Business Impact Estimate

This form should be included in the "set for public hearing" agenda item for ordinances, and must be posted on the County's website by the time notice of the proposed ordinance is published.

Ordinance title/reference:
AN ORDINANCE OF THE BOARD OF COUNTY COMMISSIONERS OF BROWARD COUNTY, FLORIDA, PERTAINING TO THE PROPERTY ASSESSED CLEAN ENERGY ("PACE") PROGRAM IN BROWARD COUNTY; AMENDING VARIOUS SECTIONS OF CHAPTER 20, ARTICLE VII, DIVISION 8 OF THE BROWARD COUNTY CODE OF ORDINANCES ("CODE") REGARDING THE BROWARD PACE ACT; AND PROVIDING FOR SEVERABILITY, INCLUSION IN THE CODE, AND AN EFFECTIVE DATE.

If any of the following exceptions to the Business Impact Estimate requirement apply, check the applicable box and leave the remainder of the form blank.

☐ The ordinance is required for compliance with federal or state law or regulation;
☐ The ordinance relates to the issuance or refinancing of debt;
☐ The ordinance relates to the adoption of budgets or budget amendments, including revenue sources necessary to fund the budget;
☐ The ordinance is required to implement a contract or an agreement, including, but not limited to, any federal, state, local, or private grant, or other financial assistance accepted by the County;
☐ The ordinance is an emergency ordinance;
☐ The ordinance relates to procurement; or
☐ The ordinance is enacted to implement the following:
   a. Development orders and development permits, as defined in Section 163.3164, and development agreements authorized under the Florida Local Government Development Agreement Act;
   b. Comprehensive plan amendments and land development regulation amendments initiated by application by a non-municipal private party;
   c. Sections 190.005 and 190.046, regarding community development districts;
   d. Section 553.73, relating to the Florida Building Code; or
   e. Section 633.202, relating to the Florida Fire Prevention Code.

1. Summary of the proposed ordinance (must include statement of the public purpose, such as serving the public health, safety, morals, and welfare):

The proposed Ordinance includes six changes, as follows:

- Exhibit 1A: Requiring contractor pricing for residential qualifying improvements be within the average market prices in the tricounty area (rather than not exceeding 125% of such prices);

- Exhibit 1B: Removing the requirement for PACE program administrators or third-party administrators to independently conduct due diligence regarding average market prices for residential qualifying improvements and would instead require the contractors to attest to such on a form prescribed by the PACE program administrator and/or third-party administrator;

- Exhibit 1C: Deferring the effective date until February 28, 2025, to provide an additional month for implementation of the Broward PACE Act and for program administrators to enter into an interlocal agreement with the County; and

- Exhibit 2: Removing automated valuation modeling from the permitted methods of determining fair market value of the subject property.

- Exhibit 3A: Removing either the program administrator's and/or the third party administrator's internal construction cost estimates as a permitted source of construction costs estimates when conducting appropriate due diligence.

- Exhibit 3B: Requiring, when qualifying improvements in the aggregate exceed fifteen percent (15%) of the property's assessed value, that the program administrator and/or third-party administrator review financing agreements for anticipated return on investment, confirm the property owner has received at least two independent quotes for the qualifying improvements, and reviewing and maintaining a recorded conversation with both the contractor and property owner(s) as to the estimated benefits of the qualifying improvements.

2. Estimate of direct economic impact of the proposed ordinance on private, for-profit businesses in Broward County, including, if applicable:

a. Estimate of direct compliance costs that businesses may reasonably incur;

Exhibit 1A: It is estimated that the direct economic impact on private, for-profit businesses will be that contractor pricing would be up to 25% less than average market prices, compared to current law.

Exhibit 1B: The due diligence review and any costs associated with it will now be conducted by the contractor rather than the program administrator and/or third-party administrator, so the net cost change is assumed to be zero.

Exhibit 2: According to information provided to the Board of County Commissioners by Resilient Environment on October 4, 2024, "it is noted that the AVM is expected to regularly produce a value greater than the Just Value, and that these values might differ by 20% or more." The proposed change may then reduce the number of homeowners eligible for the program.

Exhibit 3A: The removal of internal construction cost estimates as a permitted source of construction costs estimates in conducting appropriate due diligence should not result in additional costs since alternative methods are available at no incremental costs.

Exhibit 3B: Requiring the program administrator, when qualifying improvements exceed fifteen (15%) of assessed value to perform three additional tasks. These tasks are to review national return on investments studies, confirm two quotes have been obtained, and maintain records of certain conversations. These changes are not anticipated to have significant additional costs for private businesses since recording of certain calls is already required and additional quotes are assumed to be at no cost to homeowners.

b. Any new charge or fee imposed by the proposed ordinance; and

None.

c. Estimate of the County's regulatory costs, including estimated revenues from any new charges or fees to cover such costs.

None.

3. Estimate of the number of businesses likely to be impacted by the proposed ordinance:

Historically, four (4) PACE Program Administrators have had executed interlocal agreements with Broward County. Additionally, any private, for-profit businesses in Broward County that participate in the PACE program would be subject to the provisions of the ordinance concerning average market prices.

4. Additional information (if any):