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HOUSE BILL NO. 1615

Offered January 16, 2020

A *BILL to amend and reenact § 58.1-809 of the Code of Virginia, relating to recordation tax; supplemental writings.*

Patron—Sullivan

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That § 58.1-809 of the Code of Virginia is amended and reenacted as follows:

§ 58.1-809. When supplemental writings not taxable.

A. Sections 58.1-803, 58.1-807, and 58.1-808 are not to be construed as requiring the payment of any tax for the recordation of any deed of trust, deed of subordination, mortgage, contract, agreement, modification, addendum, or other writing that is supplemental to any deed of trust, mortgage, contract, agreement, modification, addendum, or other writing theretofore admitted to record upon which the tax herein imposed has been paid, or which is exempt from the tax herein imposed by reason of subsection C of § 58.1-804, when the sole purpose and effect of the supplemental instrument is to wrap around a prior instrument, to convey property, in addition to or in substitution, in whole or in part, of the property conveyed in a prior instrument, to secure or to better secure the payment of the amount contracted for in a prior instrument, to alter the priority of a prior instrument, or to modify the terms, conditions, parties, or provisions of a prior instrument, other than to increase the amount of the principal obligation secured thereby.

B. *Notwithstanding the provisions of subsection A, the recordation of a modification, addendum, or other writing supplemental to any deed of trust or mortgage described in clause (ii) of the second paragraph of subsection B of § 58.1-803, which does not state an increase in the amount of the principal obligation secured that was apportioned to property within the Commonwealth in the prior instrument, shall not be taxable, even if the supplemental writing recites an increase in the principal amount of the bonds or obligations.*

C. The assumption of a deed of trust shall not be separately taxable under § 58.1-801, 58.1-803 or 58.1-807, whether such assumption is by a separate instrument or included in the deed of conveyance.

INTRODUCED

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