

# **SARASOTA COUNTY GOVERNMENT**

*Office of Financial Management*

**TO:** Sarasota County Commission

**THROUGH:** Randall H. Reid, County Administrator

**FROM:** Steve Botelho, Chief Financial Officer

**DATE:** September 17, 2013

**SUBJECT: Item 2A: Update on Tourist Development Tax (TDT) Allocations**

**SUMMARY:**

The Town of Longboat Key will lead a discussion on the Tourist Development Tax Beach Maintenance allocation. The accompanying document (Tourist Development Tax, FY2014) highlights the revenue allocations, per TDT Ordinance, for the Tourist Development Tax.

**Attachments:** Tourist Development Tax, FY2014

# Tourist Development Tax FY2014

## Authorized Uses of Revenue

1¢



2¢



3¢



4¢



5¢



Convention Ctr, Sports Stadium/Arena, Coliseum, Auditorium  
\*Aquarium, Museum, Zoological Park, Fishing Pier, Nature Ctr

Tourism Promotion/Advertising

Maintenance/Renourishment of

\*\*Beach Park Facilities, Beach/Shoreline, Inland Lake/River

*\*can be owned and operated by not-for-profit and open to the public*

*\*\*no more than 50% can be pledged for bonds*

Convention Center  
Pro-Franchise Facility  
Promotion/Advertising

*100% for debt service on bonds  
issued by the County  
(ops/maint of ConventionCenter  
up to 10 years or life of bonds)*

Pro-Franchise Facility  
Promotion/Advertising

*100% for debt service on bonds  
issued by the County  
(no Ad Valorem Tax Revenues  
for the Pro-Franchise Facility)*

## 5¢ Levy Allocation

1¢



2¢

3¢



4¢



4 1/2¢



5¢



50% Beach Maintenance \*  
25% Sports Stadium  
25% Aquatic Nature Ctr

50% Beach Renourishment  
20% Beach Maintenance-2yr  
17.5% Promotion  
12.5% Activities/Attractions  
/Promotions

100% Promotion

100% Arts

100% Promotion

Notes: Initial 2% Levy - effective November 1, 1988  
First additional 1% Levy - effective April 1, 1997  
Second additional 1% Levy - effective May 1, 2007  
Additional 1/2% Levy - effective May 1, 2010  
Second additional 1/2% Levy - effective May 1, 2011

*20% County Beach Maintenance (as of October 1, 2009 w/2yr review)  
12.5% Promotion (as of May 1, 2011); Product Development (as of May 1, 2013)*

*\*50% Beach Maintenance – revenue allocated to County and Municipalities based on population  
Municipalities expend for Beach Renourishment*

# Current TDT Allocation to Longboat Key

Longboat Key receives 1/3 of it's 3% Levy collections, used for Beach Renourishment, payable from the Initial 2% and 1<sup>st</sup> additional 1% Levies.

## 5¢ Levy Allocation



50% Beach Maintenance \*  
 25% Sports Stadium  
 25% Aquatic Nature Ctr

50% Beach Renourishment  
 20% Beach Maintenance-2yr  
 17.5% Promotion  
 12.5% Activities/Attractions  
 /Promotions

100% Promotion

100% Arts

100% Promotion

\* 50% Beach Maintenance – revenue allocated to County and Municipalities based on population.

Note: Longboat Key 1/3 of 3% Levy collections for FY2012 - \$324,131

## **Tourist tax allocation to the Town of Longboat Key**

For the 20 fiscal years beginning October 1, 1998, and ending September 30, 2018, the annual allocation of tourist development tax proceeds to the Town of Longboat Key will equal one-third of the Town's annual actual total tourist tax collections of the Initial Two Percent Levy and the First Additional One Percent Levy, as determined by the Sarasota County Tax Collector for the fiscal year prior to the year in which the budget is prepared (the 20 fiscal years beginning October 1, 1996, and ending September 30, 2016, respectively).

Such annual allocation will be funded as follows: the allocation to the Town of Longboat Key from the Initial Two Percent Levy, pursuant to [section 114-64\(d\)\(1\)](#) herein, and, as needed, a portion of the First Additional One Percent Levy (levied on April 1, 1997) limited to beach renourishment.

# Interlocal Agreement

The County will annually allocate to the Town during the ten (10) fiscal years beginning October 1, 2008 and ending September 30, 2018, a sum equal to one-third of the Town's annual actual TDT collections of the Initial Two Percent Levy and the First Additional One Percent Levy, as determined by the Sarasota County Tax Collector for the fiscal year prior to the year in which the budget is prepared (the ten fiscal years beginning October 1, 2006 and ending September 30, 2016, respectively) (the "Town Allocation"). The Town Allocation will be funded as follows: the TDT allocation from the Initial Two Percent Levy pursuant to Section 114-64(d) (1) of the Code and, as needed, a portion of the First Additional One Percent Levy to be used only for beach renourishment and beach renourishment related purposes.

\* The Town shall forego any requests to the County for additional allocation of the TDT during the term of this Interlocal Agreement. The Town will certify to the County by September 30 of each fiscal year that the Town Allocation was expended for the Town's beach renourishment program within Sarasota County, and in accordance with the Code.

*\* LBK proposed an adjustment be considered at the last joint meeting and SCG Board approved to have discussion brought back.*

- As of FY2010, the County reallocated 20% of one penny to beach maintenance from the beach renourishment levy to alleviate General Fund funding of TDT allowable beach maintenance expenses.
- This reallocation is up for review every two years.
- Funds pay for beach maintenance of County maintained beaches in the City of Sarasota, City of Venice and Unincorporated County.

# Longboat Key Request

Since the County reallocated 20% of the third penny for beach maintenance in all areas of the County except LBK, the Town requests that 20% of the third penny collected in LBK be allocated to LBK for beach maintenance in the Sarasota County portion of LBK

- Longboat Key collections of 20% of 1<sup>st</sup> additional 1% Levy for FY2012 - \$64,826

This allocation to LBK would continue as long as the County reallocates funds to beach maintenance and would stop when/if the County stops reallocating these funds to beach maintenance

### **TDT Ordinance**

1. LBK would need to present their request for Beach Maintenance funding to the Tourist Development Council (TDC)
2. Following approval from TDC, SCG would present to the Board of County Commissioners for final approval and to formally amend the TDT Ordinance by Public Hearing

### **SCG/LBK TDT Interlocal Agreement**

1. Board of County Commissioners and Town Commission would need to update the current Interlocal Agreement.