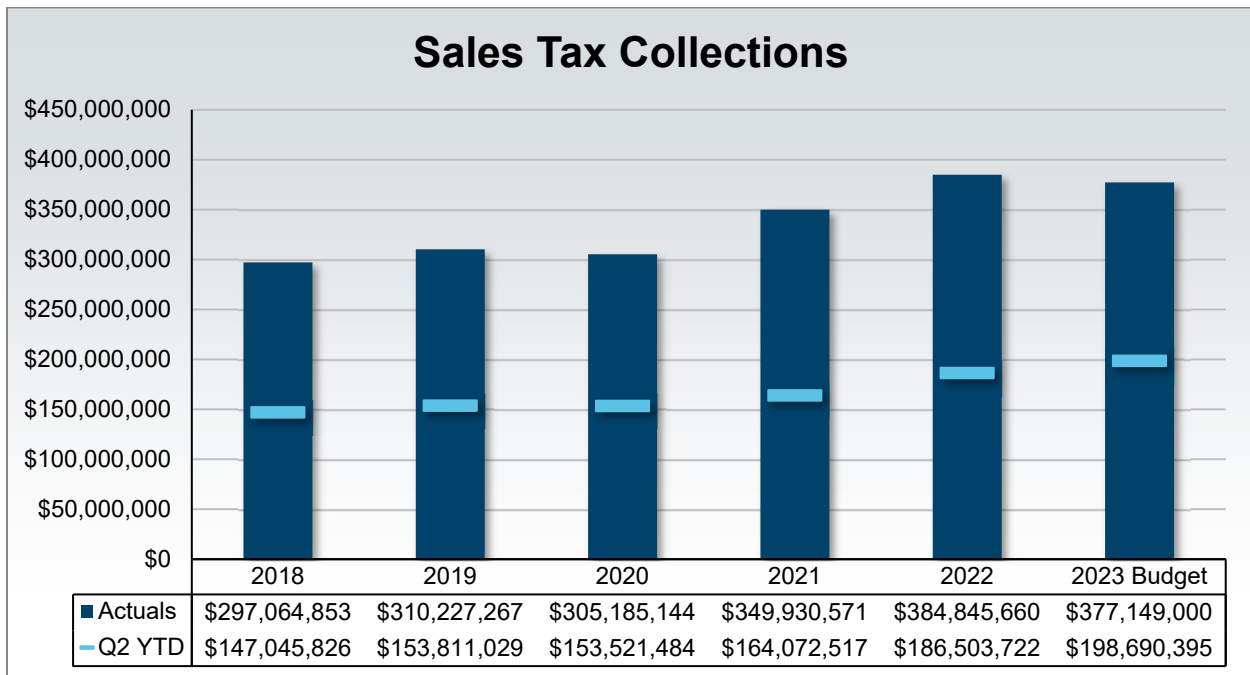


Sales Tax

Franklin County receives the revenue from its sales tax three months after the actual sale occurs. For example, for a sale made in March, the vendor transmits all of the sales taxes collected to the state in April. The state then transmits to the County its share of the sales tax revenue in June. Therefore, the sales tax collections for the 2nd quarter of 2023 are based on the sales that occurred during the 1st quarter of 2023. 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 2023 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 2nd quarter for each year since 2018.



Through the end of the 2nd quarter of 2023, Franklin County collected \$198.7 million in sales tax, which is \$4.2 million or 2.1% 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 2nd quarter.

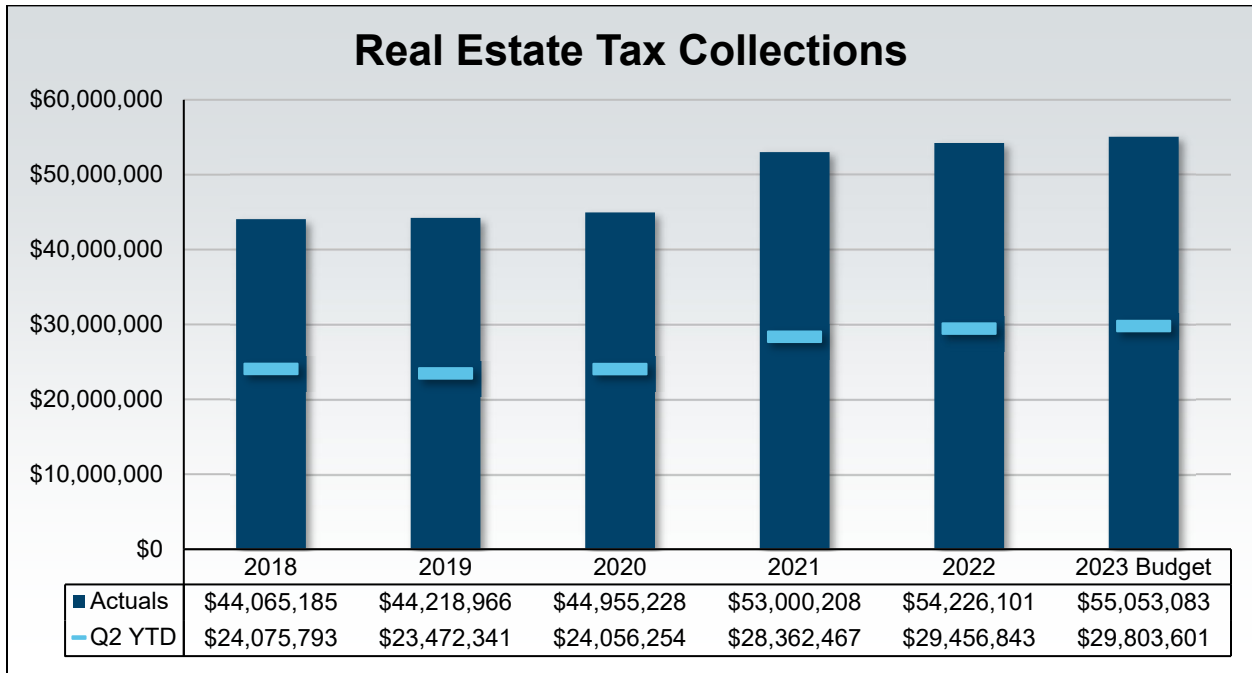
Franklin County Sales Tax collections versus estimates for 2023				
Month	2023 Estimate	2023 Actual	Monthly Variance	Percentage Variance
April	\$29,663,230	\$31,391,795	\$1,728,565	5.8%
May	\$28,580,168	\$29,440,199	\$860,031	3.0%
June	\$34,319,083	\$33,616,416	(\$702,667)	-2.0%
2 nd Quarter	\$92,562,481	\$94,448,410	\$1,885,929	2.0%
YTD Total	\$194,511,829	\$198,690,395	\$4,178,566	2.1%

When collections are compared with the first half of 2022, there is an increase of \$12,186,673 or 6.5%. While the 2nd 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. The amount collected during the first half of 2023 increased by \$346,758 or 1.2% when compared to prior year collections. The revised budget of \$55,053,083 is 1.5% or \$826,982 above the amount collected in 2022.

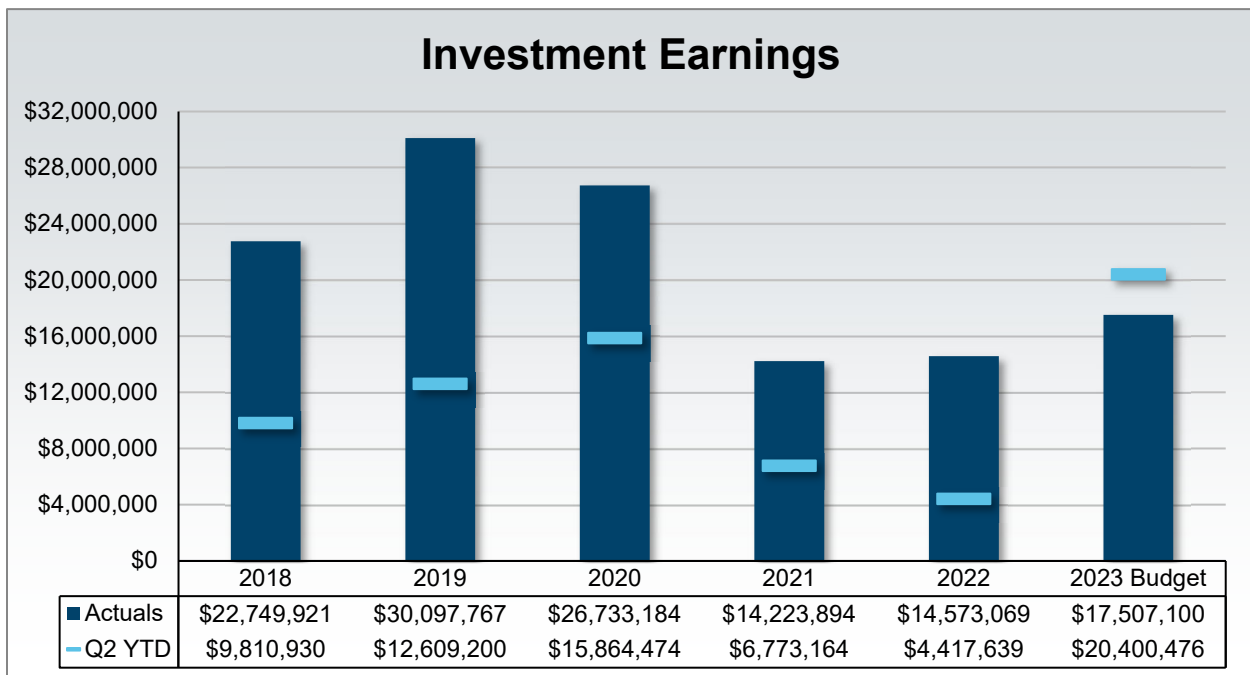


Receipts in 2021 increased primarily due to the triennial reappraisal performed in 2020. Based on the triennial reappraisal, real estate tax collections increased by \$8.0 million or 17.9% due to the increase in real estate values in 2021.

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 June 30, 2023, the County’s investments included \$1,712.8 million in its core portfolio and \$1,221.5 million in the liquid portfolio.

Through the end of the 2nd quarter, Franklin County collected \$20,400,476 in Investment Earnings, which is \$15,982,837 or 361.8% 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 rate environment, which can be seen in the chart below.

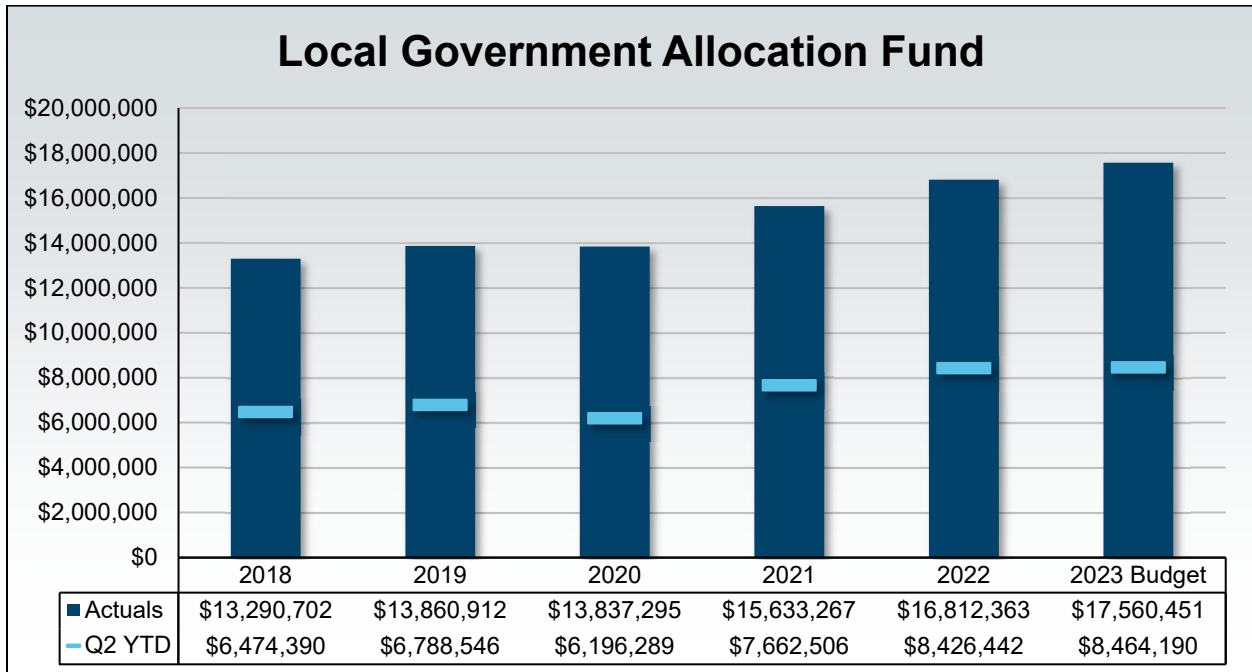


Of the total amount collected in the 2nd quarter, \$19,893,435 or 97.5% was associated with the Treasurer’s Office. The remaining \$506,977 was received by the Clerk of Courts’ Office.

Based on the year-to-date collections and projection of revenue for the remainder of the year, the budgeted revenue estimate will be increased by \$17.0 million from \$17.5 million to \$34.5 million in the 3rd quarter.

Local Government Fund Allocation

The Local Government Fund allocation from the State included in the 2023 budget for Franklin County is \$17,560,451 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. Through the end of the 2nd quarter, \$8,464,190 or approximately 48.2% of the budgeted amount was collected. This amount is \$37,748 or 0.4% greater than the amount collected in the prior year.

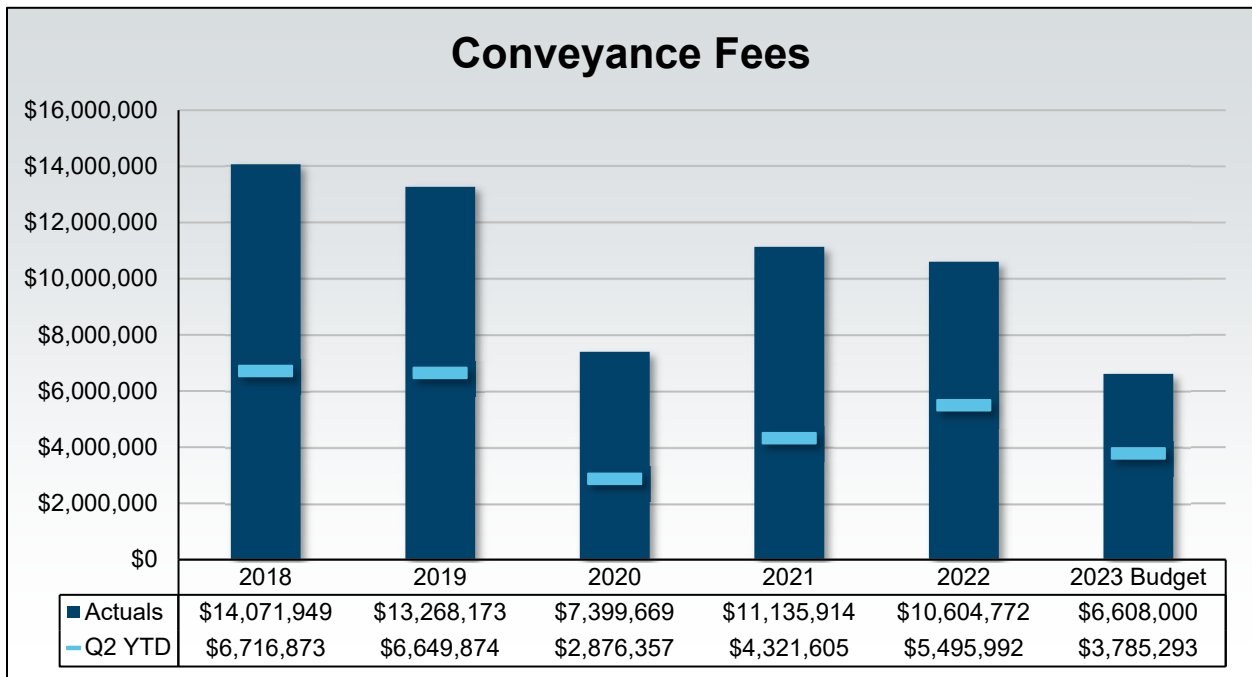


The Local Government Fund was established by the Ohio General Assembly in 1934 to provide funds for counties, municipalities, townships, and park districts in order to support current operating expenses. Beginning with the state biennial budget for fiscal years 2012-2013 (Am. Sub. House Bill 153 of the 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.

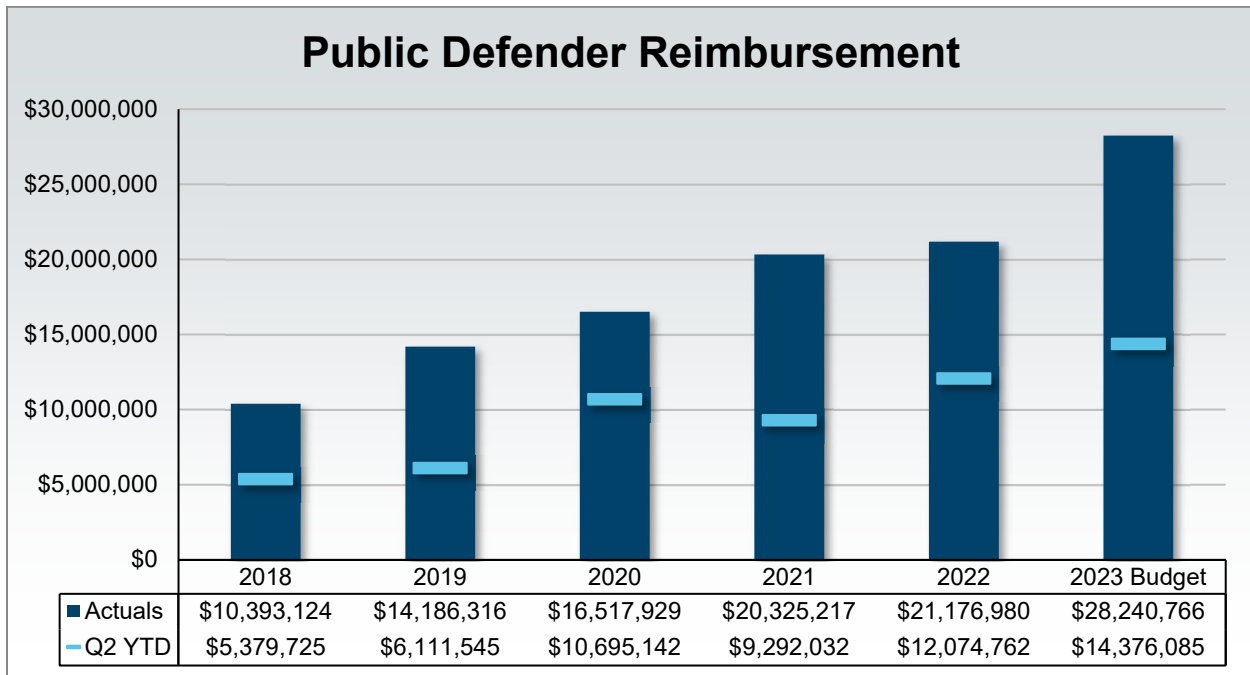
State law allows counties to levy a permissive fee of up to \$3, resulting in a maximum conveyance fee of \$4 per \$1,000 of the sale amount. Compared to the other metro counties, Cuyahoga, Lucas, and Summit counties collect at the rate of \$4 per \$1,000 of the sale amount, while Hamilton and Montgomery 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 2nd quarter of 2023 reflects a decrease of 31.1% or \$1,710,699 from the amount collected during the 2nd 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 collections through the end of the 2nd quarter are \$14,376,085 or 50.9% of the budgeted amount. The variance in revenue from the prior year is primarily due to an increase in the fee schedule for appointed counsel cost and increased cost within the Franklin County Public Defender’s Office.



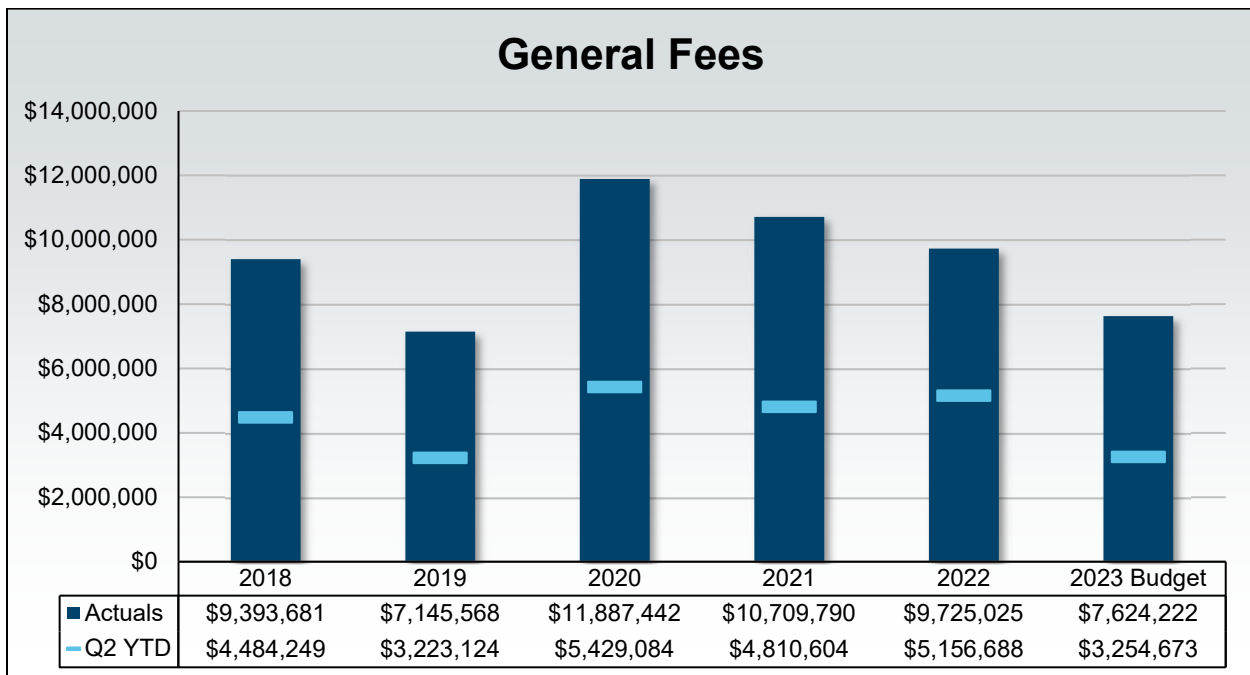
The state biennial budget for fiscal years 2022-2023 (House Bill 110) increased the reimbursement rate for county indigent defense expenditures from 80% to 100%. However, the State Public Defender’s Office notified counties that the reimbursement rate would be decreased from 100% to 90% in the 2nd quarter of 2022, further reduced to 70% in the 1st quarter of 2023, and then to 66% for the final two reimbursements for state fiscal year 2023 that were made in June of 2023.

The approved version of the state biennial budget for fiscal years 2024-2025 (House Bill 33) included increased funding for county indigent defense which the State Public Defender’s Office has set the initial reimbursement rate for the biennium at 85% based on the spending levels from the past four fiscal years.

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.



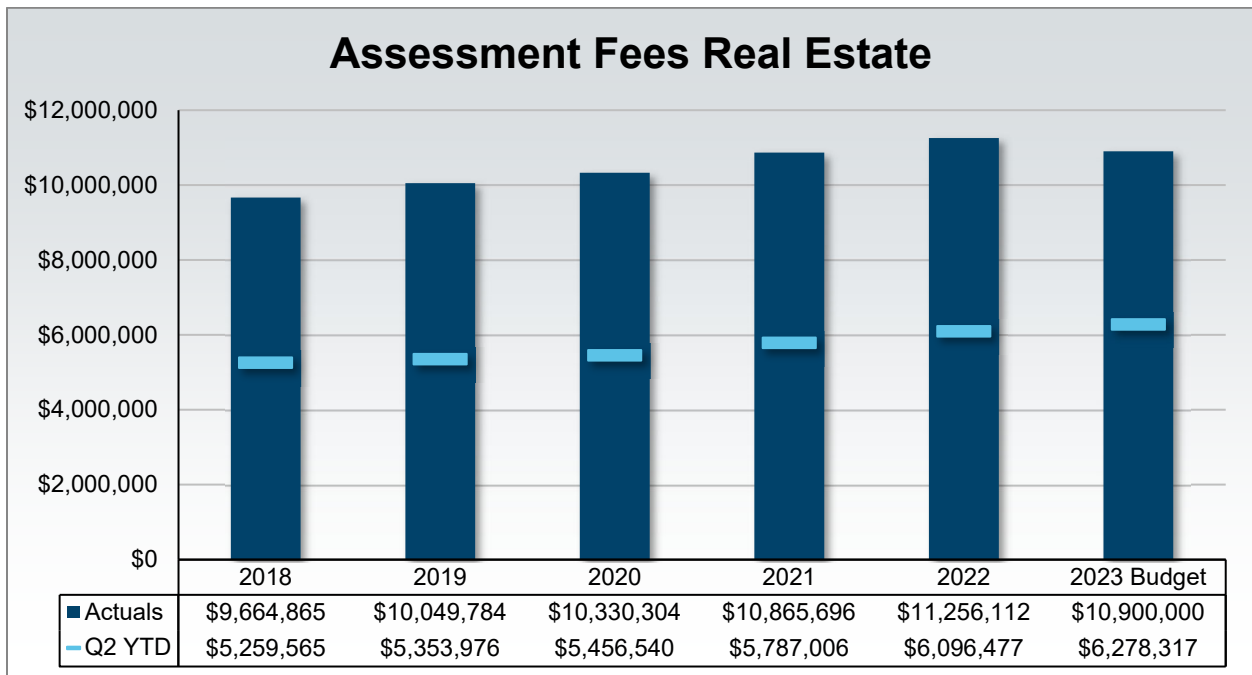
Of the amount collected in the 2nd quarter,

- \$1,836,652 or 56.4% is associated with the fees collected by the Recorder’s Office. This amount is \$1,002,071 or 35.3% less than the amount received through the end of the 2nd quarter of 2022.
- \$901,801 or 27.7% is associated with the fees collected by the Clerk of Courts’ Office. This amount is \$129,895 or 16.8% more than the amount received through the end of the 2nd quarter of 2022.
- \$448,886 or 13.8% is associated with the fees collected by the Probate Courts’ Office. This amount is \$72,625 or 19.3% more than the amount received through the end of the 2nd quarter of 2022.
- \$23,994 or 0.7% is associated with the fees collected by the Board of Elections. This compares to the \$1,134,407 that was received through the end of the 2nd 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 through the end of the 2nd 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.

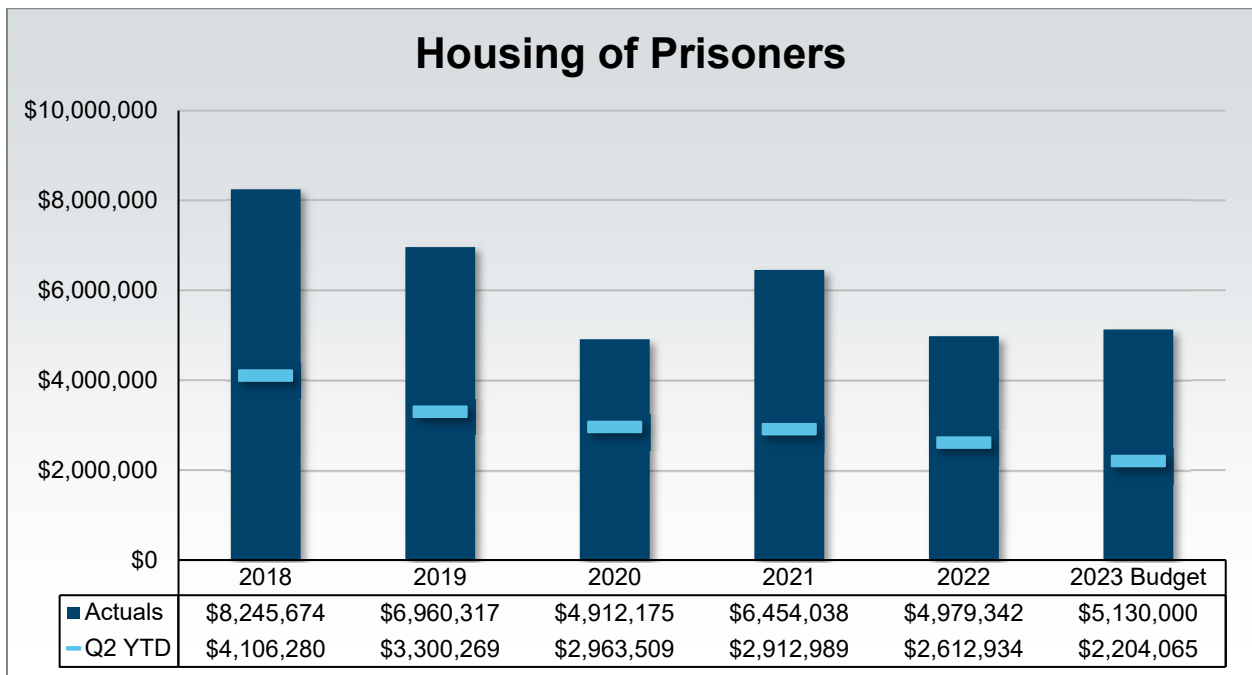


Housing of Prisoners

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 15.6% or \$408,869 over the same period in 2022, which is primarily due to the timing of payments from the US Marshals.



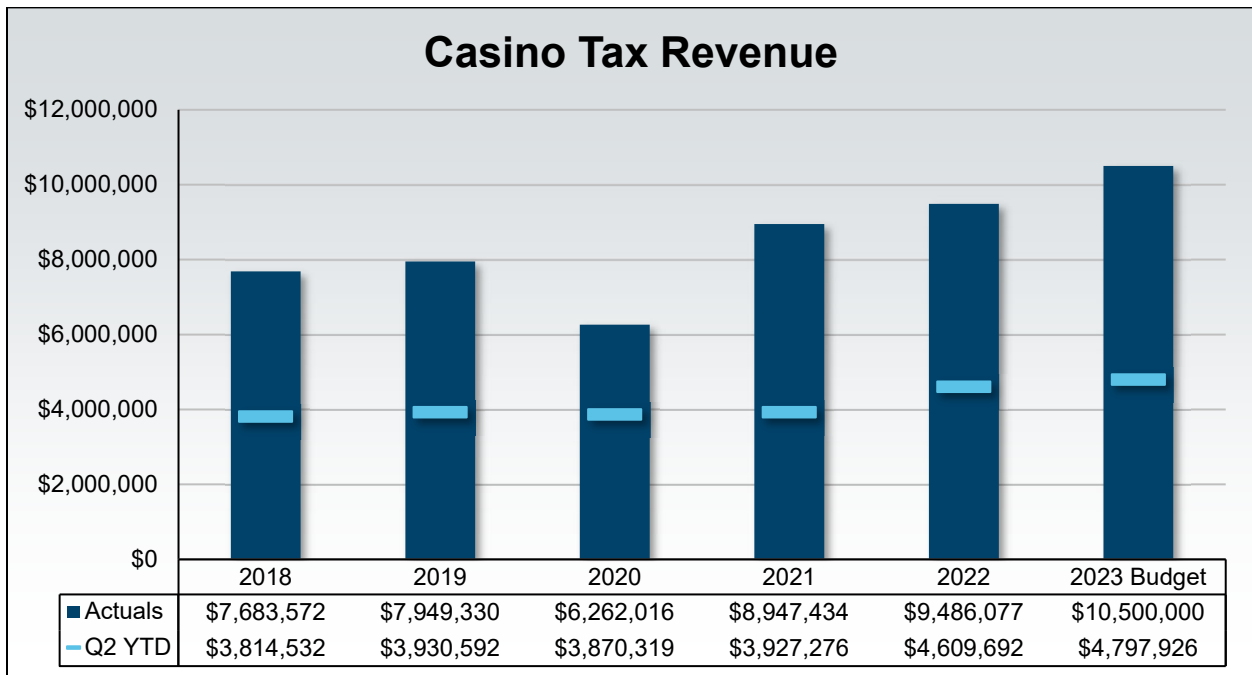
The 2023 budgeted revenue estimate for the housing of prisoners for the City of Columbus is \$1,600,000, with YTD collections at \$731,317 or 45.7% of budget.

The 2023 budgeted revenue estimate for the housing of prisoners for the U.S. Marshal’s office was \$3,000,000, with YTD collections at \$1,221,027 or 40.7% of budget.

The 2023 budgeted revenue estimate for the housing of prisoners for local municipalities is \$530,000, with YTD collections at \$251,721 or 47.5% 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 through the end of the 2nd quarter of 2023 is \$4,797,926 or 45.7% of the budgeted amount. The amount collected is \$188,234 or 4.1% greater than the amount in the prior year.