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SENATE JOINT RESOLUTION NO. 271
AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on Rules
on February 2, 1999)

(Patron Prior to Substitute—Senator Marye)

Establishing a joint subcommittee to examine the current means and adequacy of compensation to Virginia citizens whose properties are taken through the exercise of eminent domain.

WHEREAS, the right of individuals and families to own property, and to use that property for their homes and economic purposes, is fundamental to the American way of life and our country's economic system; and

WHEREAS, the expansion of the state road system and the growth of state corporations, institutions and authorities have impacted on the number of eminent domain proceedings; and

WHEREAS, deregulation of formerly regulated industries, such as natural gas, telecommunications, and electric power, is occurring within Virginia, nationally, and globally; and

WHEREAS, many such firms participating in Virginia markets compete nationally and globally as well as within Virginia; and

WHEREAS, a utility's in-state infrastructure may enhance that utility's ability to compete for deregulated markets both within the state and out of state; and

WHEREAS, construction of new utility infrastructure typically requires state-authorized exercise of the power of eminent domain to ensure the utility's ability to purchase needed property from individuals and families who had either (i) purchased such property in open markets with moneys earned from their labor or (ii) inherited such properties from family members; and

WHEREAS, real estate property condemnation by utilities under the Commonwealth's eminent domain statutes requires that current owners of such properties relinquish their right to use that property for their own purposes; and

WHEREAS, utilities acquiring property for infrastructure development typically acquire a narrow corridor of up to several hundred feet in width, creating residual parcels of adjacent, nonacquired properties along the full length of that corridor; and

WHEREAS, some infrastructure construction projects (such as electric power transmission line construction) may negatively affect the values of properties located near to but outside of the acquired right-of-way corridor; and

WHEREAS, some Virginia public service corporations, when allowed to condemn property, do not typically compensate property owners for devaluation of properties located outside the right-of-way corridor; and

WHEREAS, in some instances in which the entire property is condemned, the compensation is not adequate enough for the homeowner to purchase another comparable home, particularly when the homeowner is a senior citizen living on a limited income; and

WHEREAS, several large electric power transmission projects are currently proposed for areas within Virginia; and

WHEREAS, several owners of properties potentially affected by the proposed electric power transmission construction have stated in sworn testimony at public hearings their expectation that such construction will devalue properties located close to the right-of-way corridor; and

WHEREAS, land values in the rural areas of Virginia are increasingly influenced by their residential land-use potentials; and

WHEREAS, the serenity and natural beauty of rural lands often contribute to their residential land-use value; and

WHEREAS, that serenity and natural beauty are typically affected negatively by construction of large electric transmission lines; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That a joint subcommittee be established to study the current means and adequacy of compensation to Virginia citizens whose properties are taken through the exercise of eminent domain. The joint subcommittee shall study (i) the methods by which such eminent domain is exercised and (ii) the means by which compensation is provided or obtained. The joint subcommittee shall make recommendations concerning both issues, advising whether current statutes are adequate to furnish the means and methods of compensation, particularly in an evolving public utility market.

The joint subcommittee shall be composed of 13 members, as follows: four members of the Senate, to be appointed by the Senate Committee on Privileges and Elections; six members of the House of Delegates, to be appointed by the Speaker of the House; and three citizens at large, one to be appointed by the Senate Committee on Privileges and Elections and two to be appointed by the Speaker of the

60 House.

61 The direct costs of this study shall not exceed \$9,000.

62 The Division of Legislative Services shall provide staff support for the study. Technical assistance
63 shall be provided by Virginia State Corporation Commission. All agencies of the Commonwealth shall
64 provide assistance to the joint subcommittee, upon request.

65 The joint subcommittee shall complete its work in time to submit its findings and recommendations
66 to the Governor and the 2000 Session of the General Assembly as provided in the procedures of the
67 Division of Legislative Automated Systems for the processing of legislative documents.

68 Implementation of this resolution is subject to subsequent approval and certification by the Joint
69 Rules Committee. The Committee may withhold expenditures or delay the period for the conduct of the
70 study.