

# DEPARTMENT OF TAXATION

## 2004 Fiscal Impact Statement

1. **Patron** Joe T. May

3. **Committee** Senate Finance

4. **Title** Recordation Tax: Recordation Fee for the  
Virginia Outdoors Foundation

2. **Bill Number** HB 549

**House of Origin:**

           **Introduced**

           **Substitute**

           **Engrossed**

**Second House:**

  X   **In Committee**

           **Substitute**

           **Enrolled**

**5. Summary/Purpose:**

This bill would impose a one-dollar fee on every deed admitted to record in those jurisdictions in which open-space easements are held by the Virginia Outdoors Foundation. Fees collected would be remitted to the Virginia Outdoors Foundation.

This bill is effective beginning July 1, 2004.

6. **Fiscal Impact Estimates are:** None. (See Line 8.)

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

**8. Fiscal implications:**

The Department would incur minimal administrative costs as a result of this bill. This bill would have an unknown impact on General Fund revenues. The impact is unknown as the number of deeds admitted to record is unavailable on a locality-by-locality basis.

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

Virginia Department of Accounts  
Virginia Outdoors Foundation  
Circuit Court Clerks

10. **Technical amendment necessary:** None.

## 11. Other comments:

### Current Law

Currently, a recordation tax may be imposed by Virginia on:

- Every deed admitted to record at a rate of 50 cents on every \$100 of the greater of the consideration paid or the value of the property;
- A grantor for recording any instrument. The rate of the tax, when the consideration for the interest exceeds \$100, is fifty cents for each \$500 of the greater of the consideration paid or the value of the property, exclusive of the value of any lien or encumbrance remaining at the time of the sale.
- Deeds of trust or mortgages at a rate of 15 cents on every \$100 of the amount of bonds or other obligations secured;
- Deeds of release for 50 cents.
- Deeds of partition or deeds pertaining to divorce the rate is 50 cents per deed.
- Contracts or leases at the rate of 15 cents on every \$100 of the consideration or value contracted for, including contracts or agreements relating to the sale of rolling stock or equipment.

### Proposal

This bill would impose a one-dollar fee on every deed admitted to record in those jurisdictions in which open-space easements are held by the Virginia Outdoors Foundation. Fees collected would be remitted to the Virginia Outdoors Foundation.

This bill is effective beginning July 1, 2004.

The Virginia Outdoors Foundation was established to promote the preservation of open-space lands and to encourage private gifts of money, securities, land or other property to preserve the natural, scenic, historic, scientific, open-space and recreational areas of the Commonwealth.

cc : Secretary of Finance