

Department of Planning and Budget 2008 Fiscal Impact Statement

1. Bill Number: SB766

House of Origin X Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Colgan

3. Committee: Local Government

4. Title: **Demolition of historic structures and areas; civil penalty.**

5. Summary: This bill authorizes a civil penalty for the demolition of a building or structure designated as an historic area, cemetery or grave without the approval of the architectural review board or the governing body of the county. The bill also includes the value of a plan for data recovery that has been approved by the Department of Historic Resources in the amount of the civil penalty for violators. The bill defines “plan for data recovery” as the process of retrieving and documenting historical information from an archaeological or architectural resource or resources, a landscape, or a cemetery.

6. Fiscal Impact Estimates: Preliminary. See Item 8.

7. Budget Amendment Necessary: No.

8. Fiscal Implications: This bill is permissive in nature as localities must choose to adopt ordinances that protect historic sites in order for penalties to be assessed. If a locality elects to adopt such ordinances, then this bill increases the civil penalty for demotion, razing or moving a building or structure or area, by the value of a plan for data recovery. The bill designates the Department of Historic Resources (DHR) as being responsible for evaluating and approving any data recovery plans.

The bill is unclear about whether the civil penalty is to include the cost of developing a data recovery plan, or implementing a recovery plan, or both. Should the bill be interpreted as requiring both a data recovery plan and data recovery action, DHR estimates that compiling a data recovery plan by a qualified professional could cost anywhere from \$1,000 to \$5,000, and data recovery action would cost from \$5,000 to \$100,000, depending on the size and complexity of the site and the extent of the damage. Requiring a data recovery operation after damage has already been done to a site makes the operation very labor intensive. This bill also creates the unintended consequence of encouraging violators to perform as much damage to a site as possible, as extensive damage lessens the amount of data available for collection by a data recovery, and therefore a lower cost for the data recovery plan and operation.

DHR anticipates that there should only be few violations resulting from this bill, although it depends on the action of local governments in adopting these ordinances and on the number of violations. Accordingly, the fiscal impact is dependent on the number of violations, although DHR estimates that any fiscal impact resulting from this bill should be minimal.

DHR predicts that the largest share of administrative costs resulting from this bill will fall on the localities. Should a locality choose to adopt an ordinance that protects historic areas, including cemeteries and archeological sites (as are included by this bill), they would be responsible for enforcing such ordinances.

9. Specific Agency or Political Subdivisions Affected: The Department of Historic Resources.

10. Technical Amendment Necessary: None.

11. Other Comments: None.

Date: 1/30/2008 dpbaek

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cc: Secretary of Natural Resources
Secretary of Finance