

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

4D-1

AGENDA ITEM SUMMARY

Meeting Date: November 1, 2011

Consent Regular
 Workshop Public Hearing

Department: Office of Financial Management and Budget

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve on preliminary reading and advertise for public hearing on November 15, 2011: An Ordinance of the Board of County Commissioners of Palm Beach County, Florida, amending Palm Beach County code, Section 17-227(a), the Palm Beach County Public Service Tax Ordinance to provide for verification by sellers of the location of purchasers or consumers of goods subject to the public service tax; providing for severability; providing for inclusion in the Code of Laws and Ordinances and providing for an effective date.

Summary: In July, 2011 the Internal Auditor conducted an audit of a propane gas vendor to determine if that vendor was collecting and remitting public service taxes to Palm Beach County in accordance with the County's public service tax ordinance. The Auditor was unable to make a determination due to significant errors found in the database being utilized by the vendor. This resulted in an audit finding and recommendation that the OFMB Director modify the existing ordinance to specify acceptable databases for vendors to use to be in compliance. Countywide (PFK)

Background and Policy Issues: In 1989 the Board of County Commissioners adopted an ordinance to levy a public service tax on the purchase of metered and bottled gas within the unincorporated area of Palm Beach County. This tax, which is generally 10% of the purchase price, is collected by the vendor and remitted to the County. The revenue generated, which is approximately \$1 million annually, is accounted for in the General Fund. The County maintains the right to audit the vendors' books to determine the accuracy of the remittances.

In February, 2011 OFMB suggested the names of several propane vendors to the Internal Auditor, requesting they be considered for an audit of public service tax remittances. In July, 2011 the Internal Auditor conducted an audit of one of the vendors, but was unable to make a determination as to the accuracy of the amounts paid to the County due to significant errors found in the database being utilized by the vendor. The vendor has been notified and has been requested to use a database that would provide a more accurate listing of the jurisdictions subject to the tax.

The Internal Auditor recommended that the OFMB Director modify the existing ordinance to specify acceptable databases for vendors to use to comply with the ordinance. The three databases considered acceptable are (1) the Property Appraiser's PAPA system, (2) the addressing module of ePZB which is maintained by the County's Planning, Zoning & Building Department and (3) the State of Florida, Department of Revenue Address Database.

Attachment: Public Service Tax Ordinance

Recommended by: Elizabeth Brown 9/27/11
Department Director Date

Approved By: [Signature] 10/3/11
County Administrator Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years:	2012	2013	2014	2015	2016
Capital Expenditures					
Operating Costs					
External Revenues					
Program Income (County)					
In-Kind Match (County)					
NET FISCAL IMPACT	None	None	None	None	None

ADDITIONAL FTE
POSITIONS (Cumulative) _____

Is Item Included In Current Budget? Yes ___ No ___

Budget Account No: Fund ___ Agency ___ Org. ___ Object ___

B. Recommended Sources of Funds/Summary of Fiscal Impact:
N/A

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Dev. and Control Comments:
There is no fiscal impact related to this ordinance amendment.

[Signature] 9/29/11
OFMB
9/27/11 *[Signature]* 9/27/11

N/A

Contract Dev. and Control

B. Legal Sufficiency:

Paul F. [Signature] 10/3/11
Assistant County Attorney

C. Other Department Review:

Department Director

This summary is not to be used as a basis for payment.

