

Department of Planning and Budget 2020 Fiscal Impact Statement

1. Bill Number: SB31

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: Petersen

3. Committee: Passed Both Houses

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

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 or the Commissioner of Highways for proceedings involving the Virginia Department of Transportation. 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. The second enactment specifies that the provisions proposed do not apply to proceedings in which the petitioner filed, prior to July 1, 2020. For proceedings where the petitioner filed a petition or certificate on or after July 1, 2005, and prior to July 1, 2020, the bill provides that the proceedings are to be governed by the relevant provisions of the Code of Virginia in effect prior to July 1, 2020

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Final. See item 8 below.

8. Fiscal Implications: This bill would slightly increase costs to the Virginia Department of Transportation (VDOT) in eminent domain matters by requiring VDOT to pay court filing fees associated with the distribution of funds. The amount of the cost increase is indeterminate; however it is anticipated that the costs could be absorbed within existing resources.

The bill also provides that the interest rate on the funds represented by a certificate of deposit in eminent domain cases prior to the funds being paid into the court shall not be less than the judgment rate of interest, which is currently six percent annually (per § 6.2-302, Code of Virginia). Current statute sets this interest rate at the rate established by § 6621(a)(2) of the Internal Revenue Code of 1954, which is currently five percent annually. However, this rate is variable as it is defined as the sum of the federal short-term rate plus three percentage points. As a result, the impact of the proposed change is indeterminate.

9. Specific Agency or Political Subdivisions Affected: Virginia Department of Transportation.

10. Technical Amendment Necessary: No.

11. Other Comments: No.