

ATTACHMENT 5-H: RELOCATION CLAIMS AND PAYMENTS

1.0 Claims for Relocation Payments

The relocation program is a reimbursement program, meaning a displaced person or business must spend to get its relocation payments. Therefore, those eligible for relocation payments must submit a claim to receive relocation payments. A UGLG/buyer must provide displaced persons with a claim form along with an explanation of how to fill out this form and the filing procedure before the person is displaced. Any claim for a relocation payment must be supported by such documentation as may be reasonably required to support expenses incurred, such as bills, certified prices, appraisals, or other evidence of such expenses. A displaced person must be provided reasonable assistance necessary to complete and file any required claim for payment. All claims for a relocation payment must be filed with the UGLG/buyer no later than two (2) years after:

- The date of displacement (for tenants); or
- The date of displacement or the date of the final payment for the acquisition of the real property, whichever is later (for owners).

If the claim is denied, the UGLG/buyer must promptly notify the claimant in writing of its determination, the basis for the determination and the procedures for appealing. If the claim is accepted, the UGLG/buyer must pay the claim in a timely manner. Under Wisconsin relocation provisions, a person displaced from a residence may submit claims for fees to prepare a claim, under moving expenses. These costs are ineligible under federal law. The [URA](#) allows for a person up to 18 months to file a claim and Wisconsin provides up to two (2) years.

2.0 Relocation Payments

Refer to *Relocation Compensation Rules and Limits* (Attachment 5-I) for a summary of the rules and amount limits associated with payments for relocation.

Federal

Under federal law, persons displaced from residences are eligible for replacement housing and move payments. Non-residential displacees are eligible for move and re-establishment payments.

State

Under state law, residential displacees are eligible for replacement housing and move payments, while non-residential displacees are eligible for replacement business, move and re-establishment costs. These, and other associated costs, are explained in further detail below.

NOTE: For all relocation payments, the displaced person or business must receive the amount (federal or state) that is most generous. For example, if the state payment allows for a greater reimbursement than the federal, that amount must be reimbursed and vice versa.

3.0 Move Payments

Refer to *Relocation Compensation Rules and Limits* (Attachment 5-I) for a summary of the rules and amount limits associated with payments for moving expenses.

Federal

The [URA](#) provides for the following move payments: (1) Actual; (2) Fixed; or (3) a combination of both based on circumstances.

Federal – Residential

Displaced persons may receive actual moving payments from a self-move or a commercial move that the UGLG/buyer determines are reasonable and necessary. Actual moves must be supported by receipted bills for labor and equipment. Hourly labor rates and equipment rental fees may not exceed the cost paid by a commercial mover. Commercial moves must be based on the lower of two bids or estimates prepared by a commercial mover.

Alternatively, the displaced person may choose to receive fixed move costs. This payment is determined according to the [Fixed Residential Moving Cost Schedule](#) (as updated, per Federal Reserve Notice 86 FR 40227, [Notice of URA for Federal and Federally-Assisted Programs; Fixed Payment for Moving Expenses; Residential Moves](#) issued by the Federal Highway Administration).

Finally, a displaced person may choose to receive a combination of actual and fixed move payments, based on circumstances.

Federal – Non-residential

Personal property, as determined by an inventory from a business, farm or non-profit organization, may be moved through actual or fixed move costs. Actual move costs can involve either a:

- 1) Commercial move (based on the lower of two bids or estimates prepared by a commercial mover);
- 2) Self-move (based on the lower of two bids or estimates prepared by a commercial mover or qualified UGLG/buyer staff person); or
- 3) Self-move supported by receipted bills for labor or equipment; however, hourly rates or equipment rental fees may not exceed those of the commercial mover.

A displaced business may alternatively choose to receive a fixed payment in lieu of actual moving payments which may be up to \$53,200. Guidance on fixed payment costs are provided in and on the HUD CPD form, [Claim for Fixed Payment in Lieu of Payment for Actual Nonresidential Moving and Related Expenses](#) and the updated thresholds in the U.S. Department of Transportation [URA Final Rule](#) effective June 3, 2024. Additionally, displaced persons may be reimbursed when required to move personal property from real property but are not actually required to move from a dwelling, business, farm or nonprofit.

State

[Ch. Adm 92, Wis. Admin. Code](#) provides for actual and fixed move payments.

State – Residential

Displaced persons may receive actual moving payments from a self-move or a commercial move that the UGLG/buyer determines are reasonable and necessary. Actual moves must be supported by receipts. Self-moves may not exceed the estimated cost of a commercial move. Commercial moves must be based on the lower of two bids or estimates prepared by a commercial mover. Alternatively, the displaced person may choose to receive fixed move costs. This payment is determined according to the “Fixed Payment Schedule” listed in the [Wisconsin Relocation Rights – Residential brochure](#) and [Ch. Adm 92.54, Wis. Admin. Code](#). When federal funds are involved, the UGLG/buyer is to provide the amount that is higher between the state and federal limits.

Additionally, displaced persons may be reimbursed when required to move personal property from real property but are not actually required to move from a dwelling.

State – Non-residential

A business, farm or non-profit may receive an actual reasonable cost move payment plus re-establishment payment or a fixed payment-in-lieu of that actual move and re-establishment cost. The actual, reasonable move cost can be accomplished through the following: (1) Commercial move (based on the lower of two bids or estimates prepared by a commercial mover); (2) Self-move based on the lower of two bids or estimates prepared by a commercial mover or qualified UGLG/buyer staff person; (3) Self-move supported by receipted bills for labor or equipment (unless under \$1,000); however, hourly rates or equipment rental fees may not exceed those of the commercial mover. A displaced business may also choose to receive a fixed payment-in-

lieu of actual moving payments according to criteria established by the state. The fixed payment limits are provided in the [Wisconsin Relocation Rights – Business brochure](#). When federal funds are involved, the UGLG/buyer is to provide the amount that is higher between the state and federal limits.

Additionally, displaced persons may be reimbursed when required to move personal property from real property but are not actually required to move from a business, farm or non-profit.

4.0 Re-establishment Expense

Refer to *Relocation Compensation Rules and Limits* (Attachment 5-1) for a summary of the rules and amount limits associated with payments for re-establishment expenses.

Re-establishment costs are available for business displacements only.

Federal Non-Residential Re-establishment Payments

The URA provides business re-establishment expenses. Eligible items include, but are not limited to the following:

- Repairs or improvements to replacement real property as required by federal, state, or local law, code or ordinance;
- Modifications to the replacement property to accommodate business operations or make replacement structures suitable for conducting the business;
- Construction and installation costs for exterior signage to advertise the business;
- Redecoration or replacement of soiled or worn surfaces at the replacement site, such as point, paneling or carpeting; and
- Estimated increase costs of operation during the first two (2) years at replacement site, for certain items.

State Non-Residential Re-establishment Payments

State relocation provisions provide for business re-establishment costs. When federal funds are involved, the UGLG/buyer may provide the amount that is higher between the state and federal limits. This is limited to certain items, and even more limited if the maximum Business Replacement payment has already been provided. Re-establishment costs include, but are not limited to the following:

- Connecting to public utilities;
- Reimbursement for professional services;
- Repairs or improvements to the replacement real property as required by applicable federal, state, or local codes or ordinances;
- Modifications to the replacement property to accommodate the business operation or make replacement structures suitable for conducting the business;
- Installation costs for exterior signage to advertise the business;
- Redecoration or replacement of soiled or worn surfaces at the replacement site, such as paint, paneling, or carpeting;
- Licenses, fees, and permits when not paid as part of moving expenses; and
- Feasibility surveys, soil testing and marketing studies.

Direct Loss of Tangible Personal Property – Non-residential

A UGLG/buyer must pay a person for direct loss of tangible property which a person may move but does not, provided the person makes a good faith effort to sell the property. Selling expenses and sale proceeds must be documented by receipts or records. At the state level, these costs are covered under actual move costs. This person is covered separately under the [URA](#).

Purchase of Substitute Personal Property – Non-residential

Under the [URA](#), if an item of personal property which is used as part of a business or farm is not moved but is promptly replaced with a substitute item that performs a comparable function at the replacement site, the

displaced person is entitled to the cost of the substitute item or the estimated cost of moving and reinstalling the replaced item.

5.0 Search Expenses

Federal – Non-residential

A business or farm is entitled to actual expenses, up to \$2,500 which are incurred in searching for a replacement location including: (1) transportation; (2) meals and lodging away from home; (3) time spent searching; (4) fees paid to a real estate agent or broker; (5) time spent in obtaining permits and attending zoning hearings; and (6) time spent negotiating the purchase of a replacement site based on some reasonable salary or earnings. The URA does not provide for residential search expenses under [49 CFR 24.301\(h\)\(9\)](#).

State Residential and Non-Residential

[\[Wis. Stat. Ch. 32.19\(3\)\(a\); Ch. Adm 92.56\(3\), Wis. Admin. Code\]](#)

A UGLG/buyer must pay a person up to \$1,000 (unless the UGLG/buyer determines more is necessary) for actual and reasonable expenses in searching for a replacement business, including: (1) transportation; (2) food and lodging away from home; and (3) the value of time spent searching including any fee paid to a real estate agent or broker (not including commission). All expenses must be supported by receipts.

6.0 Replacement Payment

Refer to *Relocation Compensation Rules and Limits* (Attachment 5-1) for a summary of the rules and amount limits associated with replacement payments.

Both federal and state law allow for replacement housing payments based on occupancy status and length of occupancy. However, only state law provides a business replacement payment. Details of these payments are discussed in greater detail below.

Federal Replacement Payment – Residential

[\[49 CFR 24.401, 49 CFR 24.11\]](#)

Tenant occupants of 90 days or more prior to the initiation of negotiations may be eligible for a rental assistance payment to supplement the costs of leasing a comparable replacement dwelling, or down-payment assistance to purchase a replacement dwelling. A rental assistance payment is based on the difference, if any, between the cost of the monthly rent and utilities of the displacement dwelling and a comparable decent, safe, and sanitary replacement dwelling, as determined by the UGLG/buyer. The URA has established a 42-month period for supplementing this payment difference up to \$9,570. [\[49 CFR 24.402, 49 CFR 24.11\]](#)

Owner-occupants of at least 90 days prior to initiation of negotiations may be eligible for a price differential payment of up to \$41,200, including any mortgage interest differential and costs incidental to the purchase of a comparable replacement dwelling. A price differential payment is based on the difference, if any, between the acquisition price of the acquired dwelling and the purchase price of a comparable decent, safe, and sanitary replacement dwelling. The incidental expenses that can be reimbursed are those costs actually incurred by the displaced person incident to the purchase of a replacement dwelling and normally paid by the buyer, including: (1) legal, closing and related costs; (2) lender, FHA or VA application and appraisal fees; (3) loan origination or assumption fees that do not represent prepaid interest; (4) professional home inspection; (5) credit report; (6) title insurance; (7) escrow agent's fee; and (8) others.

Housing of Last Resort

The URA requires that comparable decent, safe, and sanitary replacement housing within a person's financial means be made available before that person may be displaced. When such housing cannot be provided using the replacement housing allotment of \$41,200, the URA provides for a "housing of last resort" payment [\[49 CFR 24.404, 49 CFR 24.11\]](#). UGLGs/buyers have broad flexibility in the use of housing of last resort. It is intended to enable UGLGs/buyers to respond to difficult or special displacements, but it must **not** be used as a substitute for lack of time or lack of relocation advisory services.

State Replacement Payment - Residential

Owner occupants of at least 180 days are eligible for a replacement housing payment of up to \$25,000 [[Wis. Stat. Ch. 32.19\(4\)\(a\)](#), [Ch. Admin 92.70, Wis. Admin. Code](#)]; however, if federal funds are involved the homeowner could be eligible for up to \$31,000 for replacement housing payments [[Wis. Stat. Ch 32.19\(4\)\(d\)](#)]. This payment reimburses for the differential cost to purchase a comparable dwelling, for the loss of favorable financing on an existing mortgage, and for expense incidental to the purchase including:

- Legal, closing, and related costs;
- Lender, appraisal, or application fees;
- Certification of structural soundness;
- Credit reports;
- Owner or mortgage title insurance policy;
- Escrow agent fee; and
- Other.

A tenant of at least 90 days is eligible for a rent differential payment of up to \$8,000. This payment is equal to the difference for 48 months, if any, between the monthly rent for the displacement unit and the lesser of the monthly rent for a comparable dwelling or the actual replacement rent [[Ch. Adm 92.78, Wis. Admin. Code](#)].

Additional Payment - State

[\[Wis. Stat. Ch. 32.19\(4\)\(c\)\]](#)

If a comparable dwelling is not available within the monetary limits established above, the UGLG/buyer may exceed the monetary limits and make payments necessary to provide a comparable dwelling.

State Replacement Payment - Non-residential

[\[Wis. Stat. Ch. 32.19\(4m\), Ch. Adm 92.90, Wis. Admin. Code\]](#)

A UGLG/buyer must make a replacement payment to a business, farm or non-profit not to exceed \$50,000 for an owner occupant or \$30,000 for a tenant-occupant.

A UGLG/buyer must pay an owner-occupant of a business or farm operation up to \$50,000 for the difference necessary to purchase a replacement business or farm operation, the loss of favorable financing on an existing mortgage or land contract in financing a replacement property, and expenses incidental to the purchase of a replacement business or farm operation including: (1) legal, closing and related costs; (2) lender, appraisal or application fee; (3) certification of structural soundness; (4) credit reports; (5) owner or mortgagee title insurance policy; (6) escrow agent fee; and (7) other. [[Ch. Adm 92.92, Wis. Admin. Code](#)]

A tenant-occupant of a business or farm operation must receive up to \$30,000 from the UGLG/buyer for the increased cost to rent or lease a replacement business, non-profit or farm operation [[Ch. Adm 92.96, Wis. Admin. Code](#)]. The rent differential is a payment equal to the difference for 48 months, if any, between the monthly rent for the displacement unit and the lesser of the monthly rent for a comparable business or farm operation or the actual replacement.

Decent, Safe and Sanitary Housing

Decent, safe, and sanitary standards exist in both the [49 CFR 24.2\(8\)](#) and state relocation rules [Wis. Stat. Ch. 32.19\(4\)\(ag\)](#), and [Ch. Adm 92.04, Wis. Admin. Code](#). Although state and federal provisions differ in defining decent, safe, and sanitary, the general purpose is the same - to establish a minimum housing standard to ensure that comparable replacement housing quality is adequate for the protection of public health, safety and welfare. UGLGs/buyers must become familiar with the decent, safe, and sanitary housing standards.