

RELOCATION CLAIMS AND PAYMENTS

1.0 Relocation Claim Resources

Displaced persons or businesses (including farms and nonprofit organizations; excluding government entities) may be eligible for relocation payments if they are displaced as a result of a federally assisted project. Refer to Chapter 5: *Acquisition & Relocation* of the *FFP Implementation Handbook* for guidance and definitions for acquisition, relocation, and displaced persons. Also refer to the following for additional resources for acquisition and relocation guidance, requirements, and regulations:

- *Voluntary Acquisition Process* document (Attachment FFP-05-02 for Chapter 5 of the *Handbook*);
- *Involuntary Acquisition Process* document (Attachment FFP-05-03 for Chapter 5 of the *Handbook*);
- *Relocation Planning & Processes* documents (Attachment FFP-05-04 of Chapter 5 of the *Handbook*);
- *Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970* (i.e., the URA, *49 CFR Part 24*);
- *Wis. Stats. § 32*; and
- *Wis. Admin. Code ch. 92*.

2.0 Claims for Relocation Payments

The relocation payment assistance for a federally assisted project is a reimbursement program, meaning displaced persons or businesses must incur and pay costs to receive relocation payments (with some exceptions for which a fixed payment may be allowed). Therefore, those eligible for relocation payments must submit a claim to receive relocation payments. Some additional general requirements are listed below:

- The grantee or other buyer(s) of the property acquired or used for the federally assisted project that caused the displacement must provide a claim form along with an explanation of how to fill out the form and the filing procedure to the displaced persons and/or businesses before they are 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 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 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 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**, do those displaced by an federally assisted project must be allowed the two-year window for claims.

3.0 Relocation Payments

The federal and state regulations differ regarding relocation payments. The displaced person or business must receive the amount that is *highest* in assistance between the federal and state rules. For example, if the state rules allow for a greater reimbursement than the federal, the amount allowed by the state rules must be the reimbursement value, and vice versa.

A. Move Payments

A summary of federal and state rules pertaining to move payments is provided below. Also refer to the federal and state resources referenced in this document for additional information regarding moving expenses.

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.

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 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 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 updated fixed payment costs are also provided in [49 CFR Part 24](#) (refer to § 24.102(n)(3) and § Subpart D). 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

[Wis. Admin. Code ch. Adm 92](#) (refer to §§ 92.50 – 92.99) provides for actual and fixed move payments.

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.

State – Residential

Displaced persons may receive actual moving payments from a self-move or a commercial move that the 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 [Wis. Admin. Code ch. 92.54](#). When federal funds are involved, the 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 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 – Businesses, Farm and Nonprofit Organizations brochure](#) and [Wis. Admin. Code ch. Adm 92](#) (refer to §§ 92.56 – 92.66). When federal funds are involved, the 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.

B. Re-establishment Expenses

Re-establishment costs are available for business displacements only.

Federal Non-Residential Re-establishment Payments

The URA provides for 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 paint, 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 in *Wis. Admin. Code ch. Adm 92* (refer to § 92.67) provide for business re-establishment costs. When federal funds are involved, the 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 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.

C. Search Expenses

Federal – Non-residential

A business, farm or non-profit 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. [[49 CFR Part 24.301\(g\)\(18\)](#)]

State Residential and Non-Residential

A buyer must pay a person up to \$1,000 (unless the 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. [[Wis. Stat. § 32.19\(3\)\(a\)](#); [Wis. Admin. Code ch. 92.56\(3\)](#)]

Replacement Payment

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.

Federal Replacement Payment – Residential

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 buyer. The URA has established a 42-month period for supplementing this payment difference up to \$9,570. [[49 CFR Part 24.401 – 24.402](#), [49 CFR Part 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 Part 24.404](#), [49 CFR Part 24.11](#)]. Buyers have broad flexibility in the use of housing of last resort. It is intended to enable 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. § 32.19(4)(a)*, *Wis. Admin. Code ch. 92.70*]; 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 rents for a comparable dwelling or the actual replacement rent [*Wis. Admin. Code ch. 92.78*].

Additional Payment - State [*Wis. Stat. § 32.19(4)(c)*]

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

State Replacement Payment - Non-residential [*Wis. Stat. § 32.19(4m)*, *Wis. Admin. Code ch. 92.90*]

A 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 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. [*Wis. Admin. Code ch. 92.92*]

A tenant-occupant of a business or farm operation must receive up to \$30,000 from the buyer for the increased cost to rent or lease a replacement business, non-profit or farm operation [*Wis. Admin. Code ch. 92.96*]. 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 Part 24.2\(8\)](#) and state relocation rules [Wis. Stat. § 32.19\(4\)\(ag\)](#), and [Wis. Admin. Code ch. 92.24](#). Although state and federal provisions differ in defining decent, safe, and sanitary, the general purpose is the same - to establish a

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minimum housing standard to ensure that comparable replacement housing quality is adequate for the protection of public health, safety and welfare. Buyers must become familiar with the decent, safe, and sanitary housing standards.

4.0 Overview Relocation Compensation Rules and Limits

To align Federal and State benefit limit provisions, 2015 Wisconsin Act 55 was passed. In 2015 Wisconsin Act 55, changes were made to the state eminent domain statute, *Wis. Stats. § 32* (see §§ 32.19 - 32.20).

The Federal and Wisconsin equivalent relocation assistance benefits are summarized in the table that follows. Federal updates were issued with the URA New Rule, effective 6/3/2024 (*49 CFR Part 24.11*).

Replacement Housing Payments for Displaced Homeowners and Tenants	
Federal Limit	Wisconsin Limit
1. Replacement Housing Payment of \$41,200 for Homeowners.	\$25,000 (owner) or up to \$31,000 when federal funds are involved.
2. Replacement Housing Payment of \$9,570 for Residential tenants.	\$8,000 (tenant) – since the state provision is higher, buyers generally would provide the state relocation benefit.
3. Occupancy requirement for Displaced Homeowners is 90 days prior to Initiation of Negotiations (ION).	Wisconsin Homeowner (180 days) – not impacted by 2015 Wisconsin Act 55. Wisconsin Tenant (90 days) Wisconsin 90-day homeowner can qualify for tenant replacement payment.
Non-residential Moving Expense Payments (displaced businesses, farms, non-profits)	
Federal Statutory Change	Wisconsin Limit
4. Fixed Move Payment Statutory Limit of \$53,200.	\$20,000 (owner and tenant) or up to \$40,000 when federal funds are involved.
5. Re-establishment expense payment of \$33,200.	\$25,000 (owner)

NOTE: If the payment caps under #1, and #2 and the time limit in #3 are not sufficient, based on the required calculations, these payment caps are to be exceeded (reference: Housing of Last Resort – *49 CFR Part 24.404*; also *49 CFR Part 24.11*).

Self-Move Fixed Payment Schedules:

State:

Refer to the *Wisconsin Relocation Rights Residential Brochure* (November 2021):

https://doa.wi.gov/Legal/English_Wisconsin%20Relocation%20Rights%20Residential_read.pdf.

Federal/URA:

Refer to the *Wisconsin Department of Transportation Real Estate Program Manual – Chapter 5: Relocation* (Revision 12/2018):

<https://wisconsindot.gov/dtsdManuals/re/repmchap5/chapter5.pdf>.

More information regarding the federal relocation rules and limits are in HUD’s *Moving Ahead for Progress in the 21st Century (MAP-21)* and the HUD acquisition and relocation booklet/brochure publications available at:

<https://www.fhwa.dot.gov/map21/>.

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For State of Wisconsin relocation requirements and limits, refer to the information and brochure publications available on the State of Wisconsin Department of Administration Relocation Assistance website at:

<https://doa.wi.gov/Pages/AboutDOA/RelocationAssistance.aspx>.

The acquisition and relocation related brochures are available in the English, Spanish, and Hmong languages.