

**DEPARTMENT OF TAXATION
2001 Fiscal Impact Statement**

1. Patron Cranwell

3. Committee Senate Finance

4. Title Recordation Tax: Leases of Outdoor
Advertising Signs

2. Bill Number HB 1869

House of Origin:

 Introduced

 Substitute

 Engrossed

Second House:

 X **In Committee**

 Substitute

 Enrolled

5. Summary/Purpose:

This bill would limit the recordation for leases of outdoor advertising signs for which permit fees have been paid to the Virginia Department of Transportation to twenty-five dollars.

The effective date of this bill is not specified.

6. Fiscal Impact Estimates are:

7. Budget amendment necessary: No.

8. Fiscal implications:

The department would incur minimal costs to implement this bill.

This bill would reduce General Fund revenues by an unknown, but minimal amount.

9. Specific agency or political subdivisions affected:

Circuit Court Clerks

10. Technical amendment necessary: No.

11. Other comments:

Generally, entities are required to get a permit from the Virginia Department of Transportation to erect, use, maintain, post or display any outdoor advertising. The fee must be paid for each separate advertisement or advertising structure. Fees are assessed based on the size of the advertisement or advertising structure.

A recordation tax of 15¢ per \$100 of consideration or value is assessed on any contract or lease that is recorded for the erection, use, maintenance, posting or displaying of any outdoor advertising. This bill would limit the amount of recordation tax that could be assessed for the recording leases of outdoor advertising signs to twenty-five dollars provided the permit fees have been paid.

cc: Secretary of Finance

Date: 2/6/01NMS

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