

## Department of Planning and Budget 2024 Session Fiscal Impact Statement

1. **Bill Number:** SB693

**House of Origin**     Introduced     Substitute     Engrossed  
**Second House**     In Committee     Substitute     Enrolled

2. **Patron:** Sturtevant

3. **Committee:** Courts of Justice

4. **Title:** Prohibited acquisition of residential land; restrictions; civil penalty.

5. **Summary:** Restricts any partnership, corporation, or real estate investment trust that manages funds pooled from investors, is a fiduciary to such investors, and has \$50 million or more in net value or assets under management on any day during a taxable year from acquiring any interest in residential land, as defined in the bill, in the Commonwealth and requires registration with the Secretary of the Commonwealth on or after July 1, 2024. The bill requires the Secretary to report annually by December 1 on the registrations and any penalties assessed for failure to register and to submit such report to the Governor and the General Assembly. The bill also requires all real property tax bills to contain notice of such prohibited business ownership restrictions and registration requirements.

6. **Budget Amendment Necessary:** No.

7. **Fiscal Impact Estimates:** Preliminary, see Item 8.

8. **Fiscal Implications:** The Office of the Secretary of the Commonwealth (“the Office”) indicates that this bill would require the creation of an additional database for tracking the registrations and may require additional staff time for reporting purposes. The Office indicates that such costs can be absorbed within existing resources.

The bill assesses a civil penalty of \$5,000 for each day of noncompliance for any prohibited business, as defined in the bill, which fails to register. The penalties shall be paid into the general fund. Any impact to the general fund from this provision is indeterminate at this time.

A fiscal impact to the Office of the Attorney General (OAG) is not expected.

Any potential impacts to the circuit courts are indeterminate at this time.

9. **Specific Agency or Political Subdivisions Affected:** Secretary of the Commonwealth, Circuit Court Clerks, Office of the Attorney General

10. **Technical Amendment Necessary:** No.

**11. Other Comments:** None.

Date: February 2, 2024

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