

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 3338 - SB 3609

February 16, 2010

SUMMARY OF BILL: Requires state or local condemning authorities to pay property owners all court costs, appraisal fees, deposition costs, attorney fees and costs incurred by the owner related to the proceeding, if the owner of a condemned property is not satisfied with the amount deposited by the condemning authority and the amount ultimately received by the property owner exceeds the amount deposited.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Exceeds \$7,000,000

Increase Local Expenditures – Exceeds \$7,980,000*

Assumptions:

- Seventy percent of cases will be challenged by property owners. The average legal-related costs for property owners are estimated to be \$40,000 per case.
- According to the Tennessee Department of Transportation (TDOT), there were more than 250 occasions where eminent domain was used to acquire land for state projects in 2009. This number is estimated to remain constant. Therefore, the increase to state expenditures is estimated to exceed \$7,000,000 per year (250 cases x \$40,000 x 70%).
- According to TDOT, there was an average of three occasions per county in which eminent domain was used to acquire land in 2009 for local purposes. This number is estimated to remain constant. Therefore, the increase to local government expenditures is estimated to exceed \$7,980,000 per year (3 cases x \$40,000 x 95 counties x 70%).

*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White".

James W. White, Executive Director

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