

**Department of Planning and Budget**  
**2026 General Assembly Session**  
**State Fiscal Impact Statement**

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**ORIGINAL**

**Bill Number:** HB1196

**Patron:** Scott, P.A.

**Bill Title:** Property Owners' Association Act; operation and management of association; condemnation of common area; procedure.

**Bill Summary:** Requires consideration of the physical characteristics of a property owners' association's common area land when determining such land's highest and best use for purposes of valuing the property for award or payment for such land in a condemnation proceeding after the common area land is taken or damaged under the power of eminent domain.

**Budget Amendment Necessary:** No                    **Items Impacted:** None

**Explanation:** This bill involves the Department of Professional and Occupational Regulation (DPOR); however, no budget action is needed.

**Fiscal Summary:** It is anticipated that this bill will not result in a fiscal impact to DPOR. The bill may result in an indeterminate reduction in expenses for the Department of Transportation (VDOT).

**Fiscal Analysis:** The bill does not require action by DPOR's Common Interest Communities Board. The Board may choose to communicate this change to its regulant members or incorporate it into updated guidance. Impact estimates are not yet available from DPOR, but it is anticipated that any actions by the Board can be completed through regularly scheduled meetings with existing resources.

According to VDOT, common areas are typically not well suited for development, so this bill may result in a reduced overall cost when acquiring land through eminent domain. Exact savings estimates are indeterminate.

This impact statement is preliminary and may be updated if additional information becomes available.

**Other:** This bill is the companion to SB 746.