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SENATE BILL NO. 920

Offered January 12, 2005

Prefiled January 11, 2005

A *BILL to amend and reenact §§ 58.1-3800, 58.1-3801, 58.1-3803 and 58.1-3804 of the Code of Virginia, relating to local recordation tax and fee.*

Patron—Blevins

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That §§ 58.1-3800, 58.1-3801, 58.1-3803 and 58.1-3804 of the Code of Virginia are amended and reenacted as follows:

§ 58.1-3800. Levy of tax and fee.

A. In addition to the state recordation tax imposed by Chapter 8 (§ 58.1-800 et seq.) of this title, the governing body of any city or county is hereby authorized to impose a recordation tax, in an amount equal to one-third of the amount of the state recordation tax collectible for the Commonwealth, upon the first recordation of each taxable instrument in such city or county. No tax shall be levied under this section when the state recordation tax imposed under Chapter 8 (§ 58.1-800 et seq.) is fifty cents.

B. *In addition to all other recordation taxes, the governing body of any city or county is hereby authorized to impose a fee not to exceed \$250 on every recorded instrument that is subject to the tax imposed by §§ 58.1-801, 58.1-802, 58.1-803, and 58.1-804, provided such city or county has a growth rate in K through 12 school-age population of one-half percent over the previous three years combined growth rate as of September 30 of the year prior to the year such fee is imposed. The fee imposed by this subsection shall be paid by the grantor, or any person who signs on behalf of the grantor, of any such recorded instrument. In no event shall such fee be imposed on any recorded instrument that grants, assigns, transfers, or otherwise conveys affordable housing. For purposes of this subsection, "affordable housing" means the sales price is no greater than three times 80 percent of the median income for the city or county in which the property is located.*

The revenues generated by this additional fee shall be used by the city or county only for capital projects for public school construction and public school infrastructure improvements including, but not limited to, technology infrastructure; additions, renovations, and retrofitting of existing school buildings; new school construction; site acquisition; and debt service payments for such capital projects. In no event shall such revenues be used for general fund purposes of the city or county imposing the fee.

§ 58.1-3801. Taxation of instruments relating to property located in more than one jurisdiction.

The tax imposed by a city or county pursuant to this article upon a deed or other instrument which conveys, covers, or relates to property located partially within such city or county shall be computed and collected only with respect to that portion of the property located in such city or county. *The fee allowed to be imposed pursuant to this article shall be collected and distributed by each jurisdiction in which the property is located.*

§ 58.1-3803. Collection of tax; compensation for clerk.

The tax *and fee allowed to be* imposed by this article shall be collected by the clerk of the circuit court for each city and county in whose office deeds or other instruments are offered for recordation or if the property is located in more than one city or county, by the respective clerks of each jurisdiction. The clerk shall deposit all funds collected pursuant to this chapter into the treasury of the county or city in which such court is situated. Every clerk who collects the tax imposed by this chapter shall be entitled to compensation for such services in an amount equal to five percent of the amount so collected and paid over.

§ 58.1-3804. Collection of tax for city having no court for recordation of deeds and other instruments.

When any county imposes the tax *or fee* authorized by this article and there is located in such county a city having no separate court in whose clerk's office deeds and other instruments are admitted to record, the governing body of such county shall at least semiannually pay into the treasury of such city an amount equal to the county tax *and fee* collected on recordations with respect to property located in such city, less the proportionate compensation, if any, paid by the county to the clerk of court for his service in collecting the tax *and fee*. The clerk of the court shall compile and furnish the necessary information to the governing body of the county to enable it to comply with this provision.