

1 HB38  
2 196537-2  
3 By Representative Drummond  
4 RFD: County and Municipal Government  
5 First Read: 05-MAR-19  
6 PFD: 02/14/2019

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8 SYNOPSIS: Existing law relating to eminent domain  
9 specifies that a property owner shall receive the  
10 fair market value of property taken through eminent  
11 domain.

12 This bill would provide that property owners  
13 whose property is taken by a Class 2 municipality  
14 through eminent domain shall receive the  
15 replacement cost of any property taken.

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17 A BILL  
18 TO BE ENTITLED  
19 AN ACT

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21 Relating to Class 2 Municipalities; to amend  
22 Sections 18-1A-170 and 18-1A-172 of the Code of Alabama 1975,  
23 relating to compensation standards for property taken by  
24 eminent domain, to provide that the standard of compensation  
25 for lands taken by a Class 2 municipality would be the  
26 replacement costs of the property; and to insert a definition  
27 for replacement cost.

1 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

2 Section 1. Sections 18-1A-170 and 18-1A-172 of the  
3 Code of Alabama 1975, are amended to read as follows:

4 "§18-1A-170.

5 "(a) (1) An owner of property acquired by eminent  
6 domain is entitled to compensation determined under the  
7 standards prescribed in this article.

8 "(2) An owner of property acquired by a Class 2  
9 municipality through eminent domain is entitled to  
10 compensation in the amount of the replacement cost of the  
11 taking.

12 "(b) (1) If there is a partial taking, the valuation  
13 rule is the difference between the fair market value of the  
14 entire property before the taking and the fair market value of  
15 the remainder after the taking.

16 "(2) If there is a partial taking within a Class 2  
17 municipality, the valuation rule is the difference between the  
18 replacement cost of the entire property before the taking and  
19 the replacement cost of the remainder after the taking.

20 "§18-1A-172.

21 "(a) The fair market value as used in this chapter  
22 shall be defined as the price the property would bring when  
23 offered for sale by a willing seller who is not forced to sell  
24 and which is sought by a willing buyer who is not required to  
25 buy, after due consideration of all the elements affecting  
26 value.

1                   "(b) The replacement cost as used in this chapter  
2                   shall be defined as the estimated cost to wholly reconstruct  
3                   the existing property as it exists at the time of valuation."

4                   Section 2. This act shall become effective on the  
5                   first day of the third month following its passage and  
6                   approval by the Governor, or its otherwise becoming law.