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 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.

Department Summary

	FY2025 Actual	FY2026 Budget	FY2027 Adopted	FY2026-2027 Change
FTE Positions (Budgeted)	0.00	0.00	0.00	0.00
Personnel Expenditures	$ -	$ -	$ -	$ -
Non-Personnel Expenditures	-	80,275,346	42,216,486	(38,058,860)
Total Department Expenditures	**$ -**	**$80,275,346**	**$42,216,486**	**($38,058,860)**
Total Department Revenue	**$14,338,325**	**$80,275,345**	**$77,997,232**	**($2,278,113)**

*The Department Summary includes the budget for the 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 Parks & Recreation (Special Events & Filming) Budget Pages.

TOT Convention Center Fund

Department Expenditures

	FY2025 Actual	FY2026 Budget	FY2027 Adopted	FY2026-2027 Change
TOT Convention Center Fund	$ -	$47,672,882	$10,237,621	($37,435,261)
Total	**$ -**	**$47,672,882**	**$10,237,621**	**($37,435,261)**

Budget Adjustments

	FTE	Expenditures	Revenue
Convention Center Debt Service Addition of one-time non-personnel expenditures associated with a temporary adjustment to the funding strategy.	-	$6,000,000	$ -
Operational Support Addition of non-personnel expenditures for operating support of the San Diego Convention Center.	-	4,237,621	-
Measure C Revenue and Expenditures Adjustment to revenue and expenditures for the San Diego Convention Center as a result of Measure C Transient Occupancy Tax (TOT) projections.	-	(47,672,882)	(1,654,514)
Total	**0.00**	**($37,435,261)**	**($1,654,514)**

Expenditures by Category

	FY2025 Actual	FY2026 Budget	FY2027 Adopted	FY2026-2027 Change
NON-PERSONNEL EXPENDITURES				
Transfers Out	-	-	10,237,621	10,237,621
NON-PERSONNEL SUBTOTAL	**-**	**47,672,882**	**10,237,621**	**(37,435,261)**
Total	**$ -**	**$47,672,882**	**$10,237,621**	**($37,435,261)**

Revenues by Category

	FY2025 Actual	FY2026 Budget	FY2027 Adopted	FY2026-2027 Change
Revenue from Use of Money and Property	$9,371	$ -	$ -	$ -
Transient Occupancy Taxes	8,456,617	47,672,881	46,018,367	(1,654,514)
Total	**$8,465,988**	**$47,672,881**	**$46,018,367**	**($1,654,514)**

TOT Homelessness Fund

Department Expenditures

	FY2025 Actual	FY2026 Budget	FY2027 Adopted	FY2026-2027 Change
TOT Homelessness Fund	$ -	$32,602,464	$31,978,865	($623,599)
Total	**$ -**	**$32,602,464**	**$31,978,865**	**($623,599)**

Budget Adjustments

	FTE	Expenditures	Revenue
Measure C Revenue and Expenditures Adjustment to revenue and expenditures for homelessness services as a result of Measure C Transient Occupancy Tax (TOT) projections.	-	($623,599)	($623,599)
Total	**0.00**	**($623,599)**	**($623,599)**

Expenditures by Category

	FY2025 Actual	FY2026 Budget	FY2027 Adopted	FY2026-2027 Change
NON-PERSONNEL EXPENDITURES				
Contracts & Services	-	32,602,464	31,978,865	(623,599)
Internal Contracts & Services	-	*32,602,464*	*31,978,865*	*(623,599)*
NON-PERSONNEL SUBTOTAL	**-**	**32,602,464**	**31,978,865**	**(623,599)**
Total	**$ -**	**$32,602,464**	**$31,978,865**	**($623,599)**

Revenues by Category

	FY2025 Actual	FY2026 Budget	FY2027 Adopted	FY2026-2027 Change
Revenue from Use of Money and Property	$6,487	$ -	$ -	$ -
Transient Occupancy Taxes	5,865,850	32,602,464	31,978,865	(623,599)
Total	**$5,872,337**	**$32,602,464**	**$31,978,865**	**($623,599)**

Revenue and Expense Statement (Non-General Fund)

TOT Convention Center Fund	FY 2025 ACTUAL	FY 2026* BUDGET	FY 2027** ADOPTED
BEGINNING BALANCE AND RESERVES			
Balance from Prior Year	$ -	$ 8,465,988	$ 30,835,849
Continuing Appropriation - CIP	-	-	21,402,788
TOTAL BALANCE AND RESERVES	**$ -**	**$ 8,465,988**	**$ 52,238,637**
REVENUE			
Revenue from Use of Money and Property	$ 9,371	$ -	$ -
Transient Occupancy Taxes	8,456,617	47,672,881	46,018,367
TOTAL REVENUE	**$ 8,465,988**	**$ 47,672,881**	**$ 46,018,367**
TOTAL BALANCE, RESERVES, AND REVENUE	**$ 8,465,988**	**$ 56,138,869**	**$ 98,257,004**
CAPITAL IMPROVEMENTS PROGRAM (CIP) EXPENSE			
CIP Expenditures	$ -	$ -	$ 18,290,000
TOTAL CIP EXPENSE	**$ -**	**$ -**	**$ 18,290,000**
OPERATING EXPENSE			
Contracts & Services	$ -	$ 47,672,882	$ -
Transfers Out	-	-	10,237,621
TOTAL OPERATING EXPENSE	**$ -**	**$ 47,672,882**	**$ 10,237,621**
TOTAL EXPENSE	**$ -**	**$ 47,672,882**	**$ 28,527,621**
RESERVES			
Continuing Appropriation - CIP	$ -	$ -	$ 21,402,788
TOTAL RESERVES	**$ -**	**$ -**	**$ 21,402,788**
BALANCE	**$ 8,465,988**	**$ 8,465,987**	**$ 48,326,595**
TOTAL BALANCE, RESERVES, AND EXPENSE	**$ 8,465,988**	**$ 56,138,869**	**$ 98,257,004**

*At the time of publication, audited financial statements for Fiscal Year 2026 were not available. Therefore, the Fiscal Year 2026 column reflects final budgeted revenue and expense amounts from the Fiscal Year 2026 Adopted Budget, while the beginning Fiscal Year 2026 balance amount reflects the audited Fiscal Year 2025 ending balance.

**Fiscal Year 2027 Beginning Fund Balance reflects the projected Fiscal Year 2026 Ending Fund Balance based on updated Revenue and Expenditures projections for Fiscal Year 2026.

Revenue and Expense Statement (Non-General Fund)

TOT Homelessness Fund	FY 2025 ACTUAL	FY 2026* BUDGET	FY 2027** ADOPTED
BEGINNING BALANCE AND RESERVES			
Balance from Prior Year	$ -	$ 5,872,337	$ -
TOTAL BALANCE AND RESERVES	**$ -**	**$ 5,872,337**	**$ -**
REVENUE			
Revenue from Use of Money and Property	$ 6,487	$ -	$ -
Transient Occupancy Taxes	5,865,850	32,602,464	31,978,865
TOTAL REVENUE	**$ 5,872,337**	**$ 32,602,464**	**$ 31,978,865**
TOTAL BALANCE, RESERVES, AND REVENUE	**$ 5,872,337**	**$ 38,474,801**	**$ 31,978,865**
OPERATING EXPENSE			
Contracts & Services	$ -	$ 32,602,464	$ 31,978,865
TOTAL OPERATING EXPENSE	**$ -**	**$ 32,602,464**	**$ 31,978,865**
TOTAL EXPENSE	**$ -**	**$ 32,602,464**	**$ 31,978,865**
BALANCE	**$ 5,872,337**	**$ 5,872,337**	**$ -**
TOTAL BALANCE, RESERVES, AND EXPENSE	**$ 5,872,337**	**$ 38,474,801**	**$ 31,978,865**

*At the time of publication, audited financial statements for Fiscal Year 2026 were not available. Therefore, the Fiscal Year 2026 column reflects final budgeted revenue and expense amounts from the Fiscal Year 2026 Adopted Budget, while the beginning Fiscal Year 2026 balance amount reflects the audited Fiscal Year 2025 ending balance.

**Fiscal Year 2027 Beginning Fund Balance reflects the projected Fiscal Year 2026 Ending Fund Balance based on updated Revenue and Expenditures projections for Fiscal Year 2026.

Revenue and Expense Statement (Non-General Fund)

Transient Occupancy Tax Fund	FY 2025 ACTUAL	FY 2026* BUDGET	FY 2027** ADOPTED
BEGINNING BALANCE AND RESERVES			
Balance from Prior Year	$ 2,822,419	$ 3,246,742	$ 480,806
TOTAL BALANCE AND RESERVES	**$ 2,822,419**	**$ 3,246,742**	**$ 480,806**
REVENUE			
Charges for Services	$ 20,780	$ 31,395	$ 33,876
Fines Forfeitures and Penalties	25,972	6,000	6,000
Licenses and Permits	110,210	126,628	126,628
Other Revenue	62,712	-	-
Transfers In	-	-	99,747
Transient Occupancy Taxes	149,883,580	153,389,208	153,063,453
TOTAL REVENUE	**$ 150,103,254**	**$ 153,553,231**	**$ 153,329,704**
TOTAL BALANCE, RESERVES, AND REVENUE	**$ 152,925,673**	**$ 156,799,973**	**$ 153,810,510**
OPERATING EXPENSE			
Personnel Expenses	$ 1,823,028	$ 1,879,943	$ 1,731,166
Fringe Benefits	674,481	701,560	723,823
Supplies	8,430	10,660	10,215
Contracts & Services	92,046,309	94,561,434	103,718,917
Information Technology	320,305	316,674	354,603
Energy and Utilities	7,840	8,700	8,700
Other Expenses	10,237	5,000	4,000
Transfers Out	54,788,300	57,913,294	46,790,844
TOTAL OPERATING EXPENSE	**$ 149,678,931**	**$ 155,397,265**	**$ 153,342,268**
TOTAL EXPENSE	**$ 149,678,931**	**$ 155,397,265**	**$ 153,342,268**
BALANCE	**$ 3,246,742**	**$ 1,402,708**	**$ 468,242**
TOTAL BALANCE, RESERVES, AND EXPENSE	**$ 152,925,673**	**$ 156,799,973**	**$ 153,810,510**

*At the time of publication, audited financial statements for Fiscal Year 2026 were not available. Therefore, the Fiscal Year 2026 column reflects final budgeted revenue and expense amounts from the Fiscal Year 2026 Adopted Budget, while the beginning Fiscal Year 2026 balance amount reflects the audited Fiscal Year 2025 ending balance.

**Fiscal Year 2027 Beginning Fund Balance reflects the projected Fiscal Year 2026 Ending Fund Balance based on updated Revenue and Expenditures projections for Fiscal Year 2026.

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