

Department of Planning and Budget 2012 Fiscal Impact Statement

1. Bill Number: HB5

House of Origin	<input checked="" type="checkbox"/>	Introduced	<input type="checkbox"/>	Substitute	<input checked="" type="checkbox"/>	Engrossed
Second House	<input checked="" type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Enrolled

2. Patron: Bell

3. Committee: Privileges and Elections

4. Title: Constitutional amendment; taking or damaging of private property for public use (voter referendum).

5. Summary: The proposed legislation would provide for a referendum at the November 6, 2012, election to put a constitutional amendment before voters to alter the General Assembly's authority to take private property or cause damage through eminent domain. The amendment provides that eminent domain only be used when the taking is for public use and not when the primary purpose is private gain, private benefit, private enterprise, increasing jobs, increasing tax revenue, or economic development. The amendment also prohibits the taking or damaging of more private property than is necessary for the public use. The amendment also provides that just compensation is to be no less than the value of the property taken, lost profits and lost access, and damages to the residue caused by the taking. The General Assembly is to define the terms lost profits and lost access.

6. Budget Amendment Necessary: Yes, Item 87.

7. Fiscal Impact Estimates: Preliminary. See Item 8.

8. Fiscal Implications: According to the State Board of Elections, HB 5 has a direct general fund fiscal impact of \$320,000 in FY 2013 from placing the referendum on the ballot. This estimate is based on the costs for prior constitutional amendments. It represents the estimated cost for newspaper advertisements, posters, and brochures required by Section 30-19.9, Code of Virginia.

The bill has a potential future fiscal impact from the revised factors that are to be included when public agencies determine just compensation. The magnitude of this impact depends on the definitions of lost profits and lost access that are to be set by the General Assembly and cannot be determined at this time. HB 1035 and SB 437 provide proposed definitions for the terms, which will not be set until the final versions of these bills are passed by the General Assembly.

9. Specific Agency or Political Subdivisions Affected: Virginia Department of Transportation, agencies and institutions authorized to execute eminent domain

10. Technical Amendment Necessary: None.

11. Other Comments: Related to HB 1035 and SB 437.

Date: 2/22/2012 dpb/smc

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