



Gaston County

Gaston County
Board of Commissioners
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Finance Board Action

File #: 23-524

Commissioner Hovis - Finance - To Approve Budget Transfer for Allowance of Administrative Costs on Collection of Real Estate Conveyance Taxes from Deeds of Trust Fund to General Fund **(\$150,000)**

STAFF CONTACT

Kyle Sutherland, Interim Finance Director - Finance - 704-866-3032

BUDGET IMPACT

Setup transfer accounts between the Deeds of Trust Fund and General Fund for the transfer of an estimated \$150,000 in revenues allotted for the administration and collection of real estate conveyance taxes on behalf of the NC Department of Revenue.

BUDGET ORDINANCE IMPACT

Minimal impact to the budget ordinance.

BACKGROUND

The Register of Deeds office collects taxes imposed on the transfer of real estate within the county. The county retains 50% of the taxes collected and the remaining 50% is paid to the state through the Conveyance Tax Return. On the Conveyance Tax Return the county is allowed to deduct 2% of the state's share of taxes for the county's cost associated with the administration and collection of the state's share of taxes. This is additional revenue to the county. In FY 2021, the county was required to implement the GASB 84 standard which required the Deed of Trust Fund to be setup and is where the conveyance taxes are currently recorded. The cost of collecting and administering the service on behalf of the state, such as personnel costs, etc. are all recorded in the General Fund. In order to reimburse the General Fund for the administrative costs, a transfer from the Deeds of Trust Fund is necessary.

This Board Action, if approved, authorizes the transfer of up to \$150,000 in revenues allotted per the Conveyance Tax Return to the General Fund as reimbursement for the costs associated with the administration and collection of the conveyance taxes on behalf of the NC Department of Revenue.

POLICY IMPACT

N/A

ATTACHMENTS

Budget Change Request (BCR)

DO NOT TYPE BELOW THIS LINE

I, Donna S. Buff, Clerk to the County Commission, do hereby certify that the above is a true and correct copy of action taken by the Board of Commissioners as follows:

NO.	DATE	M1	M2	CBrown	CCloninger	AFraley	BHovis	KJohnson	TKeigher	RWorley	Vote
2023-396	11/28/2023	RW	BH	A	A	A	A	A	AB	A	U

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A=AYE, N=NAY, AB=ABSENT, ABS=ABSTAIN, U=UNANIMOUS

Setup the transfer of \$150,000 between the Deed of Trust Fund and the General Fund for the reimbursement of costs associated with the administration and collection of the state's share of real estate conveyance taxes collected by the Register of Deeds office. These are being returned to fund balance instead of being budgeted as additional funds available to spend.