## STATE OF OKLAHOMA

1st Session of the 56th Legislature (2017)

AS INTRODUCED

An Act relating to condemnation and eminent domain; amending 27 O.S. 2011, Section 11, which relates to real property not acquired property; allowing for the

recovery of attorney fees and costs; amending 27 O.S.

acquiring property; disallowing use of larger parcel

theory in appraisals; amending 27 O.S. 2011, Section 16, which relates to just compensation for property; adding certain considerations to calculating fair

market value; amending Section 1, Chapter 160, O.S.L.

2012 (27 O.S. Supp. 2016, Section 18), which relates to the Landowner's Bill of Rights; allowing condemnee

to demand jury trial; amending 66 O.S. 2011, Section 53, which relates to eminent domain; adding certain

prove just compensation; requiring certain costs and

fees to be paid by condemnor upon appeal; specifying punishment for condemnor for not negotiating in good

faith; establishing burden of proof for legitimate business purpose claims; amending 69 O.S. 2011,

Section 1203, as amended by Section 1, Chapter 175, O.S.L. 2016 (69 O.S. Supp. 2016, Section 1203), which

Department of Transportation; requiring condemnor to

ensure condemnee is fully aware of offer; requiring

relates to acquisition of real property by the

condemnation annual report from Department of

Transportation; and providing an effective date.

considerations to calculating fair market value; amending 66 O.S. 2011, Section 55, which relates to

condemnation procedure; directing no bond to be posted by condemnee; requiring original offer to be minimum considered by jury; requiring condemnor to

2011, Section 13, which relates to policies for

HOUSE BILL 2194 By: Park

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BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

Req. No. 5290

Page 1

SECTION 1. AMENDATORY 27 O.S. 2011, Section 11, is

2 amended to read as follows:

Section 11. Where a condemnation proceeding is instituted by any person, agency or other entity to acquire real property for use as provided in Section 9 of this title and:

- 1. The final judgment is that the real property cannot be acquired by condemnation;
  - 2. The proceeding is abandoned; or
- 3. If the <u>The</u> award of the jury exceeds the award of the courtappointed commissioners by at least ten percent (10%) any amount, the owner of any right, title or interest in such real property may be paid such sum as in the opinion of the court will reimburse such owner for his reasonable attorney, appraisal and engineering fees, actually incurred because of the condemnation proceedings. Such determination by the court shall be appealable to the Supreme Court in the same manner as any other final order. The final award of such sums will be paid by the person, agency or other entity which sought to condemn the property.
- SECTION 2. AMENDATORY 27 O.S. 2011, Section 13, is amended to read as follows:
- Section 13. Any person, acquiring agency or other entity acquiring real property for any public project or program described in Section 9 of this title shall comply with the following policies:

1. Every reasonable effort shall be made to acquire, expeditiously, real property by negotiation.

- 2. Real property shall be appraised before the initiation of negotiations, and the owner or his designated representative shall be given an opportunity to accompany the appraiser during his inspection of the property, except that the head or governing body of the entity acquiring real property, if so mandated by federal law or regulation, may prescribe a procedure to waive the appraisal in cases involving the acquisition by sale or donation of property with a low fair market value as such value is defined by federal law or regulation.
- 3. Before the initiation of negotiations for real property, an amount shall be established which is reasonably believed to be just compensation therefor and such amount shall be promptly offered for the property. In no event shall such amount be less than the approved appraisal of the fair market value of such real property. Any decrease or increase in the fair market value of real property prior to the date of valuation caused by the public improvement for which such property is acquired, or by the likelihood that the property would be acquired for such improvement, other than that due to physical deterioration within the reasonable control of the owner, will be disregarded in determining the compensation for the property. The owner of the real property to be acquired shall be provided with a written statement of, and summary of the basis for,

the amount established as just compensation. Where appropriate, the just compensation for the real property acquired and for damages to remaining real property shall be separately stated.

- 4. No owner shall be required to surrender possession of real property before the agreed purchase price is paid or deposited with the state court, in accordance with applicable law, for the benefit of the owner of an amount not less than the approved appraisal of the fair market value of such property, or the amount of the award of compensation in the condemnation proceeding of such property.
- 5. The construction or development of a public improvement shall be so scheduled that, to the greatest extent practicable, no person lawfully occupying real property shall be required to move from a dwelling, assuming a replacement dwelling, as required by the Oklahoma Relocation Assistance Act, will be available, or to move his business or farm operation without at least ninety (90) days' written notice from the date by which such move is required.
- 6. If any owner or tenant is permitted to occupy the real property acquired on a rental basis for a short term or for a period subject to termination on short notice, the amount of rent required shall not exceed the fair rental value of the property to a short-term occupier.
- 7. In no event shall the time of condemnation be advanced, on negotiations or condemnation and the deposit of funds in court for the use of the owner be deferred, or any other coercive action be

1 taken to compel an agreement on the price to be paid for the
2 property.

- 8. If an interest in real property is to be acquired by exercise of power of eminent domain, formal condemnation proceedings shall be instituted. The acquiring authority shall not intentionally make it necessary for an owner to institute legal proceedings to prove the fact of the taking of his real property.
- 9. If the acquisition of only part of the property would leave its owner with an uneconomic remnant, an offer to acquire that remnant shall be made. For the purposes of this section, an uneconomic remnant is a parcel of real property in which the owner is left with an interest after the partial acquisition of the property of the owner which has little or no value or utility to the owner.
- 10. A person whose real property is being acquired in accordance with this title may, after the person has been fully informed of his right to receive just compensation for such property, donate such property, any part thereof, any interest therein, or any compensation paid therefor, as such person shall determine.
  - 11. As used in this section:
    - a. "Appraisal" means a written statement independently and impartially prepared by a qualified appraiser setting forth an opinion of defined value of an

adequately described property as of a specific date, supported by the presentation and analysis of relevant market information; and

b. "Acquiring agency" means:

- (1) a state agency which has the authority to acquire property by eminent domain pursuant to state law, and
- (2) a state agency or person which does not have such authority, to the extent provided by regulation.
- SECTION 3. AMENDATORY 27 O.S. 2011, Section 16, is amended to read as follows:
- Section 16. A. In every case wherein private property is taken or damaged for public use, the person whose property is taken or damaged shall be entitled to just compensation.
- B. "Just compensation", as used in subsection A of this section, shall mean the value of the property taken, and in addition, any injury to any part of the property not taken. Any special and direct benefits to the part of the property not taken may be offset only against any injury to the property not taken. If only a part of a tract is taken, just compensation shall be ascertained by determining the difference between the fair market value of the whole tract immediately before the taking and the fair market value of that portion left remaining immediately after the taking. The fair market value calculation may include comparable

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1  sales used to value the interest taken and may include the actual
2  amount paid or awarded for other tracts of the same intended use and
3  in the closest proximity to the subject property.
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- 4 SECTION 4. AMENDATORY Section 1, Chapter 160, O.S.L.
- 5 | 2012 (27 O.S. Supp. 2016, Section 18), is amended to read as
- 6 follows:

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- 7 Section 18. A. The Attorney General shall prepare a written statement that includes a "Landowner's Bill of Rights" for a 8 property owner whose real property may be acquired by a person, 10 acquiring agency, or other entity through the use of the entity's 11 eminent domain authority under <del>Title 27 or</del> this title, Title 66 or 12 Title 69 of the Oklahoma Statutes. The statement shall be made 13 available to the public and written in plain language designed to be 14 easily understood by the average property owner.
  - B. The Landowner's Bill of Rights shall notify each property owner of the right to:
    - 1. Notice of the proposed acquisition of the owner's property;
- 2. A bona fide good-faith effort to negotiate by the entity proposing to acquire the property;
  - 3. An assessment of damages to the owner that will result from the taking of the property;
  - 4. A hearing under <del>Title 27 of the Oklahoma Statutes</del> this title, including a hearing on the assessment of damages; and

5. An appeal of a judgment in a condemnation proceeding, including an appeal of an assessment of damages; and

- 6. Demand a jury trial to appeal an assessment of damages in a condemnation proceeding as long as the property owner holds any right, title or interest in the real property subject to condemnation.
  - C. The statement shall include:
  - 1. The title "Landowner's Bill of Rights"; and
  - 2. A description of:

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- a. the condemnation procedures provided by  $\frac{\text{Title 27 of}}{\text{the Oklahoma Statutes}}$  this title,
- b. the condemning entity's obligations to the property owner, and
- c. the property owner's options during a condemnation, including the property owner's right to object to and appeal an amount of damages awarded.
- SECTION 5. AMENDATORY 66 O.S. 2011, Section 53, is amended to read as follows:
- Section 53. A. If the owner of any real property or interest therein, over which any railroad corporation, incorporated under the laws of this state, may desire to locate its road, shall refuse to grant the right-of-way through and over his premises, the district judge of the county in which said real property may be situated shall, upon the application or petition of either party, and after

ten (10) days' notice to the opposite party, direct the sheriff of said county to summon three disinterested freeholders, to be selected by said judge as commissioners, and who shall not be interested in a like question.

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- The condemnor shall give notice to a condemnee by personal service or by leaving a copy of the notice at the condemnee's place of residence with some member of his family over fifteen (15) years of age, or by publication in the case of a condemnee who resides out of this state or a resident of this state who has departed herefrom with intent to avoid service of notice, or whose whereabouts or identity the condemnor, or his attorney, upon diligent inquiry is unable to ascertain, or an unknown heir, successor or assign of one in whom some right, title or interest in the property concerned was possessed, by publishing such notice once a week for two (2) consecutive weeks in a newspaper authorized by law to publish legal notices in the county where the petition is filed, the ten-day period provided in subsection A of this section to begin with the first publication. A copy of such notice and a copy of the petition shall be mailed to such opposite party's last-known mailing address within five (5) days of the first publication thereof. procedure for service by publication as authorized herein shall in all other respects be as provided by law for service by publication in civil actions, except summons need not first be issued.
  - C. The commissioners shall be sworn to perform:

1. Perform their duties impartially and justly; and they shall inspect said

- 2. Inspect the real property and consider the injury which said the owner may sustain by reason of the condemnation and they shall assess;
- 3. Assess the just compensation to which said the owner is entitled; and they shall forthwith make
- 4. Make a report in writing to the clerk of the court, setting forth the quantity, boundaries, and just compensation for the property taken, and amount of injury done to the property, either directly or indirectly, which they assess to the owner; which. The report must be filed and recorded by the clerk. A certified copy of the report may be transmitted to the county clerk of the county where the land lies, to be by him filed and recorded by him or her, without further acknowledgment or proof, in the manner and with like force and effect as is provided for the recording of deeds. And if said If the corporation shall, at any time before it enters upon said the real property for the purpose of constructing said the road, shall pay to said the clerk for the use of said the owner the sum so assessed and reported to him the owner as aforesaid, it shall thereby be authorized to construct and maintain its road over and across said the premises.
- D. "Just compensation", as used in subsection C of this section, shall mean the value of the property taken, and, in

addition, any injury to any part of the property not taken. Any special and direct benefits to the part of the property not taken may be offset only against any injury to the property not taken. only a part of a tract is taken, just compensation shall be ascertained by determining the difference between the fair market value of the whole tract immediately before the taking and the fair market value of that portion left remaining immediately after the taking. The fair market value calculation may include comparable sales used to value the interest taken and may include the actual amount paid or awarded for other tracts of the same intended use and in the closest proximity to the subject property.

SECTION 6. AMENDATORY 66 O.S. 2011, Section 55, is amended to read as follows:

Section 55. (A) A. The report of the commissioners may be reviewed by the district court, on written exceptions filed by either party, in the clerk's office within thirty (30) days after the filing of such report; and the court shall make such order therein as right and justice may require, either by confirmation, rejection or by ordering a new appraisement on good cause shown; or either party may within sixty (60) days after the filing of such report file with the clerk a written demand for a trial by jury, in which case the amount of damages shall be assessed by a jury, and the trial shall be conducted and judgment entered in the same manner as civil actions in the district court. If the party demanding such

trial does not recover a verdict more favorable to him than the assessment of the commissioners, all costs in the district court may be taxed against him The condemnor shall have the burden of proof in proving damages at trial to establish just compensation. If the condemnee appeals or the condemnor takes the case to trial by jury, the condemnee shall not be required to post bond. The amount of the original offer given by the condemnor and described in subsection D of this section shall be the minimum amount presented to and considered by the jury in determining damages. Regardless of the outcome of the case, if the condemnor appeals, all incurred costs and attorney fees shall be paid by the condemnor. Upon settlement or judgment, the condemnor has ten (10) business days to render payment to condemnee.

(B) B. Within ten (10) days after the report of commissioners is filed, the court clerk shall forward to the attorney of record for the condemnor, the attorney of record for each condemnee, and to all unrepresented condemnees, a copy of the commissioners' report and a notice stating the time limits for filing an exception or demand for jury trial as specified in paragraph (A) subsection A of this section. This notice shall be on a form prepared by the Court Administrator, which shall be approved by the Supreme Court, and shall be distributed to all clerks of the district court by said Court Administrator. If a party has been served by publication, the clerk shall forward a copy of the report of commissioners and notice

of time limits for filing an exception or demand for jury trial to the last-known mailing address, if any, and shall cause a copy of the notice of time limits to be published in one (1) issue of a newspaper qualified to publish legal notices, as defined in Section 106 of Title 25. After issuing the notices provided herein, the court clerk shall endorse on the notice form filed in the case, the date and that a copy of the report together with the notice was mailed to each party or his attorney of record, or the date the notice was published in compliance with the provisions hereof.

(C) C. The time limits for filing an exception and demand for jury trial, as prescribed in paragraph (A) subsection A of this section, shall be calculated from the date the report of the commissioners is filed in the case. On failure of the court clerk to give notice within the time prescribed in paragraph (B) subsection B of this section, the court, on application of any party, may extend the time for filing an exception to the report or a demand for trial by jury for a period not to exceed twenty (20) days from the date the application is heard.

(D) D. Where the party instituting a condemnation proceeding abandons such proceeding, or where the final judgment is that the real property cannot be acquired by condemnation or if the award of the jury exceeds the award of the court-appointed commissioners by at least ten percent (10%) any amount, then the owner of any right, title or interest in the property involved may be paid such sum as

1 in the opinion of the court will reimburse such owner for his reasonable attorney, appraisal, engineering, and expert witness fees actually incurred because of the condemnation proceeding. The sum 3 4 awarded shall be paid by the party instituting the condemnation 5

proceeding.

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- E. If the court finds the condemnor willfully and wantonly failed to negotiate in good faith with the condemnee, the court may award attorney fees and other sanctions to the condemnee. If it is discovered that the condemnor or anyone acting on behalf of the condemnor threatened the condemnee, the condemnor may be subject to the loss of license or a felony.
- F. If a question of damages at trial is related to a foregone legitimate business purpose planned for the subject land:
- 1. There is presumption for an award damages for the condemnee if condemnee developed the business purpose prior to notification of condemnation. The burden of proof to disprove damages shall lie with the condemnor; or
- 2. The burden of proof to establish damages shall lie with the condemnee.
- G. Any state agency with condemnation powers shall provide an annual report to the Legislature and Office of the Attorney General disclosing the number of condemnation cases that resulted in a jury or nonjury trial, whether the award was more or less than the report of commissioners, how attorney fees were awarded, how much the

agency spent in attorney fees and other expenses, what cases were appealed and other information related to condemnation as requested by the Legislature or Attorney General.

SECTION 7. AMENDATORY 69 O.S. 2011, Section 1203, as amended by Section 1, Chapter 175, O.S.L. 2016 (69 O.S. Supp. 2016, Section 1203), is amended to read as follows:

Section 1203. (a) A. The Department shall have authority to acquire in fee simple in the name of the State of Oklahoma, by purchase, donation or condemnation, lands or such interests therein as in its discretion may be necessary for the purpose of establishing, constructing and maintaining state highways or relocations thereof, and facilities necessary or incident thereto, including borrow areas, channel changes and deposits of rock, gravel, sand and other road\_building material for use in highway construction and maintenance. Such acquisition may be for immediate or future use. The Department may acquire reasonable amounts of land adjacent to its normal right-of-way for the purpose of screening unsightly areas adjacent to highways, landscaping safety rest areas and scenic overlook areas.

(b) B. In determining the amount of land required, or width of right-of-way necessary for such state highways, the Department shall take into consideration the present and probable future needs in connection with maintaining and reconstructing the highways, and the prevention of traffic congestion and hazards.

(e) C. Except in instances where there are nonresident owners, unknown heirs, imperfect titles and owners whose whereabouts cannot be ascertained with reasonable diligence, the Department shall, in a written offer of just compensation, give the owner an opportunity to sell the necessary lands or interests therein to the State of Oklahoma before resort to condemnation may be had. The If the owner does not respond or declines to sell the necessary lands or interests therein, the Department shall make every reasonable effort to contact the owner to ensure the owner is fully advised and aware of the offer from the Department and make efforts to resolve any matter that would cause the owner to subsequently accept the offer from the Department. If an agreement cannot be reached, the Department may condemn such lands or interests therein in the following manner:

The district judge of the county in which the real property may be situated, upon petition of either party, and after ten (10) days' notice to the opposite party, either by personal service or by leaving a copy thereof at his the party's usual place of residence with some member of his the family over fifteen (15) years of age, or, in the case of nonresidents, unknown heirs or other persons whose whereabouts cannot be ascertained, by publication in two issues of a newspaper in general circulation in the county (the tenday period to begin with the first publication), shall direct the sheriff of the county to summon three disinterested freeholders, to

be selected by the judge as commissioners, and who shall not be interested in a like question. The commissioners shall be sworn to perform their duties impartially and justly; and they shall inspect the real property and consider the injury which the owner may sustain by reason of the condemnation, and they shall assess the just compensation to which the owner is entitled; and they shall forthwith make a report in writing to the clerk of the court, setting forth the quantity, boundaries and just compensation for the property taken, and amount of injury done to the property, either directly or indirectly, which they assess to the owner, which report must be filed and recorded by the clerk. A certified copy of the report may be transmitted to the county clerk of the county where the land lies, to be filed and recorded by the county clerk +without further acknowledgment or proof+ in the same manner and with like force and effect as is provided for the recording of deeds. procedure for service by publication as authorized herein shall be the same as provided by law for service by publication in civil actions, except summons need not be issued and served, and except as otherwise provided herein.

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(d) D. Immediately upon payment to the clerk of the court for the use of the owner the sum so assessed and reported to the court clerk as aforesaid, the Department shall thereby be authorized to enter upon the condemned premises, and remove and dispose of any obstructions thereon, by sale or otherwise. If the landowner shall

refuse to deliver up possession to the Department, the court shall issue an order to the sheriff of the county to place the Department in possession thereof.

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 $\frac{\text{(e)}}{\text{(1)}}$  E. 1. The report of commissioners may be reviewed by the district court, on written exceptions filed by either party in the clerk's office within thirty (30) days after the filing of such report, and the court, after hearing had, shall make such order therein as right and justice may require, either by confirmation, rejection or by ordering a new appraisement on good cause shown. Provided, that in the event a new appraisement is ordered, the Department shall have the continuing right of possession obtained under the first appraisal, unless and until its right to condemn has finally been determined otherwise; or either party the landowner may within sixty (60) days after the filing of such report file with the clerk a written demand for a trial by jury, in which case the amount of damages shall be assessed by a jury, and the trial shall be conducted and judgment entered in the same manner as civil actions in the district court. If the party demanding such trial does not recover a verdict more favorable to the party than the assessment of the commissioners, all costs in the district court shall be taxed against the party. If the condemnee appeals or the condemnor takes the case to trial by jury, the condemnee shall not be required to post bond. The amount of the original offer given by the Department and described in subsection F of this section shall be the minimum

amount presented to and considered by the jury in determining damages. The Department shall have the burden of proof in providing damages at trial for establishing just compensation. Regardless of the outcome of the case, if the condemnor appeals, all incurred costs and attorney fees shall be paid by the condemnor. Upon settlement or judgment, the condemnor has ten (10) business days to render payment to the condemnee. No owner upon whom proper service by publication has been had, as provided in this title, shall be let in to defend after expiration of time for appeal or review of the report of commissioners as above provided has elapsed. Provided, that if, after the filing of exceptions to the report of commissioners as hereinafter provided, the Department shall fail to establish its right to condemn such premises, or any part thereof, the landowner shall be restored to possession of the premises, or part thereof, and the Department shall pay for any damages sustained through the occupation by the Department, and if such damages cannot be determined by amicable settlement they shall be determined by jury trial in the same proceedings.

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(2) 2. Within ten (10) days after the Report report of Commissioners commissioners is filed, the court clerk shall forward to the attorney of record for the condemnor, the attorney of record for each condemnee, and to all unrepresented condemnees, a copy of the commissioners report of commissioners and a notice, stating the time limits for filing an exception or demand for jury trial as

specified in paragraph (A) subsection A of Section 55 of Title 66 of the Oklahoma Statutes. The attorney of record for the condemnor shall provide the clerk of the court with the names and last-known addresses of the parties to whom notice and the report of the commissioners shall be mailed, sufficient copies of the notice and report to be mailed, and pre-addressed, postage-paid envelopes. This notice shall be on a form prepared by the Court Administrator, which shall be approved by the Supreme Court, and shall be distributed to all clerks of the district court by the Court Administrator. If a party has been served by publication, the clerk shall forward a copy of the report of commissioners and notice of time limits for filing an exception or demand for jury trial to the last-known mailing address, if any, and shall cause a copy of the notice of time limits to be published in one issue of a newspaper qualified to publish legal notices, as defined in Section 106 of Title 25 of the Oklahoma Statutes. After issuing the notices provided herein the court clerk shall endorse on the notice form filed in the case the date and that a copy of the report together with the notice form filed in the case was forwarded to each condemnee and each attorney of record, or the date the notice was published in compliance with the provisions hereof.

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 $\frac{(3)}{3}$ . The time limits for filing an exception and demand for jury trial, as prescribed in  $\frac{1}{2}$  subsection A of Section 55 of Title 66 of the Oklahoma Statutes, shall be calculated from

the date the report of the commissioners is filed in the case. On
failure of the court clerk to give notice within the time prescribed
in paragraph (B) subsection B of Section 55 of Title 66 of the
Oklahoma Statutes, the court, on application of any party, may
extend the time for filing an exception to the report, or a demand
for trial by jury for a period not to exceed twenty (20) days from
the date the application is heard.

(f) 4. If a question of damages at trial is related to a foregone legitimate business purpose planned for the subject land:

- 1. There is presumption for an award damages for the condemnee if condemnee developed the business purpose prior to notification of condemnation. The burden of proof to disprove damages shall lie with the condemnor; or
- 2. The burden of proof to establish damages shall lie with the condemnee.
- <u>F.</u> Either party aggrieved may appeal to the Supreme Court from the decision of the district court on exceptions to the report of commissioners, or jury trial; but such review or appeal shall not delay the prosecution of the work on such highway over the premises in question if the award of commissioners, or jury, as the case may be, has been deposited with the clerk for such owner, and in no case shall the Department be liable for the costs on such review or appeal unless the owner of the real property shall be adjudged entitled, upon either review or appeal, to a greater amount of

damages than was awarded by the commissioners. If the award of the jury exceeds the award of the court-appointed commissioners by any amount, the owner of any rights, title or interest in real property shall be paid such sum as in the opinion of the court will reimburse such owner for reasonable attorney, appraisal and engineering fees actually incurred because of the condemnation proceedings. Department shall in all cases pay the cost of the commissioners' fees and expenses, for their services, as determined and ordered paid by the judge of the district court in which such case is pending, however, poundage fees and condemnation fees shall only be paid by the Department in the event of appeal resulting in a jury verdict in excess of the commissioners' award, but under no circumstances shall any poundage fees or condemnation fees be assessed against the recipient of the award. And in case of review or appeal, a certified copy of the final order or judgment shall be transmitted by the clerk of the court, duly certified, to the proper county clerk, to be filed and recorded as hereinabove provided for the recording of the report, and with like effect.

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(g) G. When an estate is being probated, or a minor or incompetent person has a legal guardian, the administrator or executor of the estate, or guardian of the minor or incompetent person, shall have the authority to execute all instruments of conveyance provided for in this title on behalf of the estate, minor or incompetent person without other proceedings than approval by the

judge of the district court endorsed on the instrument of conveyance.

(h) H. "Just compensation", as used in this section, shall mean the value of the property taken, and in addition, any injury to any part of the property not taken. Any special and direct benefits to the part of the property not taken may be offset only against any injury to the property not taken. If only a part of a tract is taken, just compensation shall be ascertained by determining the difference between the fair market value of the whole tract immediately before the taking and the fair market value of that portion left remaining immediately after the taking. The fair market value calculation may include comparable sales used to value the interest taken and may include the actual amount paid or awarded for other tracts of the same intended use and in the closest proximity to the subject property.

(i) I. In the event that the determination of just compensation of a property is less than the commissioners' award for such real property, any mortgagee or lien holder who received payment from the commissioners' award in an amount in excess of the finding of just compensation value of the real property taken will only be liable for and required to pay back to the condemnor no more than the difference between what was actually received by the mortgagee or lien holder from the commissioners' award and the jury's just compensation value. In all respects a mortgagee or lien holder will

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only be liable to return to the condemnor any sums actually paid to
and received by such party in excess of the determination of just
compensation for the real property. The mortgagor would be and
remain liable to the mortgagee or lien holder for the excess that is
paid by the mortgagee or lienholder to the condemning authority.
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- J. The Department or any state agency with condemnation power shall provide an annual report to the Legislature and Office of the Attorney General disclosing the number of condemnation cases that resulted in a jury or nonjury trial; whether the award was more or less than the report of commissioners; how attorney fees were awarded; how much the Department or agency spent in attorney fees and other expenses; what cases were appealed; and other information related to condemnation as requested by the Legislature or Attorney General.
- K. If the court finds the Department or its agent willfully and wantonly failed to negotiate in good faith with the condemnee, the court may award attorney fees and other sanctions to the condemnee.

  If it is discovered that the Department or its agent threatened the condemnee, the Department employee or agent may be subject to the loss of license or a felony.
  - SECTION 8. This act shall become effective November 1, 2017.

23 56-1-5290 JBH 01/19/17

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