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MEMORANDUM

DATE: January 6, 2026

TO: Greg Harrison, City Manager

FROM: Joshua Watters, Budget Director *JW*

SUBJECT: Tax Collector Agreement – Uniform Collection of Non-Ad Valorem Assessments

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. On January 7, 2025, the Hon. Abbey Ajayi was sworn into office as Broward County's first elected Constitutional Tax Collector. As part of this reorganization, the Tax Collector assumed responsibility for several functions previously managed by Broward County, including the collection and distribution of ad valorem and certain non-ad valorem revenues.

Each taxing authority that levies non-ad valorem assessments and wishes to include them on the annual tax bill must now enter into a formal agreement with the Tax Collector. The City of Pompano Beach levies a Fire Assessment Fee, which is collected through the tax bill.

Under Sections 192.091 and 197.3632, Florida Statutes, the Tax Collector may recover the actual costs of collecting certain ad valorem levies and non-ad valorem assessments, provided that 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 the City's non-ad valorem revenues and to assess a commission, as permitted by state law. Since then, the City Manager, City Attorney and the Budget Office have worked with other Broward County municipalities to revise the agreement to ensure clarity, consistency, and uniform application across all cities.

FISCAL ANALYSIS

Historically, Broward County collected and remitted all ad valorem and certain non-ad valorem revenues to municipalities, without charging the City of Pompano Beach for this service. The City does, however, pay a small annual administrative fee to the Broward County Property Appraiser for maintaining and updating the Fire Assessment roll.

In March 2025, the Tax Collector’s Office provided preliminary information stating that the Emergency Medical Services (EMS) special taxing district ad valorem revenue would be subject to a commission. Based on that information, the City budgeted \$170,392 in FY 2026 for this cost. At that time, the City was not advised that commissions would also apply to other ad valorem or non-ad valorem revenues.

The Tax Collector’s Office has since notified the City that it will assess a one percent (1%) commission on non-ad valorem revenues collected on the City’s behalf, and a two percent (2%) commission on ad valorem revenues associated with the EMS special taxing district. Any commissions collected in excess of the actual cost of collection will be refunded to participating municipalities on a prorated basis.

In October 2025, the Tax Collector’s Office indicated its intent to assess a two percent (2%) commission on ad valorem revenues related to debt service property taxes. In November and December 2025, the Tax Collector’s Office reduced the City’s revenue distributions for these ad valorem debt service revenues by \$155,639 to cover the anticipated commission. Following discussions with the Tax Collector and other Broward County municipalities, the City received confirmation in January 2026 that the commission on ad valorem debt service revenues would be waived, and the full \$155,639 has been refunded to the City.

Based on estimated gross revenues, the total FY 2026 commission is projected at \$570,847. Of this amount, \$170,392 was budgeted, resulting in an unbudgeted impact of \$400,455. Of this amount, \$339,923 is related to the non-ad valorem, fire assessment fee revenue.

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
Non-Ad Valorem Fire Assessment	1.0%	\$33,992,334	\$339,923	\$0	\$339,923
Total		\$45,538,532	\$570,847	\$170,392	\$400,455

The Tax Collector will deduct the applicable commission from revenues prior to distribution to the City. For budgeting purposes, commissions are calculated using gross revenues; however, the actual commission is assessed against net revenues.

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 commission will be retained through net revenue distributions, no budget amendment is required at this time. Staff will continue to monitor both ad valorem and non-ad valorem revenue distributions and will recommend a budget adjustment if necessary.

The Tax Collector’s commission represents an ongoing annual cost to the City. As part of the FY 2027 budget process, staff will evaluate this recurring expense and provide recommendations for its inclusion in future budgets.