



**CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING**

#26-0044

TO: Honorable Mayor & Members of the Fort Lauderdale City Commission

FROM: Rickelle Williams, City Manager

DATE: February 3, 2026

TITLE: Second Reading - Ordinance Amending Chapter 15 – Business Tax Receipts and Miscellaneous Business Regulations, Article II – Local Business Tax, to Implement a Five Percent Fee Increase on Local Business Taxes and Restore Omitted Business Tax Categories - **(Commission Districts 1, 2, 3 and 4)**

Recommendation

Staff recommends the City Commission approve an Ordinance Amending Chapter 15 – Business Tax Receipts and Miscellaneous Business Regulations, Article II – Local Business Tax, to implement a five percent (5%) fee increase on local business taxes and restore omitted business tax categories.

Background

A local Business Tax is required of any individual, business entity, or profession in the City of Fort Lauderdale, unless specifically exempted from the requirement to obtain a Business Tax. As authorized by Florida Statute and the City of Fort Lauderdale Code of Ordinances, once a Business Tax is issued it requires an annual renewal. The Business Tax rate is set by the City and based on business categories.

On March 4, 2025, HdL Companies presented a Business Tax Analysis & Ordinance Review, listed as Exhibit 1, to the City Commission. The City Commission gave consensus to consolidate business tax categories by reducing categories from 636 to 245. On June 3, 2025, the City Commission adopted Ordinance No. C-25-21, Exhibit 2, to reduce Business Tax categories from 636 to 245 based on the HdL Companies Business Tax Analysis. This change simplifies the application and renewal processes.

However, staff subsequently identified that thirteen (13) previously active categories were inadvertently removed from Ordinance No. C-25-21. These omitted categories represent standalone business types that did not fit into the new, broader classifications.

The proposed amendment restores those omitted categories. Restoring the categories ensures that all active business types are properly classified and that the City's Business Tax structure aligns accurately with the consolidation framework the City Commission

approved.

The following categories were stricken in error and are being restored:

- 403200 Bowling/Each Alley or Skee Ball
- 411600 Indoor Firearms Range
- 414502 Movie Theatre 100 and Up to 500 Seats
- 414503 Movie Theatre Over 500 to 1,000 Seats
- 417201 Film Processing (Quick Service)
- 424002 Vacation Rentals Unclassified
- 425700 Amusement Centers: Video Games Arcade
- 427000 Water Sold in Bottles (Each Company/Individual)
- 420100 Rinks, Bicycle Skating or Other
- 426303 Watercraft, Sightseeing 51–100 Passengers
- 419506 Repair Shop – Bicycles
- 426304 Watercraft, Sightseeing Over 100 Passengers
- 426900 Water Taxi

Restored and Updated descriptions:

- Bowling Each Alley or Skee Ball
- Indoor Firearms Range
- Movie Theater Over 100 to 500 Seats
- Movie Theater Over 500 to 1,000 Seats
- Film Processing (Quick Service)
- Vacation Rentals
- Amusement Center: Video Games Arcade
- Water Sold in Bottles (Each Company)
- Rinks: Bicycle & Skating or Other
- Watercraft: Sightseeing 51–100 Passengers
- Repair Shop: Bicycles
- Watercraft: Sightseeing Over 100 Passengers
- Water Taxi

On October 23, 2025, staff presented to the City Commission a Business Tax Rate Presentation (Exhibit 3) with an overview of the business tax process and fee options to the City Commission. The presentation included four (4) fee adjustment options ranging from a one and a half percent (1.5%) to five percent (5%) biennial increase over nine (9) years. The City Commission ultimately gave consensus on a five percent (5%) biennial increase over a nine (9)-year period. This option, which will be the City's first rate adjustment since 2004, is expected to generate approximately \$800,000 in additional revenue over the nine (9)-year period.

If approved, during the 2026-2027 renewal period, which begins July 1, 2026, the five percent (5%) rate increase will be implemented. Thereafter, the rate increase will be brought to the City Commission for consideration and approval every two (2) years at the

start of each renewal cycle. If adopted, in the first year of implementation the average annual Business Tax per business will increase from \$146.19 to \$153.71. This adjustment aligns the City's fee schedule with state limits under Florida Statutes 205.0535 which allows for a maximum five percent (5%) biennial increase, maintains parity with comparable municipalities, and supports sustainable revenue growth for Business Tax program administration and modernization.

The Ordinance, attached as Exhibit 4, provides for a five percent (5%) fee increase and restores and updates descriptions for thirteen (13) business tax categories.

Community Outreach

To ensure transparency and provide ample notice to the business community, Staff will implement a comprehensive outreach plan prior to the July 1, 2026, effective date of the fee adjustment. The outreach campaign will emphasize the purpose of the adjustment, the statutory authority for the increase, and the City Commission's direction to phase in the rate changes gradually over nine (9) years. Staff will also provide contact information and customer service resources to assist business owners with any questions regarding the updated fee schedule.

Notifications regarding the fee will occur through the following communication channels:

- Direct email notifications to all businesses with an existing Business Tax license;
- Posting notice of the fee increase at the Business Tax Office;
- Notice on the Business Tax website; and
- Social media and newsletter announcements.

On January 20, 2026, the City Commission approved the first reading (CAM #26-0049) of the proposed ordinance without any modifications.

At the January 21, 2026, Budget Advisory Board (BAB) meeting, Staff presented the details of the 5% biennial increase spanning a nine (9)-year period. BAB received the information and did not take a formal position on the proposed increase. Future Business Tax fee increases and revenue discussions will be part of BAB work plans that include its input on revenue collection.

Resource Impact

The approved 5% business tax fee adjustment, implemented in biennial increments over a nine-year period, is projected to generate approximately \$800,000 in additional revenue by the final adjustment cycle in Fiscal Year 2035. This phased approach balances revenue generation with affordability, ensuring the program's continued compliance with state law.

Strategic Connections

This item supports the *Press Play Fort Lauderdale 2029* Strategic Plan, specifically advancing:

- The Business Growth and Support Focus Area, Goal 6: Build a diverse and attractive economy

This item advances the *Fast Forward Fort Lauderdale 2035* Vision Plan: We Are United

Attachments

Exhibit 1 – HdL Business Tax Analysis & Ordinance Review

Exhibit 2 – Ordinance No. C-25-21

Exhibit 3 – Business Tax Rate Presentation

Exhibit 4 – Ordinance

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