Department of Planning and Budget
2007 Fiscal Impact Statement

1. **Bill Number:** HB2203

   House of Origin   ☐ Introduced   ☐ Substitute   ☐ Engrossed

   Second House   ☐ In Committee   ☐ Substitute   ☒ Enrolled

2. **Patron:**   Wardrup

3. **Committee:** Passed both Houses

4. **Title:**   Conveyance of subaqueous lands

5. **Summary/Purpose:** The bill clarifies that the parties who were authorized to receive conveyances of parcels of subaqueous lands located in the City of Norfolk in 2006 (Moon of Norfolk, L.L.C., Harbor Point Investors, L.L.C., and Front Street Investors, L.L.C.) will not have to pay fair market value for these properties. The bill exempts them from having to pay fair market value because they have paid local real estate taxes on these parcels along with the adjacent upland properties since they have owned the properties.

6. **Fiscal impact estimates are:** Indeterminate. See item 8.

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

8. **Fiscal implications:**   The exemption from payment of fair market value by the three parties will result in a revenue loss to the Commonwealth. The bill deems local real estate taxes paid as sufficient payment of the fair market value of the property. Local real estate taxes are deposited to the general fund of the locality and not the Commonwealth, so the state will not realize revenue from the property conveyance. In accordance with § 28.2 – 1204.2, Code of Virginia, monies that might be received by the Marine Resources Commission from the conveyance would be deposited to the Marine Habitat and Waterways Improvement Fund for improving marine habitat and waterways, including the removal of obstructions or hazardous property from state waters. It is difficult to determine the revenue loss, because there are not currently guidelines for assessing the fair market value of subaqueous lands.

9. **Specific agency or political subdivisions affected:** Marine Resources Commission.

10. **Technical amendment necessary:** No.

11. **Other comments:** None.

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cc: Secretary of Natural Resources