

**DEPARTMENT OF TAXATION
2005 Fiscal Impact Statement**

1. **Patron** Harry B. Blevins

3. **Committee** Senate Finance

4. **Title** Recordation Tax and Fee for Education

2. **Bill Number** SB 920

House of Origin:

 X **Introduced**

 Substitute

 Engrossed

Second House:

 In Committee

 Substitute

 Enrolled

5. Summary/Purpose:

This bill would allow localities to impose a fee up to \$250 on each deed or deed of trust when the locality's growth in K-12 school-age population is one-half of one percent above the previous three-year average. The fee would not apply to conveyances of affordable housing whose sales price is no greater than 2.4 times the median income for the locality. Revenue from the fee must be used for specified educational purposes.

The effective date of this bill is not specified.

6. No Fiscal Impact. (See Line 8.)

7. Budget amendment necessary: No.

8. Fiscal implications:

This bill would have no impact on state revenue. Local revenue would be increased in those localities that choose to enact the fee.

9. Specific agency or political subdivisions affected:

Virginia cities and towns
Clerks of the Circuit Court

10. Technical amendment necessary: No.

11. Other comments:

This bill would allow a locality experiencing high growth in its school-age population to impose a fee of up to \$250 on each deed or deed of trust recorded in the locality. The revenue from the fees must be used for public school capital projects and infrastructure improvements. The revenue cannot be used for local general fund purposes.

The fee cannot be imposed on deeds or deeds of trust for “affordable housing,” defined as houses whose purchase price is less than three times 80% of the median income for the locality (mathematically equal to 2.4 times the median income).

Other Legislation

House Bill 1566 is identical to his bill.

cc : Secretary of Finance

Date: 1/14/2005 NMS
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