

Department of Planning and Budget 2020 Fiscal Impact Statement

1. Bill Number: SB31

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: Petersen

3. Committee: Judiciary

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. 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: 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.