

17103351D

SENATE BILL NO. 1421

Offered January 11, 2017

A BILL to amend and reenact § 33.2-1026 of the Code of Virginia, relating to interest on the amount of award; condemnation proceeding.

Patron—Mason

Referred to Committee on Transportation

Be it enacted by the General Assembly of Virginia:**1. That § 33.2-1026 of the Code of Virginia is amended and reenacted as follows:****§ 33.2-1026. Awards in greater or lesser amounts than deposit; interest.**

A. If the amount of an award in a condemnation proceeding is greater than that deposited with the court or represented by a certificate of deposit, the excess amount, together with interest accrued on such excess amount, shall be paid into court for the person entitled thereto.

B. Interest shall accrue on the excess amount at *the greater of (i) the average monthly rate of interest established pursuant to § 6621(a)(2) of the Internal Revenue Code of 1954, as amended, compiled by the Department for the month in which the award is rendered, computed from the date month of such deposit to the date month of payment into court, or (ii) the rate of interest established pursuant to § 6621(a)(2) of the Internal Revenue Code of 1954, as amended, compiled by the Department for the month in which the award is rendered*, and shall be paid into court for the person or persons entitled thereto. However, any (i) interest accruing after June 30, 1970, and prior to July 1, 1981, shall be paid at the rate of six percent; (ii) interest accruing after June 30, 1981, and prior to July 1, 1994, shall be paid at the rate of eight percent; and (iii) interest accruing after June 30, 1994, and prior to July 1, 2003, shall be paid at the general account composite rate, compiled by the Department of the Treasury for the month in which the award is rendered.

C. If the amount of an award in a condemnation proceeding is less than that deposited with the court or represented by a certificate of deposit, and the person or persons entitled thereto have received a distribution of the funds pursuant to § 33.2-1023, the Commissioner of Highways shall recover (i) the amount of such excess and (ii) interest on such excess at the *accrual rate of interest established pursuant to § 6621(a)(2) of the Internal Revenue Code of 1954, as amended outlined in subsection A*. If any person has been paid a greater sum than that to which he is entitled as determined by the award, judgment shall be entered for the Commissioner of Highways against such person for the amount of such excess and interest. However, the Commissioner of Highways shall not be entitled to recover the amount of such excess and interest in the event the Commissioner of Highways acquired, by virtue of the certificate, an entire parcel of land containing a dwelling, multiple-family dwelling, or building used for commercial purposes at the time of initiation of negotiations for the acquisition of such property.

INTRODUCED

SB1421