

DEPARTMENT OF TAXATION

2003 Fiscal Impact Statement

1. **Patron** Bloxom

2. **Bill Number** HB 1993

3. **Committee** House Finance

House of Origin:

 X **Introduced**

 Substitute

 Engrossed

4. **Title** Recordation Tax: Distribution to Localities

Second House:

 In Committee

 Substitute

 Enrolled

5. **Summary/Purpose:**

This bill would require that 50 percent of the amount of state recordation tax collected in excess of \$80 million be distributed to counties and cities based on the percentage of recordation taxes collected in each locality. The additional recordation tax revenues distributed to counties and cities would be used for land preservation purposes. The remaining 50 percent would be deposited in the state's General Fund.

This bill would be effective June 30, 2004.

6. **Fiscal Impact Estimates are:** Tentative. (See Line 8.)

7. **Budget amendment necessary:** No.

8. **Fiscal implications:**

Administrative Costs

The Department would incur minimal costs in implementing this bill.

Revenue Impact

This bill has no effect on General Fund revenues because it does not affect the amount of recordation tax collected. It is estimated that this bill would reduce the amount of discretionary General Fund revenues available for appropriation by \$40.7 million in FY 2004 and \$47.7 million in FY 2005.

9. **Specific agency or political subdivisions affected:**

Department of Taxation

10. Technical amendment necessary: None.

11. Other comments:

Current Law

Currently, the first \$40 million of state recordation taxes collected go to the U.S. Route 58 Corridor Development Fund. The next \$40 million of recordation taxes collected are distributed to cities and counties proportionally to the amount of tax collected in the locality. The balance remains in the General Fund.

cc : Secretary of Finance

Date: 01/17/03/NMS

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