

M E M O R A N D U M

May 17, 2020

MEMO TO: Council Members
 THRU: Craig Glendenning, County Auditor
 FROM: Owen Clark, Legislative Audit Manager
 SUBJECT: Fiscal Analysis – Recordation Tax Rate Change (CR85-2020)

The purpose of this legislation is to increase the current recordation tax from \$2.50 per \$500 of consideration to a tiered rate based on the amount of consideration. For the proposed FY2021 budget, the Budget Office used an estimated rate of \$6 per \$500 of consideration.

Department of Finance provided details of all the FY 2019 recordation tax payments. From this data the Auditor’s Office determined the following:

- Confirmed the Administration’s calculation of \$35.9 million in recordation revenue using \$6 per \$500 of consideration; and
- Determined the Administration’s estimate of FY 2021 revenues were \$1.9 million (5%) higher than our estimate using the resolution’s rate schedule.

**FY 2021 Estimated Recordation Tax
 Based Upon FY2019 Actual Recordation Tax Collected**

Document Type	Actual	Audit Estimates	
	Finance FY2019	\$6 / \$500 Executive Proposed	Proposed by CR85-2020
Deeds	\$ 9,278,123	\$ 22,265,345	\$ 19,556,910
Deed Simple	6,990,255	16,758,043	14,080,773
Deeds of Trust	4,029,798	9,667,342	12,432,821
Mortgage – Refinance	606,283	1,451,825	1,585,960
Other	211,208	498,112	320,995
Grand Total	\$ 21,115,665	\$ 50,640,668	\$ 47,977,459

FY 2021 Revenue Assumption:			
FY19 less 3.5 Months	\$ 14,956,930	\$ 35,870,473	\$ 33,984,033

Excess of Administration’s \$6/\$500 assumption over CR85-2020 rates: \$ 1,886,440