



Dutchess County
Office of the
Commissioner
of Finance

Dutchess

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MEMORANDUM

TO: County Legislators
Elected Officials
Department Heads

FROM: Pamela Barrack, Commissioner of Finance *pb*

DATE: February 26, 2008

RE: Mortgage Tax Revenue

According to the County Clerk's office, mortgage filings for January 2008 were down 43% as compared to January 2007.

Actual mortgage tax receipts to the County show revenue for the month of January 2008 to be only \$429,000...down \$164,000 or 28% from the conservative projections used to estimate revenues in the 2008 Adopted County budget. This comparison reflects seasonal cycles.

If this negative January trend was to continue for 2008 and Dutchess was to only receive 72% of projected mortgage tax revenue, then we could potentially have nearly \$2 million less revenue than budgeted from this source.

Mortgage tax revenue is one of the County's large variable revenues, as is sales tax revenue. As stated in my February 7th, 2008 memo, the first 2008 sales tax payment was \$400,000 less than the same period one year ago, a decline of 8.3%, a potential \$11 million loss over 2008 budgeted revenue. Added to the potential \$2 million loss in mortgage tax revenue, there is a potential for unrealized revenue below adopted revenue totaling \$13 million.

While we are hopeful both of these revenue sources can recover and the county can meet the budgeted mortgage and sales tax estimates, to see such significant declines in two large revenue sources is certainly cause for concern. As previously stated, we must continue to be vigilant in our efforts to limit the fiscal impact to the 2008 County budget.

The county also distributes mortgage tax revenue to our localities, which will also be negatively impacted by the decline in mortgage receipts. If receipts continue at the current rate, \$4 million fewer will be available for the County to distribute to municipalities in 2008 as compared to 2007. Local leaders need to be aware of this initial decline in the 2008 mortgage tax revenue so they can take steps to mitigate the impact to their budgets as well.

cc: Village Mayors & Town Supervisors
Barbara Hugo, Clerk of the Legislature