside of the 10 mill cap<br>- Tax increment financing payments made by a local government |                            |
| Penalties  | HB 7001 – Levy of taxes in excess of that allowed without a supermajority vote results in loss of half-cent sales tax and non-guaranteed portion of county and municipal revenue sharing   | CS/HB 7001 - Levy of taxes in excess of that allowed without a supermajority vote results in loss of half-cent sales tax distribution the following year.                                   |                            |
| Supermajority vote needed to levy, increase or expand revenue source | HJR 7089 – No penalties needed<br><br>HB 1483 – Requires the greater of a 3/5 or majority plus 1 vote for a local government to levy, increase or expand the tax base of a tax, impact fee, or special assessment. If the authority to levy the tax requires a referendum, 3/5 of the voters must approve it. Property taxes and revenue measures levied in response to an emergency are excluded. |   |                            |

**Save Our Homes exemption portability**

| <b>Issue</b>               | <b>House Proposals</b> | <b>Senate Proposals</b>  | <b>Governor's Proposal</b>                            |
|----------------------------|------------------------|--|---|
| Save Our Homes portability |                        | SJR 3034 – Statewide portability allowed. Amount of SOH differential that can be transferred is \$500,000. After transfer, assessed value of the new homestead will grow by 10% annually until the transferred SOH differential is eliminated. | Statewide portability of SOH differential is allowed. |

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| Homestead exemptions/replacement revenues                           |  |   |  |
|---|--|---|--|
| Issue   | House Proposals  | Senate Proposals  | Governor's Proposal  |
| Increased homestead exemption                                       |  |   | Increase the existing homestead exemption from \$25,000 to \$50,000 per eligible homestead                             |
| First-time homebuyers   |  | <p>SR 3034 – First-time homebuyers are granted a \$25,000 exemption in addition to the \$25,000 homestead exemption currently available. The value of the additional exemption will diminish on a dollar-for-dollar basis as the home increases. Eventually the additional exemption will decline to 0 if the SOH differential reaches or exceeds \$25,000.</p> | <p>First-time homebuyers get an exemption on 25% of the purchase price, to phase out as SOH differential increases</p> |
| Homestead taxes – Required Local Effort (RLE) for school operations | <p>HR 7089 – Homestead properties are exempt from paying RLE school taxes beginning in FY2009-10</p>   |   |  |
| Replacement sales tax for RLE school tax                            | <p>HR 7089 – the state enacts a 1% statewide sales tax (excluding communications services) to replace local property tax for school RLE.</p>   |   |  |
| Homestead taxes – non-RLE school taxes                              | <p>HR 7089 – Local electors may exempt homestead properties from non-RLE school taxes by referendum</p>  |   |  |
| Homestead taxes – non-school  | <p>HR 7089 – local electors may exempt homestead properties from all non-school taxes by referendum held by November 2010.</p>   |   |  |
| Replacement sales tax – non-school levies                           | <p>HR 7089 – Up to a 1% local option sales tax increase within a county (excluding communications services) authorized, voter approval of replacement sales tax required to be simultaneous with voter approval of exemption of homesteads from all non-school property taxes. A county may only levy up to the amount needed to replace foregone property taxes on homesteads. Distribution of replacement levies among city, county and special district governments based on a formula developed by the county.</p> |   |  |

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**Valuation of Property**

| <b>Issue</b>                     | <b>House proposals</b>  | <b>Senate proposals</b>  | <b>Governor's proposal</b> |
|----------------------------------|---|--|----------------------------|
| <p>"Highest and best use"</p>    | <p>HB 261 – includes "any zoning changes and permits necessary to achieve the highest and best use," in the list of items that must be considered by the appraiser in determining highest and best use.</p> | <p>SB 560 – In determining the highest and best use to which the property can be expected to be put in the immediate future, the appraiser is directed to consider the use "which is reasonably probable, physically possible, and legally permissible as well as financially feasible and maximally productive." Also, the appraiser must take into consideration any "current zoning limitation and variance."</p>   |                            |
| <p>Condition of the property</p> | <p>HB 261 – When determining the condition of the property, the appraiser must consider physical deterioration, functional obsolescence and external obsolescence</p>                                       |  |                            |
| <p>Affordable housing</p>        |   | <p>SB 560 – property subject to an agreement that restricts its use to affordable housing for 20 years shall be appraised using its actual rental income rather than fair market value. The provision applies to 1) HUD funded properties serving eligible persons; 2) properties for multigenerational housing, farm workers, or the elderly that are funded and rent-restricted by the Florida Home Finance Corporation, the SHHP program, the HOME Investment Partnership program, or the Federal Home Loan Bank's Affordable Housing Program; 3) multifamily residential rental property of 10 or more units that is certified as being deed-restricted by the local housing agency as having 100% of the units used for affordable housing.</p> |                            |

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**EXHIBIT 2 – COMPARATIVE CHANGE IN TAXABLE VALUE, MILLAGE RATES AND TAXES LEVIED**

| Jurisdiction                   | Weighted Avg. Millage | Total Taxable Value | Total County Taxes Levied | Total Taxes Levied<br>(County, schools, indep. dists) |
|--------------------------------|-----------------------|---------------------|---------------------------|---|
| <b>Jacksonville</b>            |                       |                     |                           |   |
| 2001                           | 19.78                 | \$32,407,386,779    | \$327,549,963             | \$640,958,459   |
| 2006                           | 18.16                 | \$52,682,843,070    | \$489,739,212             | \$956,500,625   |
| % change 2001 - 2006           | -8%                   | +63%                | +50%                      | +49%  |
| <b>Hillsborough/Tampa</b>      |                       |                     |                           |   |
| 2001                           | 24.46                 | \$42,891,979,863    | \$481,367,077             | \$1,049,343,123                                       |
| 2006                           | 22.46                 | \$78,789,442,760    | \$812,845,193             | \$1,769,454,207                                       |
| % change 2001 - 2006           | -8%                   | +84%                | +69%                      | +69%  |
| <b>Miami-Dade/Miami</b>        |                       |                     |                           |   |
| 2001                           | 23.86                 | \$104,744,430,367   | \$991,814,617             | \$2,499,514,338                                       |
| 2006                           | 21.72                 | \$214,139,194,287   | \$1,845,895,732           | \$4,651,070,489                                       |
| % change 2001 - 2006           | -9%                   | +104%               | +86%                      | +86%  |
| <b>Orange County/Orlando</b>   |                       |                     |                           |   |
| 2001                           | 19.13                 | \$56,008,722,266    | \$460,855,191             | \$1,071,222,023                                       |
| 2006                           | 18.06                 | \$92,376,274,251    | \$722,654,674             | \$1,668,743,741                                       |
| % change 2001 - 2006           | -6%                   | +65%                | +57%                      | +56%  |
| <b>Pinellas/St. Petersburg</b> |                       |                     |                           |   |
| 2001                           | 22.38                 | \$42,410,832,981    | \$335,455,749             | \$949,314,088   |
| 2006                           | 21.23                 | \$75,532,446,555    | \$533,706,200             | \$1,603,896,076                                       |
| % change 2001 - 2006           | -5%                   | +78%                | +59%                      | +69%  |

Source: Florida Senate web site – 2007-2008 Ad Valorem Tax Data by County