

FORT WALTON BEACH CODE

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### CHAPTER 4 FINANCE & TAXATION

#### 4.01 FINANCE

##### 4.01.01 Authority of Finance Director:

- a. The Finance Director, subject to Florida law and the supervision of the City Manager, shall adopt procedures for the receipt, recording, and disposition of all City funds and moneys, keeping and supervising of all accounts, the levy, assessment and collection of taxes and other revenue, the making and collection of special assessments, the custody and disbursement of City funds and moneys, the control over expenditures, and such other duties as the City Manager may require.
- b. Finance reports shall be made to the Finance Director by each department and office showing the receipt and disposition of all moneys for each quarter, fiscal year, and at other times as may be required by the City Manager. The City Manager shall submit such reports to the City Council.
- c. The City Manager and Finance Director are hereby authorized to be the officers who shall sign the various checks and other instruments of withdrawal on behalf of the City. The Mayor may sign on behalf of either the Manager or the Director if either of those officers is unavailable for signature.
- d. The City Manager and the Finance Director are also authorized to draft, propose, and amend as necessary and lawful the comprehensive fee schedule.

**4.01.02 Purchasing:** The following policies are hereby established for purchasing all supplies, materials and any other matter or commodity necessary for the operation of the affairs of the City:

**4.01.021 Centralized Purchasing Department:** Purchases for the requirements and operation of all City agencies are to be made through a centralized purchasing department. Regulations for purchases by this department shall be as prescribed from time to time by the Council or the City Manager.

**4.01.022 Quality:** All purchases shall be of a quality to suit the intended purposes at the least expense.

**4.01.023 Procedures:** All purchases shall be made in accordance with approved and accepted procedures.

**4.01.025 Practices for purchases of \$20,000 or less:** The administrative practices to be used for purchases of \$20,000 or less shall be prescribed by the City Manager.

Public advertisement and competition is required for City purchases in excess of \$20,000; provided, however, that equipment and vehicle repairs may be made at a cost below \$25,000 without public advertisement and bids and continuing contracts may be awarded consistent with Florida law.

The establishment of threshold amounts does not preclude the City Manager from prescribing public advertisement and bids for purchases, vehicle and equipment repair below the establishment threshold amounts, including the awarding or rejection of bids in these categories.

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The awarding or rejection of bids above the established threshold amounts of \$20,000 and \$25,000 requires Council action. The administrative practices used for these purchases requires Council action. The administrative practices used for these purchases will be subject to the annual audit and made a part of the report to the Council each year.

**4.01.03 Procedure for Processing City Property:** Procedures for the receipt and processing of property by the City shall be as set forth in procedures established by the City Manager.

**4.01.04 Authority of City Manager:** The authority for enactment of this ordinance is section 166.021, Florida Statutes (2007), and relevant provisions of the City Charter.

The City of Fort Walton Beach must deal, on a repetitive basis, with a number of administrative, quasi-judicial and litigation-related monetary claims against it, and must assert a number of such claims against other parties. The City Council of Fort Walton Beach intends to delegate certain settlement authority to the City Manager to assert and settle enumerated claims for and against the City up to a maximum of \$20,000. The City Council hereby finds that the City Manager has the training, knowledge and experience to negotiate the most beneficial settlements that are consistent with applicable laws, regulations and statutes.

The City Council hereby delegates to the City Manager, in addition to any previously delegated authority, the authority to negotiate and compromise settlements of routine claims, litigation and administrative matters, for and against the City of Fort Walton Beach, with third parties, and to execute releases and satisfactions of judgments and other liens that may be required by such settlements. Routine claims, litigation and administrative matters shall include:

- a. Forfeiture actions;
- b. Contract disputes;
- c. Garnishment actions;
- d. Billing and collections disputes with customers or suppliers of goods and services;
- e. Compromise of bankruptcy claims; and
- f. Mediation or other pre-suit settlements of claims or litigation that are not otherwise at the time of settlement covered by insurance defense.

### **4.02 EXTRAORDINARY EXPENSES FOR EXTRAORDINARY SERVICES**

**4.02.01 Extraordinary Expense, Defined:** An extraordinary expense shall be that expense, and those related costs and fees, that are incurred by the City for any extraordinary services, but not limited to the City's actual cost of labor and materials associated with the use of any fire suppression equipment, specialized extinguishing or abatement agent, chemical, neutralizer, or similar equipment or materials that are employed to extinguish, confine, neutralize, contain, or clean any hazardous material that is or may be involved in a fire, spill, or the threat of any fire, spill, or any construction that may be needed to repair or correct the situation.

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**4.02.02 Extraordinary Service, Defined:** An “*extraordinary service*” is one performed by the City of Fort Walton Beach Fire Department, the City of Fort Walton Beach Police Department, the City of Fort Walton Beach Public Works or any other City Department that is in addition to or above the normal services provided by such department, or requires the use of special equipment.

"Extraordinary services" may include, but are not limited to, fire suppression, emergency services for medical care, extrication and other related services; the abatement and disposition of hazardous materials; spills or the threat of spills of toxic chemicals, utility line breaks or leakages; other imminent, perceived, or possible threats to the health, safety, or welfare of City residents that may be detailed or contemplated in this division and those instances where a property owner has been previously warned about violations of the City Code that, in the judgment of the City staff, are a particular threat to the health, safety, or welfare of the City residents, and for which the owner (or owner's agent, or person in charge of the property) has neglected to comply or has refused compliance therewith.

**4.02.03 Liability for Expenses:** Any person that requires extraordinary service shall be liable for any and all extraordinary expenses that are incurred by the City as a result of providing such extraordinary service. Such extraordinary expenses shall be assessed and collected as set forth in this division.

When insurance coverage is available for any building, dwelling, structure, or other article that has been involved in a fire, and for which fire suppression, medical care, extrication, or related services were provided, the City shall file a claim with the insurer to recover the costs of the services provided.

**4.02.04 Administration:** The Finance Director shall establish procedures for collection of and collect any and all extraordinary expenses.

**4.02.05 Enforcement:** The City may enforce the provisions of this division by civil actions in a court of competent jurisdiction or the imposition and collection of a lien pursuant to provisions of this Code of Ordinances or both, for the collection of any amounts due hereunder plus costs and attorney's fees, or any other relief that may be available.

Nothing herein shall authorize any City Department or any City staff member to refuse or delay any Municipal service to any person that has not paid the City for extraordinary service provided.

### 4.03 WATER BILLING

**4.03.01 Fees, Rates, Charges Set in City Fee Schedule:** All fees, rates, deposits, and other charges of any kind shall be set forth in the City's General Fee Schedule, as amended. The City Council may, by resolution, make any adjustments to the fee schedule as it may deem necessary and proper.

**4.03.02 Finance Director Responsibility:** The Finance Director shall be responsible for ensuring the City General Fee Schedule is maintained, updated, and adequately reimburses the City for costs, materials, time, efforts and distribution of the municipal water supply and distribution system.

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**4.03.03 Procedures for Charges, Connections, Collection, and Billing:** The Finance Director and City Manager or a designee shall establish procedures for determining all charges related to the Municipal water supply and distribution system, including but not limited to all connection and reconnection fees, deposits, minimum monthly fees, consumption fees, and penalty charges.

The Finance Director and City Manager or a designee shall establish procedures for determining all charges related to the sewer collection system, and stormwater assessment fee.

The City Council may, by resolution, make any adjustments to these procedures as it may deem necessary and proper.

### 4.04 ADDITIONAL HOMESTEAD EXEMPTIONS

**4.04.01 Definitions:** The words and phrases in this chapter shall have the meanings provided by section 196.075, F.S., as amended, except where the context clearly indicates a different meaning.

*Household* means a person or group of persons living together in a room or group of rooms as a housing unit, but the term does not include persons boarding in or renting a portion of the dwelling.

*Household income* means the adjusted gross income, as defined in section 62 of the United States Internal Revenue Code, of all members of a household.

**4.04.02 Entitlement:** In accordance with section 6(f), Article VII of the Florida Constitution and Section 196.075, F.S., as amended, the City Council hereby authorizes an additional homestead exemption of \$50,000 commencing with the year 2007, for any person who has legal or equitable title to real estate and maintains on it the permanent residence of such owner, who has attained age 65, and whose household income does not exceed \$24,214.

If title is held jointly with right of survivorship, the person residing on the subject property and otherwise qualifying may receive the entire amount of the additional homestead tax exemption.

**4.04.03 Annual Adjustment:** Beginning January 1, 2001, such person's \$20,000 income limitation shall be adjusted annually, on January 1, by the percentage change in the average cost-of-living index in the period January 1, through December 31 of the immediate prior year compared with the period for the year prior to that.

The index is the average of the monthly consumer price index figures for the stated 12-month period, relative to the United States as a whole, issued by the United States Department of Labor.

**4.04.04 Liability for Wrongful Receipt:** Persons receiving such additional homestead tax exemption shall be subject to the provisions of section 196.131 and 196.161, F.S., as amended, if applicable, pertaining to wrongful receipt of a homestead tax exemption.

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**4.04.05 Rescission of Exemption:** It is the intent of the City in establishing this exemption that the City be empowered to rescind this additional homestead tax exemption at the end of any particular year should it be determined in the sole discretion of the City that there is an adverse financial impact of such an exemption, and it no longer serves the best financial interest of the City.

**4.04.06 Application of Exemption:** The additional homestead tax exemption established in this section shall apply only to taxes levied the City.

**4.04.07 Claim, Receipt of Exemption, Duties:** Those persons entitled to the homestead tax exemption in section 196.031, F.S., as amended, may apply for and may receive an additional homestead tax exemption as provided in this chapter. A taxpayer claiming the additional homestead tax exemption provided herein shall annually submit to the property appraiser, no later than March 1, a sworn statement of household income on a form prescribed by the Department of Revenue.

**4.04.08 Proof of Income:** The filing of the statement of the taxpayer shall be supported by copies of any Federal Income Tax Returns for the prior year, any wage and earnings statement (W-2 forms), and any other documents the Department of Revenue finds necessary, for each member of the household, to be submitted by June 1. The taxpayer's statement shall attest to the accuracy of such copies. The property appraiser may not grant the exemption without the required documentation.

### 4.05 UTILITY TAX

**4.05.01 Levy of tax; Rate:** There is hereby levied by the City on each and every purchase of electricity, metered or bottled gas (natural, liquefied petroleum or manufactured) and water service, but only on purchases within the City, a tax of ten percent (10%) of the payments received by the seller of such utility service from the purchaser for the purchase of such utility service.

A like tax is hereby levied on services competitive with those enumerated in this section, hereby defined as fuel oil when consumed in such a way as to provide energy actually competitive with those taxed in this section, provided that the tax on the sale of fuel oil shall not exceed \$0.04 per gallon.

There is hereby imposed by the City, on each and every sale in the City of local telecommunication services and intrastate telecommunications toll services, as defined by and to the full extent permitted by section 166.231, F.S., a tax of seven percent (7%) of the charge made by the seller, which tax shall, in every case, be paid by the purchaser, for the use of the City, to the seller of such local telecommunication services or intrastate telecommunication services at the time of paying the charge to the seller.

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### 4.05.02 Limitations and Exemptions:

1. The tax imposed by this section shall not be applied against any fuel adjustment charge, and such charge shall be separately stated on each bill.  
"Fuel adjustment charge" means all increases in the cost of utility services to the ultimate consumer resulting from an increase in the cost of fuel to the utility subsequent to October 1, 1973.
2. The purchase of natural gas or fuel oil by a public or private utility, either for resale or for use as fuel in the generation of electricity, and the purchase of fuel oil or kerosene for use as an aircraft engine fuel or propellant or for use in internal combustion engines, are exempt from taxation pursuant to this chapter.
3. The purchase of taxable items by the United States Government, the State or any other public body, as defined in section 1.01, F.S., and purchases by any recognized Church in the State for use exclusively for Church purposes, are exempt from taxation pursuant to this chapter.

### 4.05.03 Collection; Responsibility and Liability of Sellers; Discontinuance of Service:

1. In every case, the tax shall be collected from the purchaser of the utility service and paid by the purchaser, for the use of the city, to the seller of the utility service at the time of the purchaser's paying the charge to the seller, but not less often than monthly.

In all cases, the tax shall be computed on the aggregate amount of purchase, except fuel adjustment charges on which no tax is levied, during such period. The tax shall be collected monthly on all payments received by the seller in payment of bills, statements or invoices rendered by the seller to the purchaser on or before November 1, 1986.

2. Every seller making sales subject to the taxes levied by this chapter, in acting as the tax collecting medium or agency for the City, shall collect from the purchaser, for the use of the City, the tax hereby imposed and levied, at the time of collecting the purchase price charged for each transaction, and shall report and pay over, on or before the end of each calendar month, to the City, all such taxes levied and collected during the preceding calendar month.

No seller of such utility service shall collect the price of any sale taxed by this chapter without at the same time collecting the tax hereby levied with respect to such purchase. Any seller failing to collect such tax at the time of collecting the price of any purchase shall be liable to the City for the amount of such tax in like manner as if the tax had been actually paid to the seller.

The proper Officers of the City shall cause to be brought all suits and actions and shall take all proceedings in the name of the City as may be necessary for the recovery of such tax. However, the seller shall not be liable for the payment of such tax upon uncollected charges. If any purchaser fails, neglects or refuses to pay the seller the seller's charge for such purchase and the tax hereby levied and as hereby required on account of the purchase for which such charge is made, or either, the seller shall have the right and authority to immediately discontinue further service to such purchaser until the tax and the seller's bill have been paid in full.

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**4.05.04. Records of Purchases; Inspection:** Each and every seller making sales subject to the taxes levied by this chapter shall keep complete records showing all purchases in the City of such service, which records shall show the price charged upon each purchase, the date thereof and the date of payment thereof. Such records shall be kept open for inspection by duly authorized agents of the City during business hours on all business days. Such duly authorized agents of the City shall have the right and authority to make such transcripts thereof, and during such times, as they may desire.

**4.05.05 Statements and Collections, City as Seller:** When the purchase of the utility service upon which a tax is levied by this chapter is from the City or an independent agency thereof, as seller, the applicable official responsible for billing shall state the amount of such tax on all statements or charges rendered to the purchasers of such utility service.

Such tax shall be collected from such purchasers and remitted to the City at the time of collecting the purchase price charged for each transaction, and the proper Officials of the City shall audit such charges and taxes so collected.

**4.05.06 Computation of Tax:** In all cases, the tax levied by this chapter shall be computed on the aggregate amount of purchase, except as otherwise provided in this chapter (not less frequently than monthly), and the amount of the tax to be collected shall be the nearest whole cent to the amount computed.

**4.05.07 Disposition of Taxes:** All moneys accruing from the tax levied by this chapter shall be set aside and deposited as collected, separate and apart from all other City funds and accounts, in an account to be designated as the Utilities Service Tax Account.

The moneys in such account shall be used and appropriated only for those Municipal purposes provided by Ordinance of the City.

**4.05.08 Violations:** No purchaser shall refuse, neglect or otherwise fail to pay the tax levied by this chapter, and no seller, or any officer, agent or employee of a seller, shall willfully make a false report, fail to make a report, and fail to pay such tax or violate any other provision of this chapter.

### 4.06 INSURANCE TAXES

**4.06.01 Tax Levied, Casualty Risks:** There is hereby levied on every insurance company, corporation or other insurer now engaging in or carrying on, or which hereafter engages in or carries on, the business of insuring with respect to casualty risks, as shown by the records of the insurance commissioners of the state, an excise tax in addition to any license tax or excise tax now levied by the City, which tax shall be in the amount of 0.85 percent of the gross amount of receipts of premiums from policyholders on all premiums collected on casualty insurance policies covering property within the City.

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**4.06.02 Tax Levied on Property Risks:** There is hereby assessed and imposed on every insurance company, corporation or other insurer now engaged in or carrying on, or who shall hereafter engage in or carry on, the business of property insurance as shown by the records of the department of insurance, an excise or license tax amounting to 1.85 percent of the gross amount of receipts of premiums from policyholders on all premiums collected on property insurance policies covering property within the City.

In the case of multiple peril policies with a single premium for both the property and casualty coverage in such policies, 70 percent of such premium shall be used as the basis for such tax.

**4.06.03 Due date:** The license or excise taxes levied by this chapter shall be due and payable annually on March 1.

**4.06.04 Violations:** No person shall refuse, neglect or otherwise fail to pay the taxes levied by this chapter. Violations of this chapter are punishable as provided in chapter 1.05 of this Code.

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**CHAPTER 4**  
**TABLE OF HISTORICAL NOTES AND REFERENCES**

<b>2005 Code Section</b>	<b>1992 Code Section</b>	<b>State Law References/ Other Historical Notes</b>
4.01.01	2-268	Code 1985, § 242.01; Ord. 739 (3-23-82); Ord. 1790 (1-27-09)
4.01.02	2-266	Code 1985, § 238.01; Ord. 1114 (10-23-90); Ord. 1454 (9-11-01); Ord. 1670 (11-8-05); Ord. 1804 (8-25-09)
4.01.021	2-266	Code 1985, § 238.01; Ord. 1114 (10-23-90); Ord. 1454 (9-11-01); Ord. 1670 (11-8-05); Ord. 1804 (8-25-09)
4.01.022		Code 1985, § 238.01; Ord. 1114 (10-23-90); Ord. 1454 (9-11-01); Ord. 1670 (11-8-05); Ord. 1804 (8-25-09)
4.01.023		Code 1985, § 238.01; Ord. 1114 (10-23-90); Ord. 1454 (9-11-01); Ord. 1670 (11-8-05); Ord. 1804 (8-25-09)
4.01.024		Code 1985, § 238.01; Ord. 1114 (10-23-90); Ord. 1454 (9-11-01); Ord. 1670 (11-8-05); Ord. 1804 (8-25-09), Repeal Ord. 1838 (10-12-10)
4.01.025		Code 1985, § 238.01; Ord. 1114 (10-23-90); Ord. 1454 (9-11-01); Ord. 1670 (11-8-05); Ord. 1804 (8-25-09), Ord. 1804 (8-25-09),
4.01.03	2-267	Code 1985, § 238.02; Ord. 1226 (6-22-93), Ord. 1647 (6-30-05)
4.01.04		Ord. 1805 (8-25-09)
4.01.24		Repealed: Ord.1838 (10-12-10)
4.02.01	2-281	Ord. 1120, § 2 (5-12-92); Ord. 1775, § III (9-23-08); Ord. 1810 (9-8-09)
4.02.02	2-281	Ord. 1120, § 4 (5-12-92); Ord. 1775, § III (9-23-08); Ord. 1810 (9-8-09)
4.02.03	2-282	Ord. 1120, § 4 (5-12-92); Ord. 1775, § III (9-23-08)
4.02.04	2-283	Ord. 1120, § 2 (5-12-92); Ord. 1775, § III (9-23-08)
4.02.05	2-284, 2-285	Ord. 1120, § 2 (5-12-92)
4.03.01	36-51, et seq.; 36-81, et seq., 36-251, et seq.	Repealed: Ord. 1670 (11-8-05)
4.04.01	2-291	Ord. 1399, § 6 (12-28-99)
4.04.02	2-292(a)	Ord. 1399, § 3 (12-28-99); Ord. 1730, § 1, 5-29-07)
4.04.03	2-292(b)	Ord. 1399, § 3 (12-28-99)
4.04.04	2-292(c)	Ord. 1399, § 3 (12-28-99)
4.04.05	2-293	Ord. 1399, § 4 (12-28-99)
4.04.06	2-294	Ord. 1399, § 5 (12-28-99)
4.04.07	2-295	Ord. 1399, § 6 (12-28-99)

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4.05.01	22-27	Code 1985, § 890.01; Ord. 900 (9-9-86)
4.05.02	22-28	Code 1985, § 890.02; Ord. 900 (9-9-86); Ord. 1393 (3-14-00); Ord. 1773, § II (9-23-08)
4.05.03	22-29	Code 1985, § 890.03; Ord. 900 (9-9-86)
4.05.04	22-30	Code 1985, § 890.04; Ord. 900 (9-9-86)
4.05.05	22-31	Code 1985, § 890.05; Ord. 900 (9-9-86)
4.05.06	22-32	Code 1985, § 890.06; Ord. 900 (9-9-86)
4.05.07	22-33	Code 1985, § 890.07; Ord. 900 (9-9-86)
4.05.08	22-34	Code 1985, § 890.08; Ord. 900 (9-9-86)
4.06.01	22-57	§ 185.08 - .10, F.S.; Code 1985, § 894.01
4.06.02	22-58	§ 175.101, .121, et seq., F.S.
4.06.03	22-59	Code 1985, § 894.02
4.06.04	22-56, 22-60	Code 1985, § 894.03; Code 1985, § 894.99