

**Virginia Department of Transportation
2004 Fiscal Impact Statement**

1. Bill Number: HB 1194

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Scott, J.

3. Committee: House General Laws

4. Title: Land Use Permit Property Damage Arbitration

5. Summary/Purpose:

Requires the Department of Transportation not to issue a land use permit until a company has agreed in writing that the Department will be the final arbiter of any and all claims of damage to property made by a property owner alleging such damage was caused by the company in connection with work performed under the permit.

6. Fiscal Impacts are unavailable

7. Budget amendment necessary: NO

8. Fiscal implications: Passage of the bill would cause VDOT to incur unquantifiable costs to devise and implement an organizational structure, policies, procedures, or regulations, etc., to administer the investigative function. VDOT would be required to:

- determine if damages occur to a third party;
- determine who is responsible for the damages; and
- determine the dollar amount of damages.

VDOT would likely incur additional costs to have a third party resolve the issue of responsibility if the property owner claimed VDOT was prejudiced because it issued the permits.

Because VDOT has no information on how widespread the problem addressed by the bill is, it cannot determine at this time whether the investigations will be performed at the Central Office level, the district level, or the residency level. The location of this function will have a significant effect on costs, such as those to hire or transfer staff, or secure contracted services to perform the entire function.

9. Specific agency or political subdivisions affected: VDOT

10. Technical amendment necessary: NO

11. Other comments: NO