

March 6, 2025

The Honorable C.T. Wilson
Chair, Economic Matters Committee
231 Taylor House Office Building
Annapolis, MD 21401

RE: Letter of Opposition – House Bill 1362 – Eminent Domain – Just Compensation – Fees and Costs

Dear Chair Wilson and Committee Members:

The Maryland Department of Transportation (MDOT) respectfully opposes House Bill 1362 and offers the following information for the Committee's consideration.

HB 1362 establishes that damages awarded for taking land in a condemnation proceeding include any legal, expert, or other fees or costs incurred by a defendant.

Under the Constitution of Maryland and the Annotated Code, the State has the right to acquire private property for public use through the process of eminent domain. This is not a right that is exercised lightly by the State – the Maryland State Highway Administration (SHA) works to acquire property in a friendly manner with minimal disruption to affected parties.

If passed, HB 1362 would adversely affect the timely settlement of land acquisition by encouraging litigation and substantially overburdening the courts. If property owners have no associated fees or costs, the owners may be encouraged to unduly contest the State's fair market value assessment, as there is no incentive to reach amicable, fair, and reasonable settlements for just compensation. Those legal costs (attorney fees, appraisal fees, expert witness fees, and survey costs) would then be passed onto the State. Cases with complex legal issues would likely incur higher litigation costs. Notably, the bill has no cap to fees that can be charged to the State or its units, including MDOT and the SHA.

In addition to direct costs associated with land acquisition, the cost for construction delays due to legal proceedings further impacts the State. These costs cannot be quantified but could be significant. There are no funds in the operating or capital budget to account for these additional costs, which will ultimately hamper efficient delivery of projects in the Consolidated Transportation Program.

The Maryland Department of Transportation requests that the Committee consider this information during its deliberations and issue House Bill 1362 an unfavorable report.

Respectfully submitted,

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