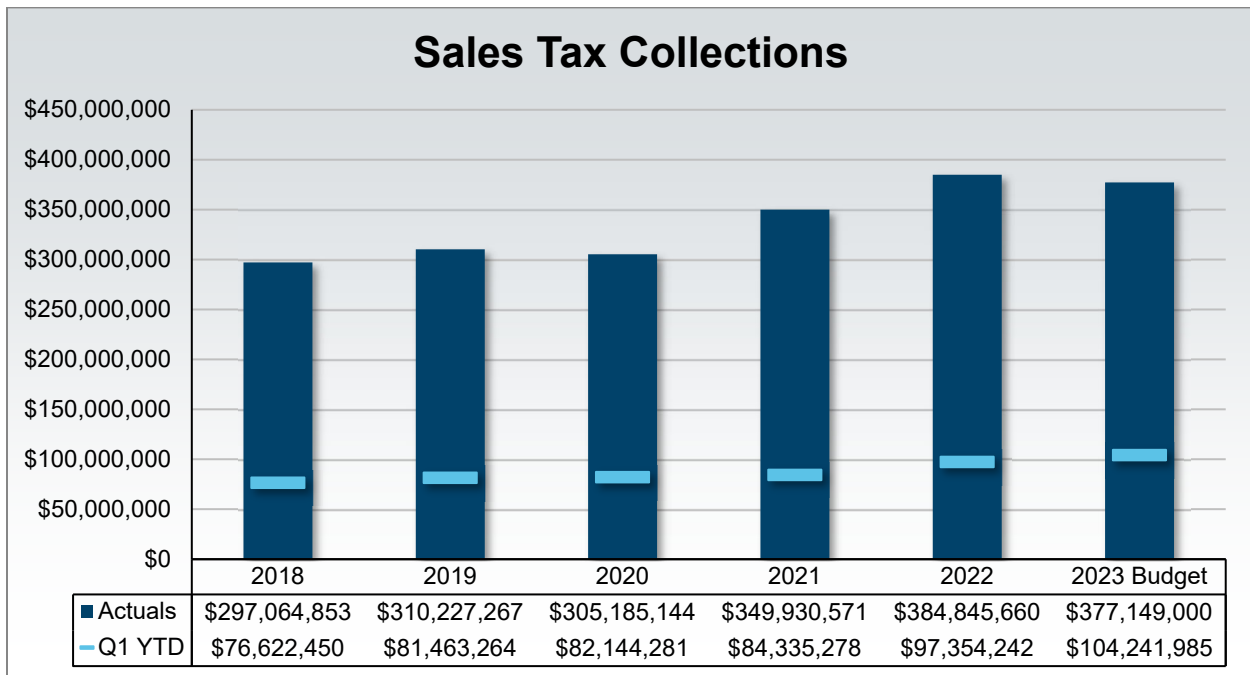


Sales Tax

Franklin County receives the revenue from its sales tax three months after the actual sale occurs. For example, for a sale made in December 2022, the vendor transmits all the sales taxes collected to the state in January 2023. The state then transmits to the County its share of the sales tax revenue in March 2023. Therefore, the sales tax collections for the 1st quarter of 2023 are based on the sales that occurred during the 4th quarter of 2022. The County portion of the sales tax is 1.25%.

The sales tax data in this analysis is reported net of the 1% administrative fee charged by the State for the collection of the County sales tax. While the County does not receive this revenue, the Auditor of State requires the County to record the revenue and the expenditure associated with the sales tax administrative fee. Neither the revenue nor appropriations associated with the sales tax administrative fee are included in the 2022 budget. The revenue adjustment and the necessary appropriations to record this expenditure will be made at the end of the year.

The chart below provides the annual sales tax collections, as well as collections through the end of the 1st quarter for each year since 2018.



For the 1st quarter of 2023, Franklin County collected \$104.2 million in sales tax, which is \$2.3 million or 2.2% above the 2023 estimate. The 2023 estimate was calculated based on the historic average of collections excluding 2020 and 2021, weighted during the first half of the year in anticipation of slower economic growth resulting from the increase in rates by the Federal Reserve. The table below provides the comparison of the sales tax estimates with the actual sales tax collections for the 1st quarter.

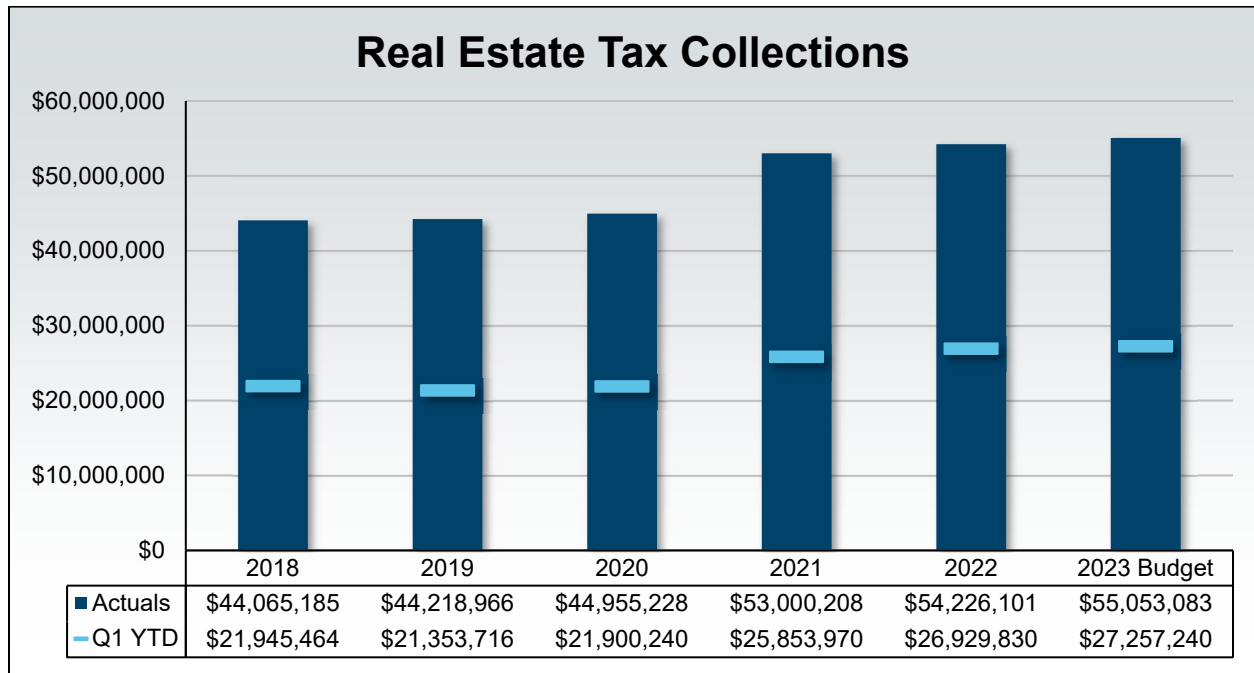
Franklin County Sales Tax collections versus estimates for 2023				
Month	2023 Estimate	2023 Actual	Monthly Variance	Percentage Variance
January	\$31,969,901	\$33,089,298	\$1,119,397	3.5%
February	\$31,466,466	\$32,508,592	\$1,042,126	3.3%
March	\$38,512,981	\$38,644,096	\$131,115	0.3%
1st Quarter	\$101,949,348	\$104,241,985	\$2,292,637	2.2%

When collections are compared with the 1st quarter of 2022, there is an increase of \$6,887,744 or 7.1%. While the 1st quarter sales tax revenues have come in above estimates, OMB does not recommend a revenue adjustment at this time. OMB will continue to monitor sales tax revenues to determine if an adjustment is required later in the year.

Real Estate Tax

For Franklin County, first half real estate taxes were due January 31, 2023. Second half real estate taxes are scheduled to be due June 21, 2023 (and distributed in August). State Real Estate Tax reimbursements include a 10% rollback on residential homeowner properties, an additional 2.5% rollback on owner occupied properties, and a rollback of property taxes on the first \$25,000 value of homestead properties. The state reimbursement is generally received one month after the settlement of the applicable real estate tax collection. As a result, this revenue is received in the 2nd and 3rd quarters.

The chart below shows the increases in aggregate real estate and state reimbursement receipts since 2018. In the 1st quarter, real estate tax collections were \$27,257,240 which is \$327,410 or 1.2% more than the amount collected in the prior year.

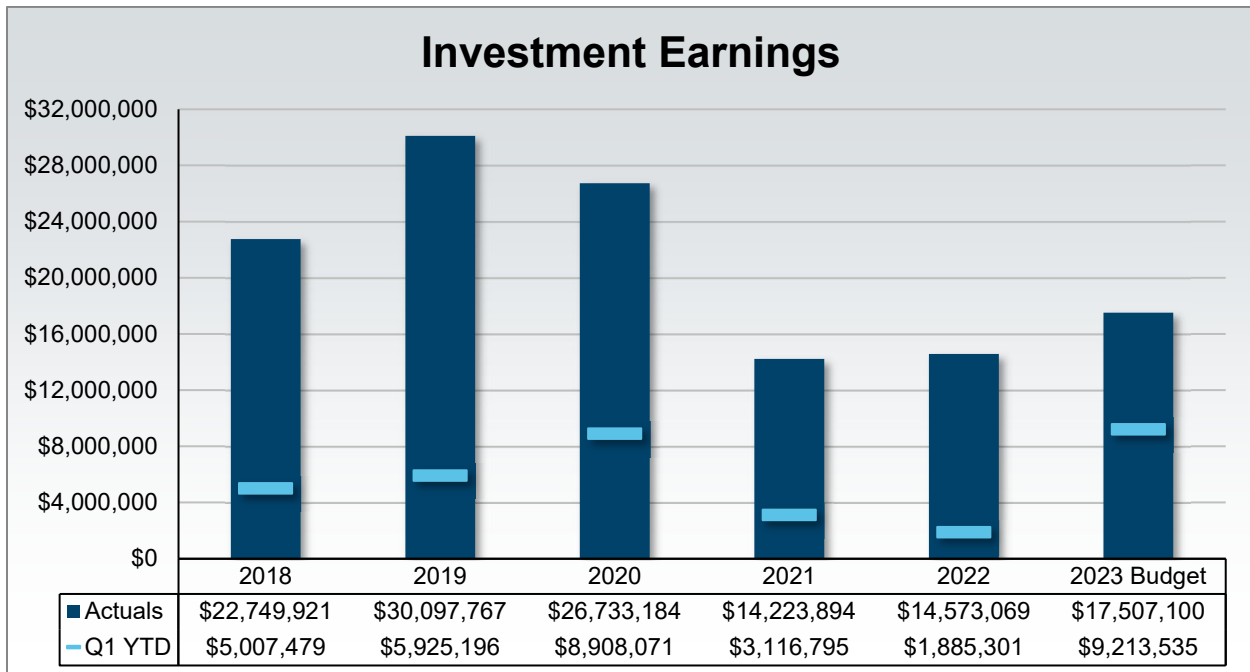


Receipts in 2021 increased primarily due to the triennial reappraisal performed in 2020. Based on the triennial reappraisal, real estate tax collections increased by \$8.0 million or 17.9% due to the increase in real estate values in 2021.

Investment Earnings

Franklin County is responsible for tax billing, collection, and distributions of local tax money for the County, cities, schools, and other taxing entities within the County that levy ad valorem and/or special assessment taxes; and maintains an average yearly portfolio value of approximately one billion dollars. One third of the overall collection remains within the portfolio due to the real estate collection distributions to the various levy-supported County agencies. As of March 31, 2023, the County’s investments included \$1,720.9 million in its core portfolio and \$151.7 million in the liquid portfolio.

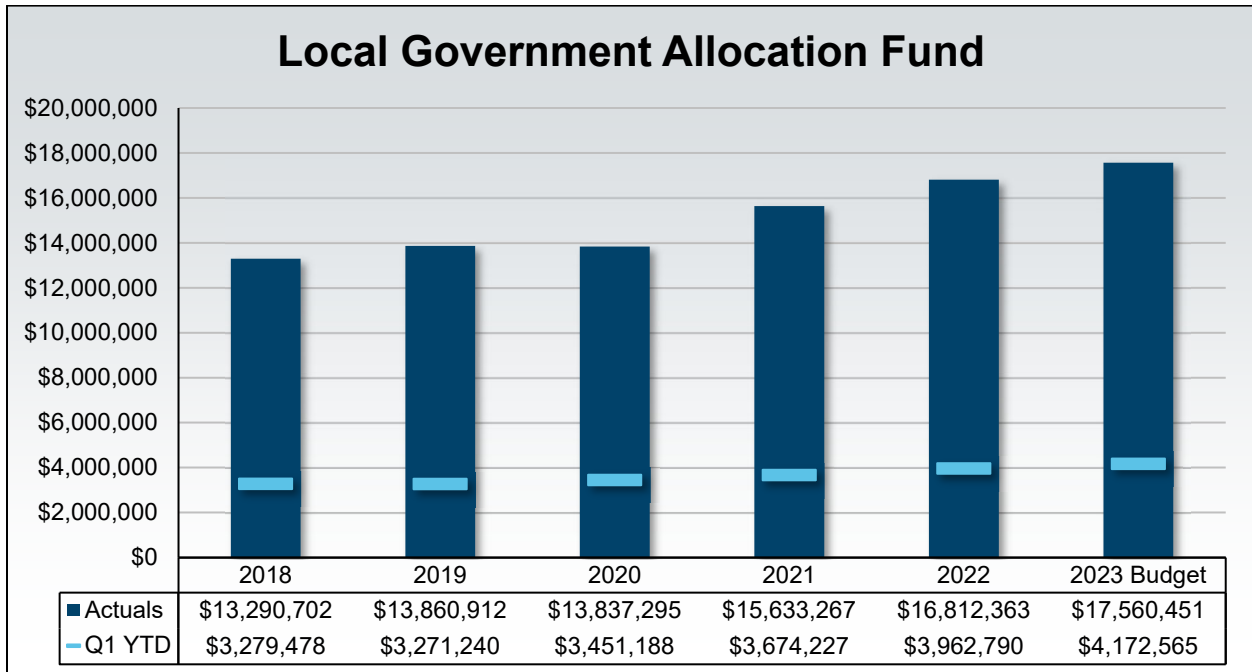
The 2023 revenue estimate for Investment Earnings is \$17,507,100. Through the end of the 1st quarter, Franklin County collected \$9,213,535 in Investment Earnings, which is \$7,328,234 or 388.7% more than the prior year. The increase is due to the increase in interest rates by the Federal Reserve as well as a restructuring of the portfolio to take advantage of the new environment, which can be seen in the chart below. OMB will be working with the Treasurer’s Office during the 2nd quarter to update the estimate for 2023.



Of the total amount collected in the 1st quarter, \$8,985,235 or 97.5% was associated with the Treasurer’s Office. The remaining \$228,269 was received by the Clerk of Courts’ Office.

Local Government Fund Allocation

The Local Government Fund allocation from the State included in the 2023 budget for Franklin County is \$17,560,541 which is based on the official estimate certified by the Ohio Department of Taxation in compliance with division (A) of section 5747.51 of the Revised Code. In the 1st quarter, \$4,172,565 or approximately 23.8% of the budgeted amount was collected. This amount is \$209,775 or 5.3% greater than the amount collected in the prior year.

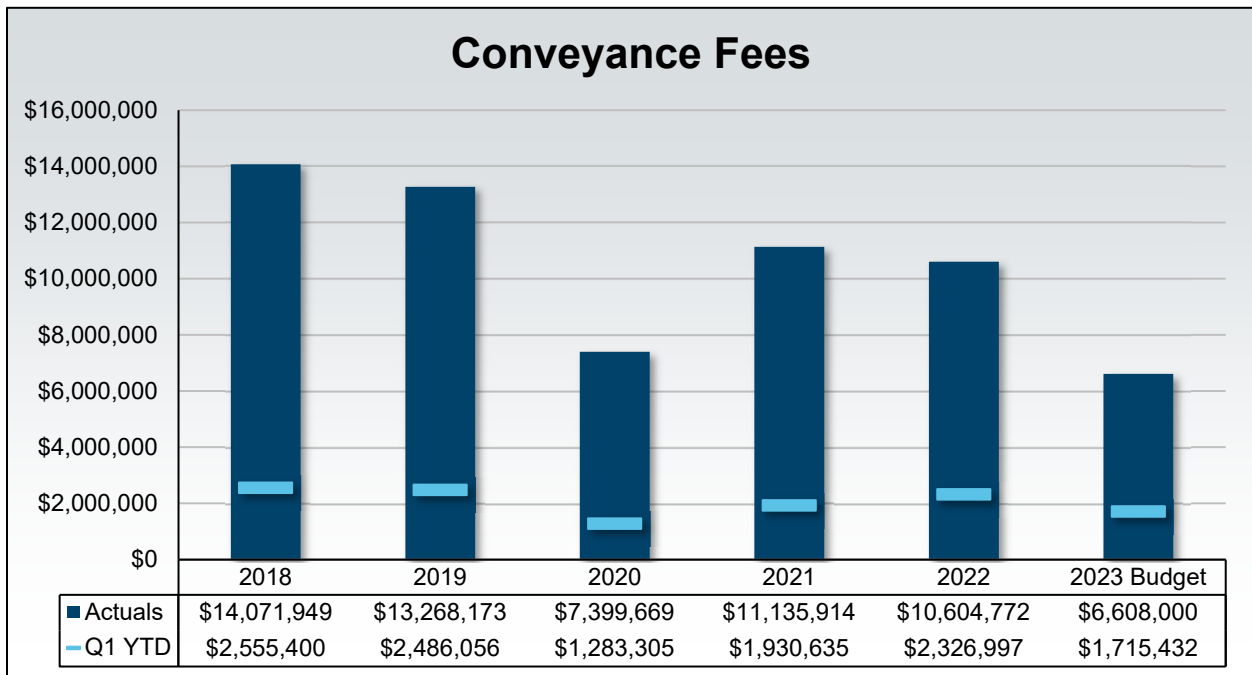


The Local Government Fund was established by the Ohio General Assembly in 1934 to provide funds for counties, municipalities, townships, and park districts in order to support current operating expenses. Beginning with the state biennial budget for fiscal years 2012-2013 (Am. Sub. House Bill 153 of the 129th General Assembly), support from the Local Government Fund was essentially cut in half, with allocations reduced by approximately 25% from the previous year’s allocation beginning in August 2011, with an additional 25% reduction (for a total reduction of 50%) starting in July 2012.

Conveyance Fees

Conveyance fees are based on property sales, of which Franklin County collects \$3 per \$1,000 of the sale amount. This includes the \$1 fee mandated by state law plus a \$2 permissive fee levied by the County. Beginning in October 2019 with the increase of the permissive fee from \$1 to \$2, the revenue from the permissive fee was deposited into the Affordable & Emergency Housing Fund rather than the General Fund.

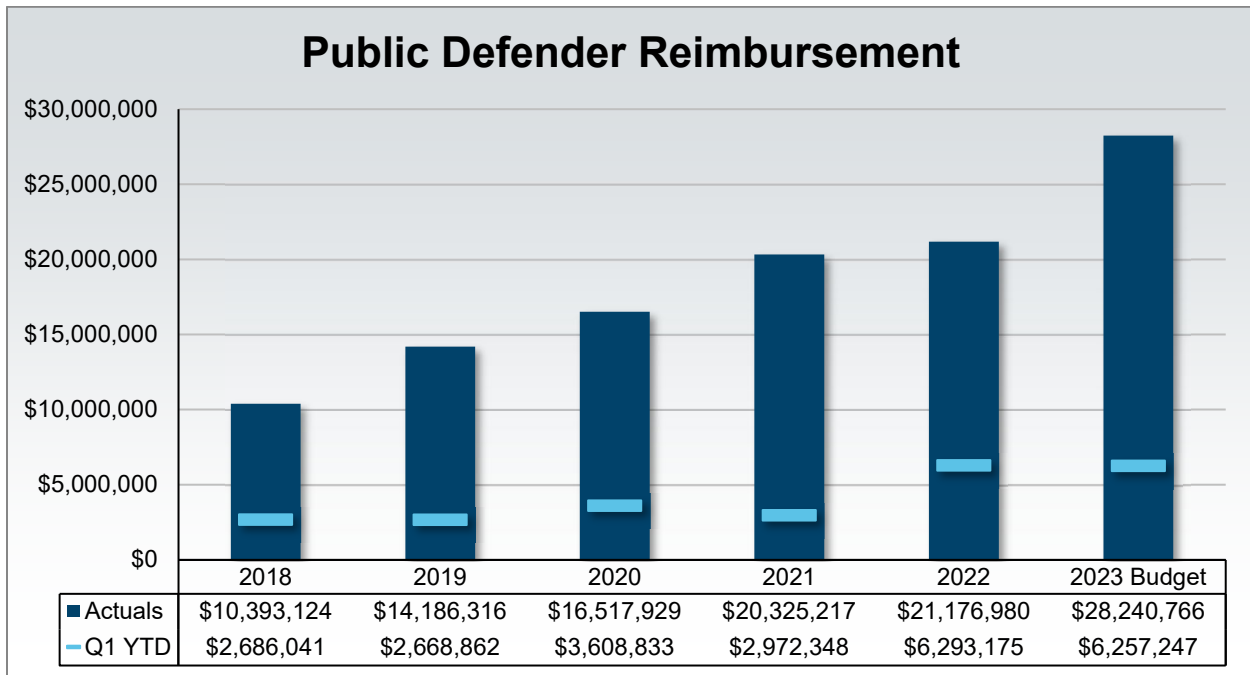
State law allows counties to levy a permissive fee of up to \$3, resulting in a maximum conveyance fee of \$4 per \$1,000 of the sale amount. Compared to the other metro counties, Cuyahoga, Lucas, and Summit counties collect at the rate of \$4 per \$1,000 of the sale amount, while Hamilton and Montgomery Counties collect \$3.



As a result of the deposit of the permissive fee to the Affordable & Emergency Housing Fund, the total amount of conveyance fees deposited in the General Fund beginning in 2020 are lower than the prior years. Revenue through the end of the 1st quarter of 2023 reflects a decrease of 26.3% or \$611,565 from the amount collected during the 1st quarter of 2022 due to decreases in the number and values of homes sold.

Public Defender Reimbursement

The revenue estimate for State Public Defender reimbursement in the 2023 budget was \$28,240,766. The 1st quarter collections are \$6,257,247 or 22.2% of the budgeted amount. In 2020 and 2021 the County only received two reimbursement payments during the 1st quarter; while in 2018, 2019, 2022, and 2023, the County received three reimbursement payments.

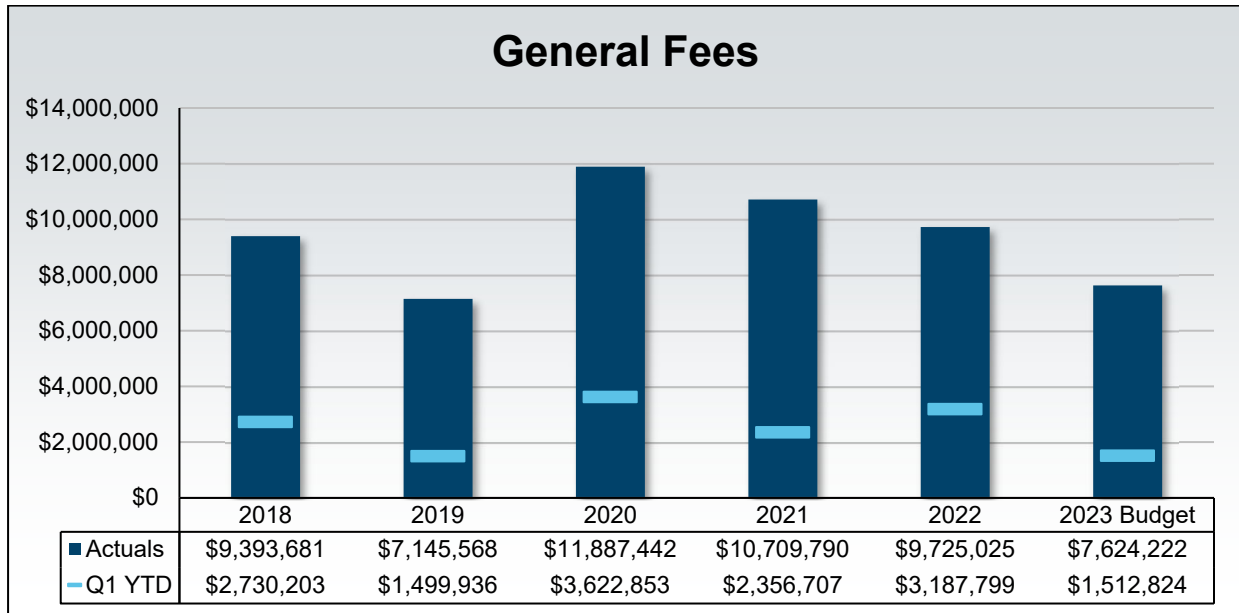


The State Public Defender’s Office notified counties during the 1st quarter of 2021 that the reimbursement rate for county indigent defense expenditures for the remainder of state fiscal year 2021 would be increased from 70% to 80%. The state biennial budget for fiscal years 2022-2023 (House Bill 110) increased the reimbursement rate for county indigent defense expenditures to 100%. The State Public Defender’s Office notified counties that the reimbursement rate would be decreased from 100% to 90% in the 2nd quarter of 2022, and then followed up during the 1st quarter of 2023 that the reimbursement rate would be further reduced to 70% for the remainder of state fiscal year 2023.

In addition to the higher reimbursement rate, the Board of Commissioners approved Resolution No 0887-21 to update the schedule of fees for the legal representation provided for indigent defendants to align with the rates and amounts with the fee schedule established by the State Public Defender’s Office for cases assigned on or after January 1, 2022.

General Fees

General Fees represent the fees for services provided by County agencies. This primarily includes the fees received by the Board of Elections (primarily in even numbered years) through the real estate tax settlement as reimbursement from political subdivisions for costs related to the prior year’s elections, fees received by the Recorder’s Office for the filing and recording of documents, and fees received by the Clerk of Courts’ Office for the filing of court cases.



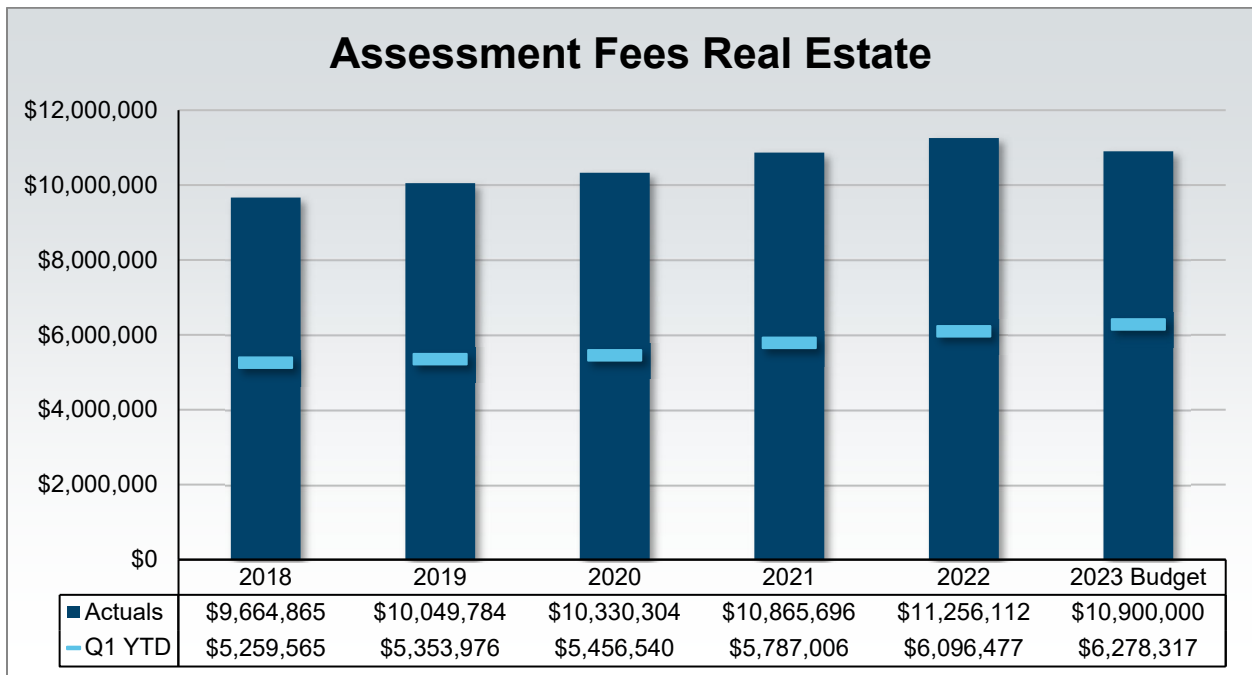
Of the amount collected in the 1st quarter,

- \$873,941 or 57.0% is associated with the fees collected by the Recorder’s Office. This amount is \$647,078 or 42.9% less than the amount received in the 1st quarter of 2022.
- \$414,407 or 27.4% is associated with the fees collected by the Clerk of Courts’ Office. This amount is \$65,024 or 18.6% more than the amount received in the 1st quarter of 2022.
- \$200,898 or 13.1% is associated with the fees collected by the Probate Courts’ Office. This amount is \$27,644 or 16.0% more than the amount received in the 1st quarter of 2022.
- \$23,994 or 1.6% is associated with the fees collected by the Board of Elections. This compares to the \$1,134,407 that was received in the 1st quarter of 2022.

Assessment Fees Real Estate

Franklin County collects a fee to reimburse the Auditor’s Office and Treasurer’s Office for the collection and distributions of local tax money. The reimbursement is based on the total amount of taxes collected and apportioned ratably among the County, cities, schools, and other taxing entities within the County. The fees received by the Auditor’s Office are based on a formula set by section 319.54 of the Revised Code, while the formula for the Treasurer’s Office is set by section 321.26 of the Revised Code.

Of the \$6,278,317 collected in the 1st quarter of 2023, \$2,846,931 or 45.3% is associated with the fees received by the Auditor’s Office and \$3,431,386 or 54.7% is associated with the fees received by the Treasurer’s Office.

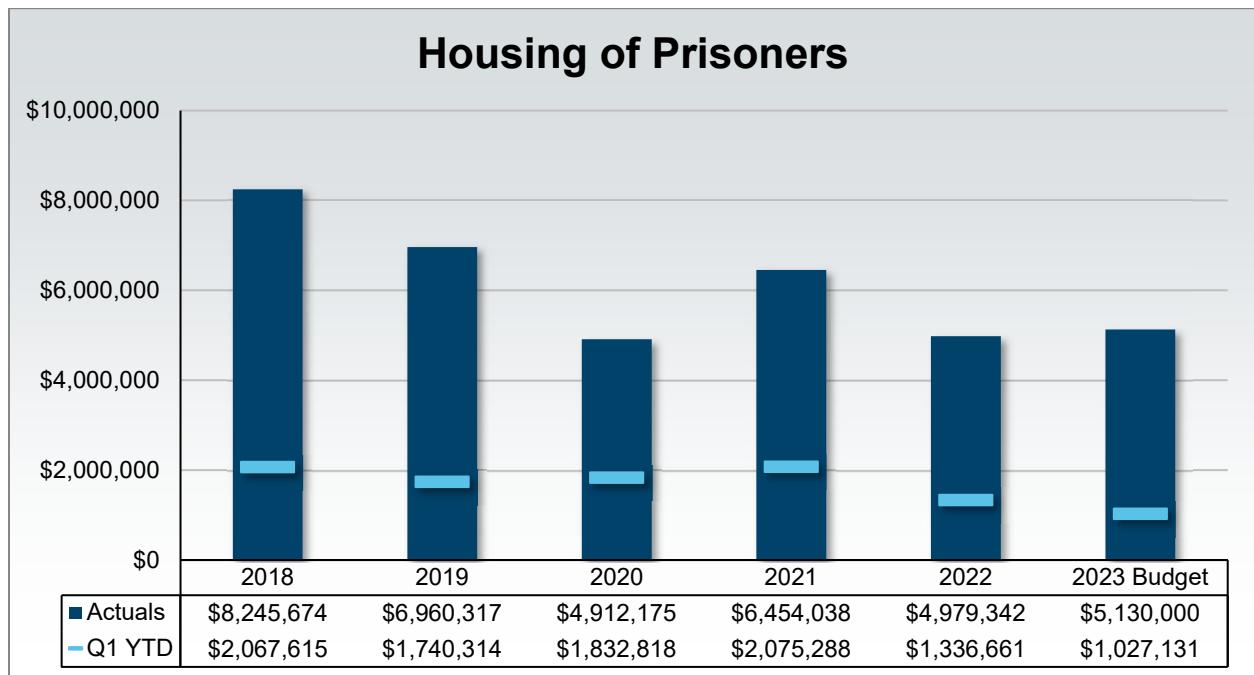


Housing of Prisoners

Municipalities within Franklin County, including the City of Columbus, pay a housing per-diem rate for inmates charged under their municipal ordinances. The per-diem rate was increased by Resolution No. 0634-20 on September 15, 2020 from \$88 to \$100, with the increase to be phased-in over a three-year period. As a result, the per diem rate for 2023 is \$100.

The Sheriff’s Office also has a contract with the U.S. Marshal’s Office to house a limited number of inmates on an as-needed basis. This contract has been renewed, increasing the rate from \$68 to \$100 per day effective December 1, 2020.

Overall revenue for the housing of prisoners has decreased 23.2% or \$309,531 over the same period in 2022, which is primarily due to the timing of payments from the City of Columbus.



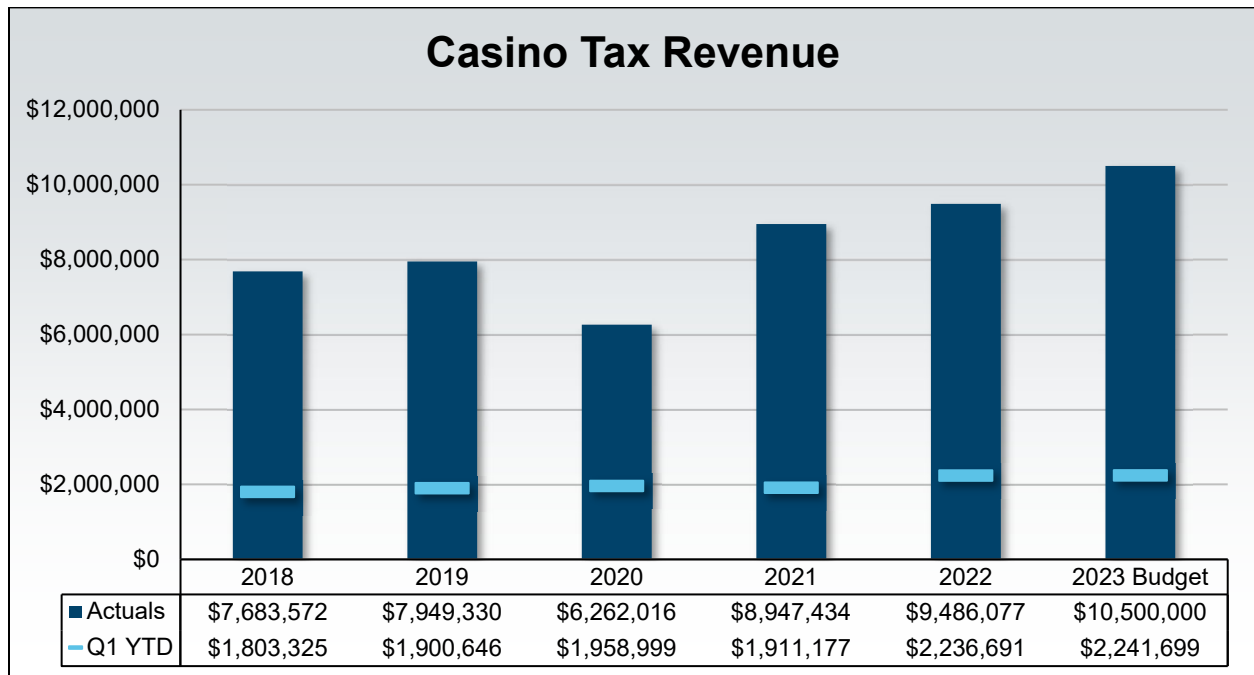
The 2023 budgeted revenue estimate for the housing of prisoners for the City of Columbus is \$1,600,000, with 1st quarter collections at \$336,734 or 21.0% of budget.

The 2023 budgeted revenue estimate for the housing of prisoners for the U.S. Marshal’s office was \$3,000,000, with 1st quarter collections at \$555,276 or 18.5% of budget.

The 2023 budgeted revenue estimate for the housing of prisoners for local municipalities is \$530,000, with 1st quarter collections at \$135,121 or 25.5% of budget.

Casino Tax Revenue

Casino taxes have been collected by the State of Ohio since the first of four casinos opened in May 2012. Fifty-one percent (51%) of the gross casino revenue is distributed quarterly to each of the 88 Ohio counties proportionally based on population size. In addition, if the largest city in a respective county has a population size greater than 80,000, the total quarterly casino tax distribution will be split evenly between the specific county and city. The chart below displays the annual casino tax revenue collected by Franklin County.



The revenue from 2020 was impacted by the closures of the casinos due to the COVID-19 pandemic, which primarily impacted the revenue received in the 3rd quarter.

The revenue from this source is estimated at \$10,500,000 in the 2023 budget. Casino tax revenue collected in the 1st quarter of 2023 is \$2,241,699 or 21.3% of the budgeted amount. The amount collected is \$5,008 or 0.2% greater than the amount in the prior year.