



Memorandum

Memorandum No: 24-076

Date: May 29, 2024

To: Honorable Mayor, Vice Mayor, and Commissioners

From: Susan Grant, Acting City Manager *[Signature]*

Re: Broward County Tourist Development Tax Funds

At the separate requests of the Mayor and the Budget Advisory Board, the City of Fort Lauderdale (City) staff compiled an overview of the Tourist Development Tax in Broward County. This overview includes the statutory framework, an analysis of revenue generation, and a review of expenditure allocations.

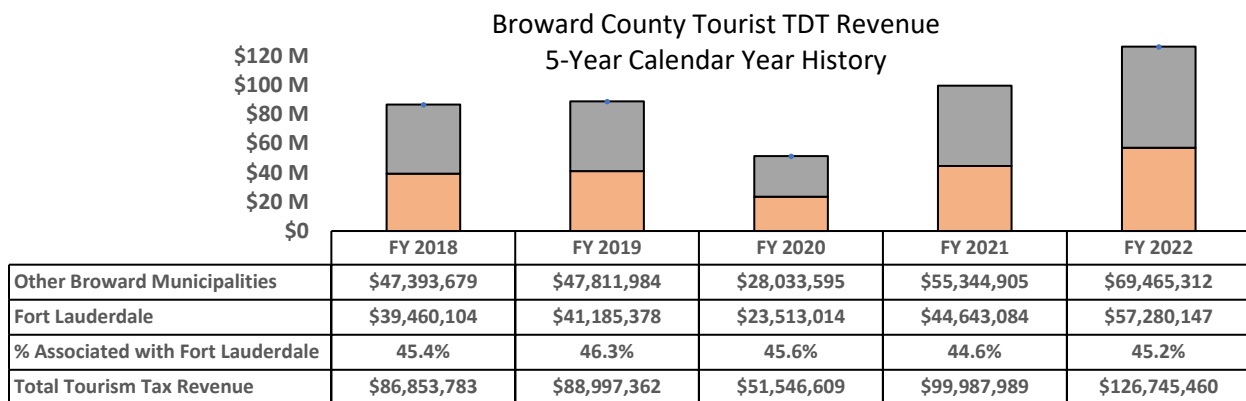
Tourist Development Tax Statutory Guidelines

The Tourist Development Tax (TDT) in Broward County is six (6) percent per dollar applied to all short-term rentals or accommodations including hotels, motels, apartments, rooming houses, mobile homes, condominiums, or single-family homes – leased for six months or less. The TDT, also known as the resort tax, bed tax, or local option tourist tax is regulated by Florida State Statute Chapter 125, which sets limits on its use.

According to the statute’s guidelines, the first four (4) cents of the tax are restricted to the acquisition and operation of convention centers, sports stadiums, auditoriums, museums, tourist information centers or bureaus, beach improvements, park improvements, or for activities directly related to promoting tourism. The remaining fifth and sixth cents are further restricted to paying the debt service on bonds issued to finance the construction, reconstruction, or renovation of convention centers or sports stadiums.

Tourist Development Tax Revenue

Approximately 45% of the TDT revenue generated in Broward County comes from taxes generated within the City of Fort Lauderdale. A five-year history of TDT revenue is provided below:



■ Fort Lauderdale ■ Other Broward Municipalities

Tourist Development Tax Expenditures

Broward County utilizes revenue generated through the TDT to fund the County Convention Center (approximately 34%), the Panthers Arena (approximately 37%), Beach Renourishment efforts (approximately 6%), and Visit Lauderdale (approximately 7%). In addition, approximately 16% of the funding goes to the Tourism Development Capital Fund which supports the Convention Center, Performing Arts Center Authority (PACA), the Panthers Arena and \$1 million per year for the Challenge Grant Program. The City of Fort Lauderdale last received a \$500,000 Challenge Grant to support the development at the War Memorial Auditorium in Fiscal Year (FY) 2019. Municipalities may only receive Challenge Grant funding once every five (5) years.

A detailed breakdown of TDT appropriations by budget category is provided below:

Appropriations of Tourist Development Tax Minus Overhead and Fund Balance Appropriations				
Revenue	FY 2022 Actuals	FY 2023 Budget	FY 2024 Budget	% Appropriation FY 2024
Transfer to Visit Lauderdale	\$ 2,494,270	\$ 8,851,800	\$ 7,366,900	6.5%
Transfer to Convention Center	\$ 7,463,690	\$ 13,067,380	\$ 11,734,230	10.3%
Transfer to Development Tax Revenue Bonds (2021) ¹	\$ 14,424,063	\$ 29,127,000	\$ 27,448,150	24.2%
Transfer to Tourist Development Capital Fund ²	\$ 46,748,560	\$ 4,850,170	\$ 18,376,750	16.2%
Transfer to Beach Capital	\$ 7,000,000	\$ 7,000,000	\$ 7,000,000	6.2%
Transfer to Civic Arena Debt Service	\$ 43,323,047	\$ 33,312,390	\$ 41,486,560	36.6%
Total	\$ 121,453,630	\$ 96,208,740	\$ 113,412,590	100%
<ol style="list-style-type: none"> <i>The County issued the Development Tax Revenue Bond in December 2021 to expand and upgrade the Convention Center, including an extension to the main Exhibit Hall.</i> <i>The Tourist Development Capital Fund supports the Convention Center, the Arena, PACA, as well as a \$1 million appropriation annually for the Challenge Grant Program.</i> 				

If you have any questions about this analysis, please reach out to Yvette Matthews, Acting Director of the Office of Management and Budget at y.matthews@fortlauderdale.gov or 954-828-6103.

- c: Anthony G. Fajardo, Assistant City Manager
- Laura Reece, Acting Assistant City Manager
- Ben Rogers, Acting Assistant City Manager
- Thomas J. Ansbro, City Attorney
- David R. Soloman, City Clerk
- Patrick Reilly, City Auditor
- Department Directors
- CMO Managers
- Budget Advisory Board