

Department of Planning and Budget 2011 Fiscal Impact Statement

1. Bill Number: HB2469

House of Origin	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron: Morefield

3. Committee: Transportation

4. Title: Relocation or removal of utility facilities

5. Summary: The proposed legislation would direct that when the Commonwealth Transportation Board acquires property by eminent domain, the relocated utility facilities shall not be placed any closer to a private residence than those facilities were before the relocation, or 100 feet, whichever is closer.

6. Budget Amendment Necessary: None.

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

8. Fiscal Implications: The proposed legislation would restrict the relocation of utility facilities during construction projects on the secondary system. The majority of secondary improvement projects, from the addition of a turn lane to the widening of a two-lane road to four lanes, require the relocation of utility facilities. There is often no practical manner in which to avoid placing the utility facilities closer to a private residence. If the utilities cannot be placed closer to the residence, VDOT's only alternative would be to acquire the residence and relocate the occupants.

Approximately 15 percent of construction projects are secondary projects. VDOT acquires approximately 900 parcels per year and relocates about 40 families each year, expending an average of \$89.6 million for these acquisitions and relocations. After reviewing several typical improvement projects, VDOT estimates this legislation would require the purchase of additional residences. The additional increase to the right of way and relocation cost incurred for secondary projects is estimated by VDOT to be \$58.8 million per year, although there is potential to recover a portion of the acquisition cost through disposal of the acquired property and dwelling. It is assumed the agency would need to absorb this additional expense, which could potentially require a reduction in the number and/or scope of secondary system construction projects.

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

10. Technical Amendment Necessary: None.

11. Other Comments: None.

Date: 2/1/2011 dpb/smc

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