

# DEPARTMENT OF TAXATION

## 2024 Fiscal Impact Statement

1. **Patron** Paul E. Krizek

3. **Committee** House Agriculture, Chesapeake and  
Natural Resources

4. **Title** Recordation tax revenues; land protection  
and preservation

2. **Bill Number** HB 1297

**House of Origin:**

X **Introduced**

       **Substitute**

       **Engrossed**

**Second House:**

       **In Committee**

       **Substitute**

       **Enrolled**

### 5. **Summary/Purpose:**

This bill would provide that, beginning July 1, 2026, after all required distributions for transportation and localities under current law, up to \$200 million of recordation tax revenues are to be distributed for specified land protection and preservation purposes.

Under current law, state recordation tax revenues are allocated to statewide transportation, to the Hampton Roads Regional Transit Fund, and the General Fund.

If enacted during the regular session of the 2024 General Assembly this bill would become effective July 1, 2024.

6. **Budget amendment necessary:** Yes.

7. **Fiscal Impact Estimates are:** Not available. (See Line 8.)

### 8. **Fiscal implications:**

#### Administrative Costs

The Department of Taxation ("the Department") considers implementation of this bill as routine and does not require additional funding.

#### Revenue Impact

This bill would decrease the funds available for General Fund appropriation by an unknown amount, up to \$200 million per year, beginning in Fiscal Year 2027.

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

Department of Taxation  
Department of Conservation and Recreation  
Department of Transportation  
Department of Wildlife Resources

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

**11. Other comments:**

State Recordation Tax and Grantor's Tax

The state recordation tax is currently levied at a rate of 25 cents for every \$100 or fraction thereof of the consideration of the deed or the actual value of the property conveyed, whichever is greater, and at the same rate on deeds of trust or mortgages based on the amount of bonds or other obligations secured thereby. A grantor's tax is also imposed, in addition, on each deed, instrument, or writing by which lands, tenements, or other realty sold is granted, assigned, transferred, or otherwise conveyed to, or vested in the purchaser, or any other person, by such purchaser's direction. The rate of this tax, when the consideration or value of the interest, whichever is greater, exceeds \$100, is 50 cents for each \$500 or fraction thereof, and is paid by the grantor.

Current law allocates a total of \$20 million of the revenue collected from both taxes to the Hampton Roads Regional Transportation Fund and an amount equal to \$0.03 from the recordation tax to the Commonwealth Transportation Fund. The remaining revenues from both taxes are deposited into the General Fund. These General Fund revenues would fund the up to \$200 million distribution proposed by this bill.

Proposal

This bill would provide that, beginning July 1, 2026, after all required distributions for transportation and localities under current law, up to \$200 million of recordation tax revenues are to be distributed as follows for land protection and preservation purposes:

- Fifteen percent to the Virginia Land Conservation Fund;
- Fifteen percent to the Virginia Land Conservation Fund to be spent for the acquisition of land by the Department of Conservation and Recreation, the Department of Wildlife Resources, and the Department of Forestry;
- 2.5 percent to the Virginia Outdoors Foundation;
- 2.5 percent to the Virginia Black, Indigenous, and People of Color Historic Preservation Fund;
- 2.5 percent to the Virginia Battlefield Preservation Fund;
- 2.5 percent to the Virginia Farmland Preservation Fund;
- Thirty-five percent to the State Park Conservation Resources Fund;
- 12.5 percent to the Department of Conservation and Recreation; and

- 12.5 percent to the Virginia Department of Transportation.

If enacted during the regular session of the 2024 General Assembly this bill would become effective July 1, 2024.

cc : Secretary of Finance

Date: 1/23/2024 VB  
HB1297F161