



In 2012, the California State Legislature determined that the statutory fee allotment of \$3 was inadequate. Senate Bill 1342 was approved in July 2012 to amend section 27388 to authorize a fee of up to \$10 for the recording of real estate instruments, in order to provide a consistent source of funding for an effective law enforcement response to the real estate fraud epidemic in California. The legislation also expanded the list of “real estate instruments” that are subject to the fee.

In October 2013, the Board approved a fee increase from \$3 to \$10 in order to expand the investigation and prosecution of real estate fraud crime. This includes staff time for a full-time Deputy District Attorney, Legal Office Professional, and District Attorney Investigator.

**Fiscal and Facilities Impacts:**

In Fiscal Year 2022-2023, the total cost to administer the Real Estate Fraud Prosecution Program was \$547,933. This included Salaries and Employee Benefits for a Deputy District Attorney, District Attorney Investigator, and Legal Office Professional, as well as operating expenses for legal reference materials and expert case review. Revenue to support the program is provided by document fees collected throughout the fiscal year. Total document fees collected by the District Attorney’s Office during Fiscal Year 2022-2023 totaled \$228,465, and averaged \$19,039 per month. This represents a 53% decrease from the total document fees collected by the District Attorney’s Office during the prior fiscal year, which totaled \$489,141 in Fiscal Year 2021-2022. The District Attorney’s Office anticipates that revenues are likely to remain at Fiscal Year 2022-23 levels for the near future.

The Fiscal Year 2022-2023 Real Estate Fraud fund balance is \$497,231. Fund balances are designated for use in future years in order to offset the costs of program staff who will deter, investigate, and prosecute real estate fraud crimes. The District Attorney’s Office plans to use available restricted fund balance to cover costs of the Real Estate Fraud Prosecution Program through Fiscal Year 2024-25. If revenues do not improve by Fiscal Year 2024-25, then the Office will likely need to propose service level reductions in Fiscal Year 2025-26.

**Fiscal Analysis:**

<u>Funding Sources</u>	<u>FY 2022-23</u> <u>Cost:</u>	<u>Annualized</u> <u>On-going Cost:</u>	<u>Total One-Time</u> <u>Project Cost</u>
Prop 172 State Federal	\$ 248,055.00		
Fees	\$ 228,465.00		
Other - Real Estate Fund Balance	\$ 71,413.00		
<b>Total</b>	<b>\$ 547,933.00</b>	<b>\$ -</b>	<b>\$ -</b>

**Attachments:**

Attachment A: Real Estate Fraud Prosecution Program Fiscal Year 2022-2023 Annual Report

**Authored By:**

John DeAlba, Department Business Specialist; (805) 568-2434