

# Transient Occupancy Tax Fund



## Description

The Transient Occupancy Tax (TOT) Fund was established to collect the tax associated with the City of San Diego's 10.5% hotel visitor tax. The purpose of TOT is to advance the City's economic health by: promoting the City of San Diego as a visitor destination and place of creativity, innovation, and entrepreneurship in the national and international marketplace; supporting programs that increase hotel occupancy as well as attract and retain base-sector businesses and entrepreneurs, resulting in the generation of TOT and other revenue; development of visitor-related facilities; and supporting the City of San Diego's artistic and cultural amenities, and natural attractions.

The Transient Occupancy Tax (TOT) revenue is guided by the City's Municipal Code Section 35.0101, which stipulates that of the 10.5% of collected TOT revenue, 5.5% is to be applied toward general government purposes, 4.0% towards promoting the City as a tourist destination, and the remaining 1.0% towards any purposes proposed and approved by the Mayor and City Council. Additionally, the TOT Fund also includes projected revenue associated with Measure C, an initiative passed in 2022 to increase the City of San Diego's current 10.5% hotel visitor tax to 11.75%, 12.75% and 13.75%, where each tax rate would depend on a hotel's location in one of three geographic zones. The revenue from the additional taxes would be allocated to convention center expansion and modernization, homelessness services and street repairs.

# Transient Occupancy Tax Fund

## Department Summary\*

	FY2024 Actual	FY2025 Budget	FY2026 Adopted	FY2025-2026 Change
FTE Positions	0.00	0.00	0.00	0.00
Personnel Expenditures	\$ -	\$ -	\$ -	-
Non-Personnel Expenditures	-	-	80,275,346	80,275,346
<b>Total Department Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 80,275,346</b>	<b>\$ 80,275,346</b>
<b>Total Department Revenue</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 80,275,346</b>	<b>\$ 80,275,346</b>

\*The Department Summary includes the budget for the new TOT Convention Center and TOT Homelessness Funds related to Measure C. The budget detail related to the Transient Occupancy Tax Fund can be found on the Special Promotional Programs, Economic Development (Cultural Affairs), and Special Events & Filming Budget Pages.

## TOT Convention Center\*

### Department Expenditures

	FY2024 Actual	FY2025 Budget	FY2026 Adopted	FY2025-2026 Change
TOT Convention Center	\$ -	\$ -	\$ 47,672,882	\$ 47,672,882
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 47,672,882</b>	<b>\$ 47,672,882</b>

\*The TOT Convention Center Fund is a new fund in the Fiscal Year 2026 Adopted Budget.

### Significant Budget Adjustments

	FTE	Expenditures	Revenue
<b>Measure C Revenue and Expenditures</b>	0.00	\$ 47,672,882	\$ 47,672,882
Adjustment to reflect revenue and expenditures for San Diego Convention Center as a result of Transient Occupancy Tax (TOT) increase for Measure C.			
<b>Total</b>	<b>0.00</b>	<b>\$ 47,672,882</b>	<b>\$ 47,672,882</b>

### Expenditures by Category

	FY2024 Actual	FY2025 Budget	FY2026 Adopted	FY2025-2026 Change
<b>NON-PERSONNEL</b>				
Contracts & Services	\$ -	\$ -	\$ 47,672,882	\$ 47,672,882
<i>External Contracts &amp; Services</i>	-	-	47,672,882	47,672,882
<b>NON-PERSONNEL SUBTOTAL</b>	-	-	47,672,882	47,672,882
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 47,672,882</b>	<b>\$ 47,672,882</b>

### Revenues by Category

	FY2024 Actual	FY2025 Budget	FY2026 Adopted	FY2025-2026 Change
Transient Occupancy Tax	\$ -	\$ -	\$ 47,672,882	\$ 47,672,882
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 47,672,882</b>	<b>\$ 47,672,882</b>

# Transient Occupancy Tax Fund

## TOT Homelessness\*

### Department Expenditures

		FY2024 Actual		FY2025 Budget		FY2026 Adopted		FY2025-2026 Change
TOT Homelessness	\$	-	\$	-	\$	32,602,464	\$	32,602,464
<b>Total</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>32,602,464</b>	<b>\$</b>	<b>32,602,464</b>

\*The TOT Homelessness Fund is a new fund in the Fiscal Year 2026 Adopted Budget.

### Significant Budget Adjustments

		FTE		Expenditures		Revenue
<b>Measure C Revenue and Expenditures</b>		0.00	\$	32,602,464	\$	32,602,464
Adjustment to reflect revenue and expenditures for homelessness services as a result of Transient Occupancy Tax (TOT) increase for Measure C.						
<b>Total</b>		<b>0.00</b>	<b>\$</b>	<b>32,602,464</b>	<b>\$</b>	<b>32,602,464</b>

### Expenditures by Category

		FY2024 Actual		FY2025 Budget		FY2026 Adopted		FY2025-2026 Change
<b>NON-PERSONNEL</b>								
Contracts & Services	\$	-	\$	-	\$	32,602,464	\$	32,602,464
<i>Internal Contracts &amp; Services</i>		-		-		32,602,464		32,602,464
<b>NON-PERSONNEL SUBTOTAL</b>		-		-		32,602,464		32,602,464
<b>Total</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>32,602,464</b>	<b>\$</b>	<b>32,602,464</b>

### Revenues by Category

		FY2024 Actual		FY2025 Budget		FY2026 Adopted		FY2025-2026 Change
Transient Occupancy Tax	\$	-	\$	-	\$	32,602,464	\$	32,602,464
<b>Total</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>32,602,464</b>	<b>\$</b>	<b>32,602,464</b>

# Transient Occupancy Tax Fund

## Revenue and Expense Statement (Non-General Fund)

TOT Convention Center Fund	FY2024 Actual	FY2025* Budget	FY2026** Adopted
BEGINNING BALANCE AND RESERVES			
Balance from Prior Year	\$ -	\$ -	-
<b>TOTAL BALANCE AND RESERVES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>
REVENUE			
Transient Occupancy Taxes	\$ -	\$ -	47,672,882
<b>TOTAL REVENUE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>47,672,882</b>
<b>TOTAL BALANCE, RESERVES, AND REVENUE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>47,672,882</b>
OPERATING EXPENSE			
Contracts & Services	\$ -	\$ -	47,672,882
<b>TOTAL OPERATING EXPENSE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>47,672,882</b>
<b>TOTAL EXPENSE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>47,672,882</b>
<b>BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>
<b>TOTAL BALANCE, RESERVES, AND EXPENSE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>47,672,882</b>

\* At the time of publication, audited financial statements for Fiscal Year 2025 were not available. Therefore, the Fiscal Year 2025 column reflects final budgeted revenue and expense amounts from the Fiscal Year 2025 Adopted Budget, while the beginning Fiscal Year 2025 balance amount reflects the audited Fiscal Year 2024 ending balance.

\*\* Fiscal Year 2026 Beginning Fund Balance reflects the projected Fiscal Year 2025 Ending Fund Balance based on updated Revenue and Expenditures projections for Fiscal Year 2025.

\*\*\* The TOT Convention Center Fund is a new fund in the Fiscal Year 2026 Adopted Budget.

# Transient Occupancy Tax Fund

## Revenue and Expense Statement (Non-General Fund)

TOT Homelessness Fund	FY2024 Actual	FY2025* Budget	FY2026** Adopted
BEGINNING BALANCE AND RESERVES			
Balance from Prior Year	\$ -	\$ -	-
<b>TOTAL BALANCE AND RESERVES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>
REVENUE			
Transient Occupancy Taxes	\$ -	\$ -	32,602,464
<b>TOTAL REVENUE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>32,602,464</b>
<b>TOTAL BALANCE, RESERVES, AND REVENUE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>32,602,464</b>
OPERATING EXPENSE			
Contracts & Services	\$ -	\$ -	32,602,464
<b>TOTAL OPERATING EXPENSE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>32,602,464</b>
<b>TOTAL EXPENSE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>32,602,464</b>
<b>BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>
<b>TOTAL BALANCE, RESERVES, AND EXPENSE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>32,602,464</b>

\* At the time of publication, audited financial statements for Fiscal Year 2025 were not available. Therefore, the Fiscal Year 2025 column reflects final budgeted revenue and expense amounts from the Fiscal Year 2025 Adopted Budget, while the beginning Fiscal Year 2025 balance amount reflects the audited Fiscal Year 2024 ending balance.

\*\* Fiscal Year 2026 Beginning Fund Balance reflects the projected Fiscal Year 2025 Ending Fund Balance based on updated Revenue and Expenditures projections for Fiscal Year 2025.

\*\*\* The TOT Homelessness Fund is a new fund in the Fiscal Year 2026 Adopted Budget.

# Transient Occupancy Tax Fund

## Revenue and Expense Statement (Non-General Fund)

Transient Occupancy Tax Fund	FY2024 Actual	FY2025* Budget	FY2026** Adopted
BEGINNING BALANCE AND RESERVES			
Balance from Prior Year	\$ 29,457,397	\$ 2,822,419	\$ 1,844,034
<b>TOTAL BALANCE AND RESERVES</b>	<b>\$ 29,457,397</b>	<b>\$ 2,822,419</b>	<b>\$ 1,844,034</b>
REVENUE			
Charges for Services	\$ 11,587	\$ 29,757	\$ 31,395
Fines Forfeitures and Penalties	-	-	6,000
Licenses and Permits	134,423	120,000	126,628
Other Revenue	(1,610)	-	-
Transfers In	147,147	-	-
Transient Occupancy Taxes	147,165,671	155,779,298	153,389,208
<b>TOTAL REVENUE</b>	<b>\$ 147,457,217</b>	<b>\$ 155,929,055</b>	<b>\$ 153,553,231</b>
<b>TOTAL BALANCE, RESERVES, AND REVENUE</b>	<b>\$ 176,914,614</b>	<b>\$ 158,751,474</b>	<b>\$ 155,397,265</b>
OPERATING EXPENSE			
Personnel Expenses	\$ 1,621,392	\$ 1,772,006	\$ 1,879,943
Fringe Benefits	502,032	526,631	701,560
Supplies	18,685	18,215	10,660
Contracts & Services	105,933,989	102,068,051	94,561,434
Information Technology	318,441	395,605	316,674
Energy and Utilities	5,965	8,700	8,700
Other Expenses	8,027	5,000	5,000
Transfers Out	65,683,663	56,151,017	57,913,294
<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 174,092,195</b>	<b>\$ 160,945,225</b>	<b>\$ 155,397,265</b>
<b>TOTAL EXPENSE</b>	<b>\$ 174,092,195</b>	<b>\$ 160,945,225</b>	<b>\$ 155,397,265</b>
<b>BALANCE</b>	<b>\$ 2,822,419</b>	<b>\$ (2,193,751)</b>	<b>\$ -</b>
<b>TOTAL BALANCE, RESERVES, AND EXPENSE</b>	<b>\$ 176,914,614</b>	<b>\$ 158,751,474</b>	<b>\$ 155,397,265</b>

\* At the time of publication, audited financial statements for Fiscal Year 2025 were not available. Therefore, the Fiscal Year 2025 column reflects final budgeted revenue and expense amounts from the Fiscal Year 2025 Adopted Budget, while the beginning Fiscal Year 2025 balance amount reflects the audited Fiscal Year 2024 ending balance.

\*\* Fiscal Year 2026 Beginning Fund Balance reflects the projected Fiscal Year 2025 Ending Fund Balance based on updated Revenue and Expenditures projections for Fiscal Year 2025.

\*\*\* In addition to the data from the Special Promotional Program, the Transient Occupancy Tax Fund statement reflects data budgeted in the Cultural Affairs Division of the Economic Development Department and the Special Events & Filming Department.