MEMORANDUM

Agenda Item No. 7(J)

(Second Reading 9-1-09)

TO: Honorable Chairman Dennis C. Moss and Members, Board of County Commissioners

DATE: June 30, 2009

FROM: R. A. Cuevas, Jr. County Attorney

SUBJECT: Ordinance requiring the use of the North American Industry Classification System (NAICS) by County departments

The accompanying ordinance was prepared and placed on the agenda at the request of Prime Sponsor Commissioner Natacha Seijas.

R. A. Cuevas, Jr.
County Attorney

RAC/jls

Memorandum

MIAMI-DADE COUNTY

Date: September 1, 2009

To: Honorable Chairman Dennis C. Moss
and Members, Board of County Commissioners

From: George M. Burgess
County Manager

Subject: Ordinance Creating Section 2-2.1 of the Code of Miami-Dade County, Florida Requiring the Use of the North American Industry Classification System (NAICS) by County Departments to Classify Businesses

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The proposed ordinance requiring the use of the North American Industry Classification System (NAICS) by County departments to classify businesses is anticipated to have a fiscal impact. The NAICS is used as an industry classification system by certain governments and business establishments for collection, tabulation, presentation, and analysis of statistical data describing the U.S. economy. The NAICS system uses 1,100 high level codes that can be updated every seven (7) years.

Miami-Dade County can prospectively capture NAICS codes during the vendor registration process by adding a field to the vendor registration application. County agencies that permit and issue licenses can also modify their application forms to add a field to capture this data. Based upon preliminary research, implementation of the NAICS codes for County vendors is estimated at approximately $3,000. This estimate is based upon programming costs necessary to modify the Department of Procurement Management's Bid Tracking System so that the information may be captured for reporting purposes. Additionally, the Seaport Department has advised that it will incur approximately $3,000 in programming costs to meet this requirement. For Building Department permits, programming modifications to the County mainframe system are required to capture this data. The estimated cost of the enhancement is unknown at this time. The Building Department is currently working with the Enterprise Technology Services Department to assess the full impact and costs to their systems. The Tax Collector and the Department of Small Business Development already capture NAICS codes for Local Business Entity Tax Receipts (Occupational Licenses), and Small Business certification applicants. The Miami-Dade Aviation, General Services Administration, and Park and Recreation departments are able to modify their current applications to capture the NAICS codes without additional cost.

Assistant County Manager

MEMORANDUM

(Revised)

TO: Honorable Chairman Dennis C. Moss and Members, Board of County Commissioners

DATE: September 1, 2009

FROM: R. A. Cuevas, Jr. County Attorney

SUBJECT: Agenda Item No. 7(J)

Please note any items checked.

_____ **"4-Day Rule" ("3-Day Rule" for committees) applicable if raised**

_____ **6 weeks required between first reading and public hearing**

_____ **4 weeks notification to municipal officials required prior to public hearing**

_____ **Decreases revenues or increases expenditures without balancing budget**

_____ **Budget required**

_____ **Statement of fiscal impact required**

_____ **Bid waiver requiring County Mayor's written recommendation**

_____ **Ordinance creating a new board requires detailed County Manager's report for public hearing**

_____ **Housekeeping item (no policy decision required)**

_____ **No committee review**

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 7(J)
9-1-09

ORDINANCE NO. _____

ORDINANCE PERTAINING TO COUNTY DEPARTMENTS AND BUSINESSES; CREATING SECTION 2-2.1 OF THE CODE OF MIAMI-DADE COUNTY, FLORIDA REQUIRING THE USE OF THE NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM (NAICS) BY COUNTY DEPARTMENTS TO CLASSIFY BUSINESSES; PROVIDING SEVERABILITY, INCLUSION IN THE CODE, AND AN EFFECTIVE DATE

WHEREAS, the North American Industry Classification System (NAICS) is the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy; and

WHEREAS, NAICS was developed under the auspices of the federal Office of Management and Budget (OMB), and adopted in 1997 to replace the Standard Industrial Classification (SIC) system; and

WHEREAS, NAICS was developed jointly by the U.S. Economic Classification Policy Committee, Statistics Canada, and Mexico's Instituto Nacional de Estadistica, Geografia e Informatica, to allow for a high level of comparability in business statistics among the North American countries; and

WHEREAS, during the 2009 session, the Florida Legislature passed HB 7031, which began the transition for state agencies to use NAICS, and the Florida Legislature has required the reporting of NAICS codes for principals on lobbyist registration forms for several years; and

WHEREAS, NAICS offers a uniformity across different areas that can streamline and enhance governmental functions; and

WHEREAS, currently there is only one reference to NAICS codes in the Code of Miami-Dade County; and

WHEREAS, implementing the use of NAICS codes in County departments will make it easier for businesses to provide information to the County and will allow County departments to better share and coordinate information among departments by using a standard classification system; and

WHEREAS, implementing the use of NAICS codes in County departments will also facilitate better coordination between cities, the state and federal government,

BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA:

Section 1. Section 2-2.1 of the Code of Miami-Dade County, Florida, is hereby created to read as follows:

Sec. 2-2.1. Use of the North American Industry Classification System (NAICS) by County departments.

By no later than October 1, 2010, all county departments shall:

(1) Require businesses to provide the North American Industry Classification System (NAICS) code whenever information is collected for contracts, procurement, permits, licenses, taxes, enforcement actions and all other purposes for which information is collected by county departments from businesses; and

(2) Use NAICS codes for any business classification system that county departments use except where prohibited by federal or state law. In cases where the use of NAICS codes is prohibited by federal or state law, county departments shall maintain NAICS code information for

individual businesses in a format in which individual businesses can be sorted by NAICS codes.

Section 2. If any section, subsection, sentence, clause or provision of this ordinance is held invalid, the remainder of this ordinance shall not be affected by such invalidity.

Section 3. It is the intention of the Board of County Commissioners, and it is hereby ordained that the provisions of this ordinance, including any sunset provision, shall become and be made a part of the Code of Miami-Dade County, Florida. The sections of this ordinance may be renumbered or relettered to accomplish such intention, and the word "ordinance" may be changed to "section," "article," or other appropriate word.

Section 4. This ordinance shall become effective ten (10) days after the date of enactment unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

PASSED AND ADOPTED:

Approved by County Attorney as to form and legal sufficiency: RAC

Prepared by: JMM

Jess M. McCarty

Prime Sponsor: Commissioner Natacha Seijas