

Department of Planning and Budget 2019 Fiscal Impact Statement Template

1. Bill Number: SB1404

House of Origin	<input 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: Petersen

3. Committee: Courts of Justice

4. Title: Eminent domain; costs for petition for distribution of funds; interest rate; recordation of certificate.

5. Summary: Provides that the costs of filing a petition with the court for the distribution of the funds due pursuant to an eminent domain proceeding shall be taxed against the condemnor. The bill also provides that the interest rate on the funds represented by a certificate of deposit from the date of filing of the certificate until the funds are paid into the court shall not be less than the judgment rate of interest. Finally, the bill reorganizes for clarity the provisions governing what happens upon recordation of a certificate by the Commissioner of Highways in a condemnation proceeding.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary. See item 8, below.

8. Fiscal Implications: Currently, costs related to petitions regarding the release of funds in eminent domain proceedings are generally borne by the landowner. This bill would cause such costs to be borne by the condemnor, generally the Commonwealth or relevant political subdivision initiating the eminent domain proceeding. At this point, the costs of such petitions or the number of potential petitions in a given year is unknown. As a result, the fiscal impact is indeterminate.

The bill also sets the interest rate on the funds represented by a certificate of deposit from the date of filing of the certificate until the funds are paid into the court at the judgement rate of interest, which is six percent currently in the Commonwealth. Currently, the interest rate is set at either the general account's primary liquidity portfolio rate or the U.S. Internal Revenue Service's (IRS) underpayment rate (defined as the federal short-term rate plus three percent). Both of these rates fluctuate periodically; therefore, it is difficult to determine the fiscal impact of setting such interest rate at six percent.

9. Specific Agency or Political Subdivisions Affected: Virginia Department of Transportation, any other agency or political subdivision initiating eminent domain proceedings.

10. Technical Amendment Necessary: No.

11. Other Comments: None.