

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1230 - SB 1371

March 25, 2015

SUMMARY OF BILL: Requires 90 days' notice of a condemnation proceeding to each respondent in the event of a condemnation proceeding. Requires the notice to be sent by certified mail. Provides the respondent with reimbursement for property damage or destruction, if condemned property is abandoned or a court rules against the condemner.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Exceeds \$2,500

Increase Local Expenditures – Exceeds \$2,500*

Assumptions:

- Based on information provided by the Department of Transportation (TDOT), to the extent that there is a ruling against a state agency-condemner, or the agency condemner abandons a project on condemned property and causes damage or destruction to the property which the previous property owner seeks restitution for, there will be an increase in state expenditures.
- Based on information provided by the Municipal Technical Advisory Service (MTAS), to the extent that there is a ruling against a local government agency-condemner, or the agency condemner abandons a project on condemned property and causes damage or destruction to the property which the previous property owner seeks restitution for, there will be an increase in local government expenditures.
- The fiscal impact of this bill is dependent upon several unknown factors such as the number of cases involving state and local agencies, the amount of damaged property, the extent of any such damage, the differential cost between mailing notices certified mail and regular mail, incremental court costs from condemnation and damage disputes, and the extent of reimbursements that would be made under current law relative to the extent of reimbursements that would be made under the provisions of this bill.
- Given the extent of unknown factors, a precise estimate to state and local government as a result of this bill is difficult. However, and based on information provided by TDOT and MTAS, it is reasonable to presume that there could be at least one instance per year where the state and a local government incur costs that would not be incurred under current law. Therefore, the recurring increase to state expenditures is reasonably estimated to exceed \$2,500 per year.
- Given the bill explicitly states the court shall award the respondents a sum that will reimburse respondents for any damage or destruction of property, the mandatory and

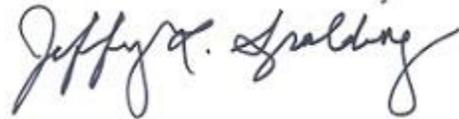
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recurring increase in local expenditures is reasonably estimated to exceed \$2,500 per year statewide.

**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 that reads "Jeffrey L. Spalding". The signature is written in a cursive style with a large, looped initial "J".

Jeffrey L. Spalding, Executive Director

/rnc