
Joshua Watters, Budget Director

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MEMORANDUM

DATE: October 21, 2025
TO: Greg Harrison, City Manager
FROM: Joshua Watters, Budget Director *JW*
SUBJECT: Broward County Tax Collector Commission

Background

Pursuant to the 2018 Florida Constitutional Amendment 10 and a subsequent Broward County Charter Amendment approved by voters, Broward County has established the elected position of Tax Collector. Effective January 7, 2025, the Hon. Abbey Ajayi assumed office as Broward County's first elected Constitutional Tax Collector. As part of this reorganization, the Tax Collector assumed responsibility for various functions previously managed by Broward County Government, including the collection and distribution of ad valorem property taxes and non-ad valorem assessments collected via the annual property tax bill.

As part of this transition, each taxing authority that levies non-ad valorem assessments and wishes to have those assessments included on the annual property tax bill must enter into a formal agreement with the Tax Collector. The City of Pompano Beach currently levies a Fire Assessment Fee, which is collected through the annual tax bill. The Tax Collector's Office has indicated that a signed agreement must be submitted by October 30, 2025 in order for it to collect those revenues for the current year.

Under Sections 192.091 and 197.3632, Florida Statutes, the Tax Collector is authorized to seek reimbursement for the actual costs of collecting certain ad valorem levies and non-ad valorem assessments, provided that such reimbursement does not exceed two percent (2%) of the amount collected and remitted.

On October 2, 2025, the City received a draft agreement from the Tax Collector's General Counsel authorizing the Tax Collector to collect non-ad valorem revenues and assess a commission on all non-ad valorem assessments collected on behalf of the City, as permitted under State law.

Fiscal Analysis

Historically, Broward County Government did not charge the City for the collection and distribution of either ad valorem or non-ad valorem revenues.

On October 21, 2025, the Tax Collector's Office notified the City that it intends to assess a one percent (1%) commission on non-ad valorem revenues, and a two percent (2%) commission on ad valorem revenues associated with the Emergency Medical Services (EMS) and General Obligation (GO) Bond Debt Service property taxes.

Based on preliminary information received from the Tax Collector's Office in March 2025, the City budgeted \$170,392 in FY 2026 to cover the estimated commission for the ad valorem EMS property tax revenue. However, it was not communicated to the City that a commission would also be applied to the collection and distribution of other ad valorem or non-ad valorem revenues.

The total commission to be assessed by the Tax Collector for FY 2026 is now estimated to be up to \$775,307. Of this amount, \$170,392 was anticipated and included in the adopted FY 2026 budget, leaving a net unbudgeted impact of \$604,915.

Estimated Tax Collector Commission - FY 2026					
	<u>Tax Collector Commission</u>	<u>FY 2026 Estimated Gross Revenue</u>	<u>FY 2026 Estimated Commission</u>	<u>FY 2026 Budget</u>	<u>Net Impact</u>
Ad Valorem EMS	2.0%	\$11,546,198	\$230,924	\$170,392	\$60,532
Ad Valorem Debt Service 2018	2.0%	\$6,077,919	\$121,558	\$0	\$121,558
Ad Valorem Debt Service 2021	2.0%	\$4,145,085	\$82,902	\$0	\$82,902
Non-Ad Valorem Fire Assessment	1.0%	\$33,992,334	\$339,923	\$0	\$339,923
Total		\$55,761,536	\$775,307	\$170,392	\$604,915

According to the Tax Collector's Office, rather than billing the City for the commission charges, the net revenues distributed to the City will be reduced by the applicable percentage of the commission.

Recommendation

Staff recommends that the City Commission adopt the resolution authorizing the Mayor to execute an agreement with the Broward County Tax Collector for the inclusion of the City's non-ad valorem Fire Assessment Fee on the annual property tax bill.

Because the Tax Collector's Office has notified the City that it will retain the commission through the revenue distribution process, a budget amendment is not required at this time. Staff will continue to monitor ad valorem and non-ad valorem distributions and will bring forward a recommendation for a budget adjustment at a later date if necessary.

It should be noted that the Tax Collector's commission will have an ongoing annual impact on the City's budget. During the Fiscal Year 2027 budget development process, staff will evaluate this continuing cost and provide recommendations for its inclusion in future budgets.