

DEPARTMENT OF TAXATION

2004 Fiscal Impact Statement

1. **Patron** Thomas K. Norment, Jr.

2. **Bill Number** SB 399

House of Origin:

 Introduced

 Substitute

 Engrossed

3. **Committee** Passed Senate and House

4. **Title** Recordation Tax: Leases of
Communications Towers, Oil and Gas
Rights, Coal and other Mineral Rights

Second House:

 In Committee

 Substitute

 X **Enrolled**

5. **Summary/Purpose:**

This bill would set the recordation tax on leases of communication towers or communication tower sites to \$75. This bill would also set the tax on the recordation of each lease to affix communications equipment or antenna to a communications tower to \$15 for each tower that the equipment or antenna is to be affixed. Further, this bill would set the recordation tax on the leases of oil and gas rights to \$25, and the recordation tax on the leases of coal and other mineral rights to \$50. Finally, this bill would set the recordation tax on leases of outdoor advertising signs owned by a person engaged in the business of outdoor advertising licensed by the Virginia Department of Transportation to \$25.

The effective date of this bill is not specified.

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

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

8. **Fiscal implications:**

Administrative Costs

The Department would incur minimal administrative costs as a result of this bill. This bill would increase General Fund revenues by an unknown amount.

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

Circuit Court Clerks

10. **Technical amendment necessary:** None

11. Other comments:

The recordation tax for recording a lease is 15 cents per \$100 of the consideration or value contracted. Currently, the recordation tax for the recording of oil and gas rights leases cannot exceed \$25 and the recordation tax for the recording of coal or other mineral rights leases cannot exceed \$50. The recordation tax for recording leases on outdoor advertising signs owned by a person engaged in the business of outdoor advertising licensed by the Virginia Department of Transportation cannot exceed \$25.

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cc : Secretary of Finance