

Department of Planning and Budget

2014 Fiscal Impact Statement

1. Bill Number: HB990ER

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

2. Patron: Fowler

3. Committee: Passed Both Houses.

4. Title: Scope of Relocation Assistance and Real Property Acquisition Policies; replacement housing.

5. Summary: This bill amends the Code of Virginia to conform with the Uniform Relocation Assistance and Real Property Acquisitions Act, including federal changes made in the Moving Ahead for Progress in the 21st Century Act (MAP-21) - the federal surface transportation reauthorization law. Specifically, this legislation conforms the Code of Virginia to changes in federal law regarding displaced persons, payments, and timeframes for replacement of housing for displaced homeowners and tenants, whose property or property interests have been acquired for transportation projects or purposes. This bill provides that relocation assistance and real property acquisition policies of the Commonwealth apply in the case of advance acquisition funded in whole or in part with state or federal funds.

The bill also raises the authorized payment to a displaced homeowner from \$22,500 to \$31,000 and reduces from 180 to 90 the number of days that the displaced homeowner must have occupied the property. The bill also increases from \$5,250 to \$7,200 the maximum payment permitted to a person leasing or renting a comparable replacement dwelling for a period of 42 months. The bill contains a partial delayed effective date so that the changes take effect on October 1, 2014, which is when the corresponding changes to federal law affecting those sections are scheduled to take effect pursuant to the requirements of MAP-21.

6. Budget Amendment Necessary: No.

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

8. Fiscal Implications: If HB 990 is not enacted, Virginia would potentially lose federal funding for property acquisitions and relocation assistance payments to displaced persons as a result of noncompliance with MAP-21's changes to federal law. The amount of federal funding that could be potentially withheld cannot be determined.

The proposed bill increases the benefits provided in Code of Virginia § 25.1-409 (Replacement Housing for Homeowners) by \$8,500 and under Code of Virginia § 25.1-410 (Replacement Housing for Tenants and Certain Homeowners) by \$1,950. Based on existing data, the total anticipated fiscal impact resulting from the increases to these statutory limits equals roughly \$120,000 per year. Since the bill is not effective until October of Fiscal Year

2015, only 75 percent of the anticipated increase in expense is anticipated for the first fiscal year that the bill is enacted. These costs can be absorbed within existing resources.

- 9. Specific Agency or Political Subdivisions Affected:** Virginia Department of Transportation, cities, counties and other parties subject to Chapter 4 of Title 25.1 of the Code of Virginia (§ 25.1-400 et seq.) (Relocation Assistance and Real Property Acquisition Policies).

10. Technical Amendment Necessary: None.

11. Other Comments: None.

3/3/2014

G:\2014\Session Legislation\HB990ER.docx