

Commission on Local Government

Estimate of Local Fiscal Impact
2002 General Assembly Session

Bill: HB 843, as amended

Patron: Drake

Date: February 12, 2002

In accordance with the provisions of §§ 30–19.03 through 30–19.03:1.1 of the Code of Virginia, the staff of the Commission on Local Government offers the following analysis of the above-referenced bill:

I. Bill Summary

HB 843, as amended, provides that any party to a condemnation proceeding may request a pretrial, nonbinding settlement conference conducted by a neutral third party. If such a conference is requested, either by the affected property owner or the governmental entity instituting the condemnation proceedings, the settlement conference can occur no sooner than 30 days prior to the court proceedings on the condemnation. Any settlement concluded through this method, however, is nonbinding on the court.

HB 843 is one of a series of bills recommended by the Virginia Housing Study Commission from its review of the Commonwealth's condemnation laws. Duplicative statutory language stricken by HB 843 established a more formal dispute resolution proceeding within the Redevelopment and Housing Authority Law (Title 36, Code of Va.) to be effective on July 1, 2002. The settlement conference proposed by HB 843 applies to both the State's general condemnation procedures as well as to those undertaken by local redevelopment and housing authorities.

II. Fiscal Impact Analysis

According to a representative for the Virginia Housing Study Commission, the pretrial settlement process established by HB 843 is designed to save funding resources of all parties to condemnation proceedings by making it easier for such settlements to occur. Further, the procedures contained in HB 843 were modeled on the successful process employed in the Northern Virginia area.

No estimates of local fiscal impact have been developed by the Virginia Housing Study Commission with respect to HB 843. The monetary costs imposed on local governments by the legislation would depend on 1) the number of pretrial conferences that result in a settlement; 2) the number of such settlements that are ultimately adopted by the court during condemnation proceedings; and 3) the number of property condemnations concluded by pretrial settlement whose costs are more than those resulting from condemnations that did not utilize the settlement option. Local costs would increase only in those cases in which the new procedures did not end in a successful settlement but merely resulted in another step in the litigation process. The streamlined pretrial settlement procedures contemplated by HB 843 would be available at the discretion of the parties. As a result, it is impossible to predict the effect of the new method on the number of pretrial settlements. It is also impossible to determine what effect, if any, the new approach might have on the rate of success of pretrial settlements in condemnation cases.

The Commission on Local Government did not receive any fiscal impact estimates from local governments concerning HB 843.

III. Conclusion

The precise fiscal impact of HB 843 on local governments cannot be determined, but it is not expected to be significant.