



## HOUSE COMMITTEE ON APPROPRIATIONS

# FISCAL NOTE

HOUSE BILL NO. 1411

PRINTERS NO. 1968

PRIME SPONSOR: Taylor

### COST / (SAVINGS)

FUND	FY 2015/16	FY 2016/17
Motor License Fund	See "Fiscal Impact"	See "Fiscal Impact"

**SUMMARY:** Amends the Eminent Domain Code (Title 26) to bring the Commonwealth of Pennsylvania into compliance with changes made by Congress to the Uniform Relocation Assistance and Real Property Acquisition Policies Act. This legislation would take effect in 60 days.

**ANALYSIS:** This legislation amends Chapter 9 of Title 26 to comply with revisions to the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act as amended by Congress.

Specifically, the following changes are required:

- The maximum reestablishment expenses reimbursable for a displaced farm, nonprofit organization or small business is increased from \$12,000 to \$25,000;
- The length of occupancy requirement for homeowners to be eligible for a housing supplement, rather than just a tenant supplement, is reduced from 180 to 90 days in occupancy before the initiation of negotiations;
- The maximum amount of the replacement housing supplement for homeowners is increased from \$27,000 to \$31,000; and
- The maximum amount of the replacement housing supplement for tenants and others is increased from \$6,300 to \$7,200.

**FISCAL IMPACT:** This legislation would increase project costs nominally to PennDOT as the legislation increases the reimbursement rate when obtaining real property for public works projects as mandated by federal law. According to PennDOT, there is no way to predict the additional costs for the upcoming fiscal years as the amount of real property acquisition is unknown.

PennDOT was able to provide expense data relating to real property acquisitions for the past 2 completed years. PennDOT had spent approximately \$4.55 million over that 2-year period or about \$2.27 million per year. Assuming a consistent property acquisition schedule, this legislation would increase costs to PennDOT by approximately \$456,000 per year. Please see below for calculation of those costs:

Title 75 Section	Entity Impacted	2-Year Expenses	Yearly Average	Current Reimbursement	New Reimbursement	% Increase	Additional Costs
Section 902	Business or Farm	\$259,485	\$129,743	\$12,000	\$25,000	108%	\$140,554
Section 903	Homeowner	\$3,377,326	\$1,688,663	\$27,000	\$31,000	15%	\$250,172
Section 904	Tenant	\$912,625	\$456,313	\$6,300	\$7,200	14%	\$65,188
<b>Totals</b>		<b>\$4,549,436</b>	<b>\$2,274,719</b>	<b>\$45,300</b>	<b>\$63,200</b>	<b>40%</b>	<b>\$455,914</b>

**PREPARED BY:** Tim Rodrigo  
House Appropriations Committee (R)

**DATE:** October 2, 2015

*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*