Department of Planning and Budget 2025 General Assembly Session State Fiscal Impact Statement

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Bill Number: SB1158S1 Patron: Obenshain

Bill Title: Eminent domain; condemnation proceedings.

Bill Summary: Makes various changes to provisions governing eminent domain, primarily relating to procedures in condemnation proceedings and the transfer of a defeasible title by certificate. The bill specifies that, in a condemnation proceeding initiated by an authorized condemnor or the Commissioner of Highways, a certificate transferring a defeasible title shall include certain information describing the property and any rights to the property being taken or damaged. The bill also requires that interest calculated on awards be compounded daily as opposed to simple interest calculations. Finally, the bill repeals the requirement that the court refer a matter initiating a condemnation proceeding to a dispute resolution orientation.

Budget Amendment Necessary: No **Items Impacted:** N/A

Explanation: N/A

Fiscal Summary: The fiscal impact to the Virginia Department of Transportation is indeterminate.

Fiscal Analysis: The bill may increase the cost of eminent domain matters handled by VDOT by making interest calculated on awards be compounded daily as opposed to simple interest as it is currently applied. Over the past three years the difference between simple interest and interest compounded daily would total \$10,513 for all condemnations that resulted in an award and final order. This amount represents past cases; future costs are indeterminate.

The legislation would also reduce the time condemnors have to file a petition in condemnation from 180 days to 100 days, which will shorten the preparation and negotiation timeline for eminent domain cases, which may ultimately result in more and higher trial awards. Any potential costs are indeterminate.

The bill makes several changes to the process and requirements around eminent domain cases, which may result in additional work, administrative requirements, delays, or other factors which may increase costs to VDOT from future cases. Since many factors would be involved, the fiscal impact of these changes to VDOT is indeterminate. These include the following:

Surveyors in the field may not know the limits of a take beforehand. The proposed language
could be interpreted to require having to survey a property in its entirety or could require the
surveyor to return and fill the survey in once the limits of the take are known. VDOT may incur
additional survey and computer-aided drafting (CADD) costs on all projects with the potential
for takings. The initial surveys would have to be expanded but there is the potential to have to
go back for more information late in the process, incurring additional costs.

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- The bill uses the term "specifications" in the additional information required on a certificate transferring a defeasible title which is a very broad term that may require VDOT to place more information on plan sheets or provide more plan sheets to show contour mapping, which is not something normally shown on plan sheets and which would increase the size of the plan sets.
- The legislation would also require 60-year title reports on all acquisitions acquiring a permanent interest in property, causing administrative costs and preparation time in the schedule to increase.

Other: None.