

Your **RIGHTS &**
BENEFITS as a
DISPLACED PERSON



Montana
Relocation Assistance
Program

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In a changing America, government programs designed to benefit the public often make it necessary for the government to acquire private property, displacing some people from their residences, businesses or farms.

The government intends that no one suffer disproportionate injuries as a result of those programs. So, to provide fair and equitable treatment for those displaced persons, the “Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970” and the “Uniform Relocation Act Amendments of 1987” were adopted.

This brochure provides general information regarding Montana’s relocation assistance, advisory services and relocation payments, based on these two laws. Please read the section titled “Some Important Definitions” on page 2, then look at the Table of Contents to find the sections which pertain to you.

If you are required to move as a result of a state, federal or federally-assisted program or project, a relocation advisor will contact you. The advisor will answer your questions and provide specific information you may need.

(Relocation policies and provisions for all federal and federally aided programs and projects are contained in the government-wide single rule published in the Federal Register of October 2014 under 49 CFR Part 24.)

If you need additional/information regarding relocation assistance, write or phone:

Right-of-Way
Bureau
Montana
Department of
Transportation
2701 Prospect
Avenue
Helena, MT 59620-
9726
444-6056

Please refer to “relocation assistance” when calling or writing.

Definitions

Some Important Definitions

Program or Project

Any activity or series of activities undertaken by a federal department, or any activity undertaken by a state or local department with federal financial assistance in any phase of the activity.

Department

For the purpose of this brochure the Montana Department of Transportation, is the “department”.

Displaced Person

Any person (individual, family, partnership, association or corporation) who moves from real property, or moves personal property from real property as a direct result of, 1) the acquisition of the real property, in whole or in part, 2) a written notice of intent to acquire from the department, 3) the initiation of negotiations for the purchase of the real property by the department, or, 4) a written notice requiring a person to vacate real property for the purpose of rehabilitation or demolition of the improvement(s), provided the displacement is permanent and the property is needed for a Federal or federally assisted program or project.

Business

Any lawful activity, with the exception of a farm operation, conducted primarily for the purchase, sale, lease, and rental of personal or real property; or for the manufacture, processing, and/or marketing of products, commodities, or any other personal property; or for the sale of services to the public; or, solely for the purpose of this Act, an outdoor advertising display or displays, when the display(s) must be moved as a result of the project. A “small business” is defined as a business having at least one, but not more than 500 employees working at the site being acquired or who will be displaced by a program or project.

Farm

Any activity conducted solely or primarily for the production of one or more agricultural products or commodities (including timber) for sale and for home use, and customarily producing such products or commodities in sufficient quantity to be capable of contributing materially to the operator’s support.

Not-for-Profit Organization

A public or private entity that has established its not-for-profit status under applicable federal or state law.

Section 1



Information for Persons Displaced From a Residence

Moving Costs

If you qualify as a displaced person, you are entitled to reimbursement of your moving costs and certain related expenses incurred in moving.

Moving Cost Reimbursement for Individuals and Families

Displaced individuals and families may choose to be paid on the basis of actual reasonable moving costs and related expenses, or according to a fixed moving cost schedule. However, to assure your eligibility and prompt payment of moving expenses, you should contact the relocation advisor from the Montana Department of Transportation before you move.

Actual Reasonable Moving Costs

You may be paid for your actual reasonable costs for hiring a professional mover plus related expenses, or you may move yourself. Reimbursement will be limited to a 50-mile distance in most cases. Related expenses involved in the move may include:

- Packing and unpacking personal property.
- Disconnecting and reconnecting household appliances.
- Temporary storage of personal property.
- Insurance while property is in storage or transit.
- Transfer of telephone service and other similar utility re-connections.
- Other expenses considered eligible by the department.

All expenses must be considered necessary and reasonable by the department and supported by paid receipts or other evidence of expenses incurred.

Moving Costs

Fixed Moving Cost Schedule

You may choose instead to be paid on the basis of a “fixed moving cost schedule” established for the State of Montana. The amount of the payment is based on the number of rooms in your dwelling. Your relocation advisor will be able to tell you the exact amount you will be eligible to receive if you select this option. The schedule is designed to include all of the expenses incurred in moving, including those services that must be purchased from others. The advantage of this moving option is the fact that it relieves you from documenting all moving expenses.

Mobile Homes

The owner of a displaced mobile home may be entitled to a payment for the cost of moving the mobile home to a replacement site on an actual cost basis. Displaced mobile home occupants (owners or tenants) may also be eligible for a payment for moving personal property from the mobile home such as furniture, appliances and clothing on an actual cost basis, or on the basis of a moving cost schedule. For a complete explanation of all moving cost options involving a mobile home, please discuss the matter with your relocation advisor.

Actual Reasonable Moving Costs

Can include:

- Packing & unpacking
- Temporary storage
- Transportation
- Moving insurance
- Other related costs

Choose either

Fixed Moving Costs Schedule established for the State of Montana

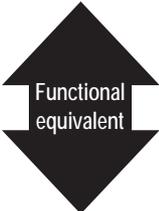
Comparable Replacement

Replacement housing payments can be better understood if you become familiar with the definitions of the terms “Comparable Replacement” and “Decent, Safe and Sanitary (DSS).” These terms are explained on the following pages.

“Comparable Replacement” and “Decent, Safe and Sanitary (DSS)”

Comparable Replacement

A comparable replacement dwelling must be decent, safe and sanitary, and functionally equivalent to your present dwelling. Functionally equivalent means: The replacement dwelling must perform the same function, provide the same utility, and be capable of contributing to a comparable style of living as the displacement dwelling. While it need not possess every feature of the displacement dwelling, the principal features must be present.



- Adequate in size to accommodate the occupants (you and your family).
- Located in an area not subject to unreasonably adverse environmental conditions.
- Located in an area that is not less desirable than your present location with respect to public utilities and commercial and public facilities.
- Reasonably accessible to your place of employment.
- Located on a site that is typical in size for residential development with normal site improvements.
- Currently available on the private market.
- **Within your financial means.**

If you are a tenant, the replacement unit is considered to be within your financial means if:

- After receiving a rental assistance payment, the portion of the monthly rent and utility costs you must pay for the replacement dwelling does not exceed the monthly rent and utility costs that you paid for the dwelling you're displaced from, or
- If your portion of the payment for the placement unit does not exceed 30% of your gross household monthly income.

**Decent, Safe
& Sanitary**

If you are a homeowner, the replacement dwelling is considered to be within your financial means if you have received a purchase supplement (see page 10), and any additional amount that might be required under Housing of Last Resort (see page 16).

Decent, Safe and Sanitary (DSS)

Replacement housing must be decent, safe and sanitary (also called DSS), which means it meets all of the minimum requirements established by federal regulations and confirms to applicable housing and occupancy codes. The dwelling must:

- Be structurally sound, weather tight, and in good repair.
- Contain safe, electrical wiring systems adequate for lighting and electrical appliances.
- Contain a heating system capable of sustaining a healthful temperature of approximately 70 degrees.
- Be adequate in size with respect to the number of rooms and area of living space to accommodate those being displaced.
- Contain a well-lighted, ventilated bathroom, which provides privacy to the user and contains a sink, bathtub or shower stall, and a toilet — all in good working order and properly connected to appropriate sources of water and a sewage drainage system.
- Contain a kitchen area with a fully usable sink, properly connected to drinkable hot and cold water and to a sewage drainage system, with adequate space and utility connections for a stove and refrigerator.
- Have unobstructed exit to safe open space at ground level.
- Be free of any barriers which prevent reasonable entrance or exit or use of the dwelling if an occupant is handicapped.

How You'll Be Paid

The type of replacement housing payment you receive will depend on whether you are a tenant or an owner and how long you lived in the property before negotiations for acquisition began.

How Your Payment is Determined

The basic occupancy time is 90 days. To determine your “length-of-occupancy,” simply count the number of days that you lived the dwelling before the date that the department initiated negotiations for the purchase of the property. The term “initiation of negotiations” means the date the department makes the first personal contact with the owner of real property or his or her representative, to provide a written offer for the property.

Owners who were in occupancy 90 days or more prior to the initiation of negotiations may be eligible for a purchase supplement up to \$31,000 or a rental assistance payment up to \$7,200.

Tenants who have been in occupancy for 90 days or more prior to the initiation of negotiations may be eligible for a rental assistance payment (or a down payment to buy a home) up to \$7,200. However, the down payment cannot exceed the amount you would have received if you had been a 90-day owner.

If you were a tenant or owner in occupancy less than 90 days at the time of the initiation of negotiations, you will be considered a displaced person entitled to relocation assistance advisory services and moving payments. You may also be entitled to a rental assistance payment if comparable replacement rental housing is not available at a monthly rental rate of 30% or less of your gross monthly household income. If you are required to pay rent and utilities in excess of 30% of your gross monthly household income for a comparable replacement dwelling, you may be eligible for a rental assistance payment under Housing of Last Resort (see page 16) because comparable replacement housing is not available within your financial means.

If you do not meet the length-of-occupancy requirements, you should meet with your relocation advisor for explanation of the relocation benefits which you may be eligible to receive.

How You'll Be Paid

There are three basic types of replacement housing payments:

- Purchase Supplement
- Rental Assistance
- Down Payment

For owner occupants
of 90 days

See
page 10.

For owner occupants and
tenants of 90 days or more

See
page 12.

For owner occupants of 90 and
tenants of 90 days or more

See
page 14.

Purchase Supplement

Purchase Supplement

For owner-occupants of 90 days or more

If you are an owner and have occupied your home for 90 days or more immediately prior to the initiation negotiations for the acquisition of your property, you are entitled to receive its fair market value. In addition, you may be eligible for a supplemental payment, not to exceed \$31,000 for all costs necessary to purchase a comparable safe and sanitary replacement dwelling. The department will compute the maximum payment you are eligible to receive. You must purchase and occupy a DSS replacement dwelling within one year.

The Purchase Supplement includes:

1. Price differential

If the replacement home costs more than your present home, you may be paid the difference, or part of the difference. An example is shown on page 11.

2. Increased mortgage interest costs

You may be reimbursed for increased mortgage interest costs if the interest rate on your new mortgage exceeds that of your present mortgage. To be eligible, your acquired dwelling must have been encumbered by a bona fide mortgage which was a valid lien for at least 90 days prior to the initiation of negotiations.

3. Incidental expenses

You may also be reimbursed for other expenses such as reasonable costs incurred for title search, recording fees, and certain other closing costs, but not including prepaid expenses such as real estate taxes and property insurance.

The total amount of the purchase supplement cannot exceed \$31,000 according to the law.



Purchase Supplement

Example of a price differential payment computation:

Assume that the department purchases your property for \$100,000. After a thorough study of available decent, safe and sanitary dwellings on the open market, the department determines that comparable replacement property will cost you \$125,000.

If your purchase price is more than \$125,000, you pay the difference (see Example B). If your purchase price is less than \$125,000, the differential payment will be based on actual costs (see Example C).

How large a differential payment you receive depends on how much you actually spend on a replacement dwelling, as shown in these examples:

Department of Transportation computation

Comparable replacement property	\$125,000
Acquisition price of your property	\$100,000
Maximum price differential	\$25,000

Example A

Purchase price of replacement	\$125,000
Comparable replacement property	\$12,000
Acquisition price of your property	\$115,000
Maximum price differential	\$10,000

Example B

Purchase price of replacement	\$125,000
Comparable replacement property	\$122,000
Acquisition price of your property	\$100,000
Maximum price differential	\$22,000
You must pay the additional	\$3,000

Example C

Comparable replacement property	\$125,000
Purchase price of replacement	\$120,000
Acquisition price of your property	\$100,000
Maximum price differential	\$20,000

Rental Assistance

Rental Assistance

Owner-occupants and tenants may be eligible for a rental assistance payment. Tenants or owners must have been in occupancy at least 90 days immediately preceding the initiation of negotiations for the acquisition of the property.

This payment was designed to enable you to rent a comparable DSS replacement dwelling for a 42-month period. If you choose to rent a replacement dwelling and the cost of rent and utilities is higher than you have been paying, you may be eligible for a rental assistance payment of up to \$7,200.

The department will determine the maximum payment you may be eligible to receive in accordance with established procedures. The rental assistance payment will be paid in a lump sum unless the department determines that the payment should be paid in installments.

You must rent and occupy a DSS replacement dwelling within one year to be eligible.

As an example of how a rental assistance computation is prepared by the department, let's assume that you have been paying \$500 per month rent. You also pay \$150 per month for utilities (heat, light, water and sewer). After a study of the rental market, the department determines that a comparable DSS replacement rental unit is available for \$595 per month. It is estimated that the average monthly utility costs for the replacement unit will be \$175 per month. The maximum rental assistance payment you can receive is \$120 per month for a 42-month period, or a total of \$5,040. The rental assistance payment computation always includes the cost of the four basic utilities (heat, light, water and sewer), as well as the cost of the rent. If the rent includes utilities, a separate computation will not be necessary.

Rental Assistance

Option A

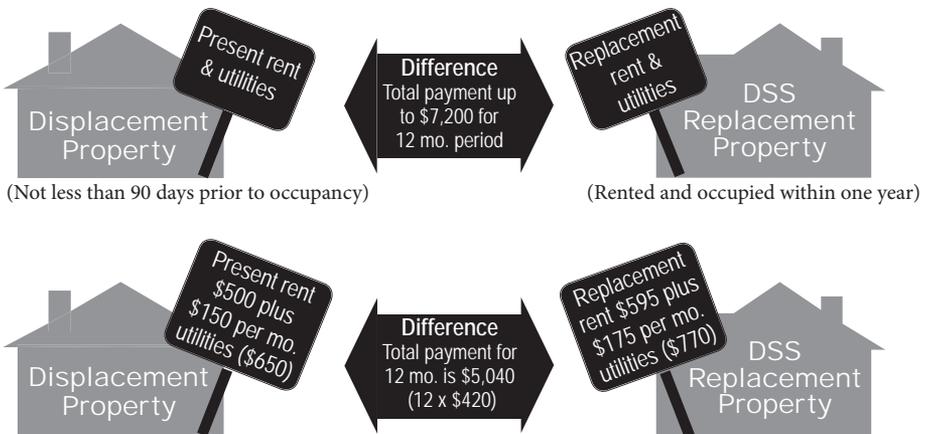
If you select a replacement dwelling unit that rents for \$650 per month plus utilities, when comparable DSS replacement rental units are available for \$595 rent per month plus utilities, you will still receive only the maximum amount computed by the department, or \$5,040. You must pay the additional \$55 per month yourself.

Option B

If you select a replacement dwelling unit that rents for more than your present unit, but more than the amount determined by the department as necessary to rent a comparable unit, your payment will be based on actual cost. For example, assume you select a replacement dwelling unit that rents for \$575 per month plus \$165 for utilities. On the basis of **actual cost**, you will be eligible for payment of \$90 per month for 42 months, or \$3,780.

Owners

Displaced owners who are interested in renting a replacement property should contact the department for a complete explanation of this option



Down Payment

Down Payment For tenants of 90 days or more

Tenants of 90 days or more who wish to purchase a replacement dwelling may be eligible for a down payment and incidental expenses, not to exceed \$7,200. The department will determine the maximum down payment you may be eligible to receive based on its computation for a rental assistance payment (discussed on pages 12 and 13), or a maximum of \$7,200. The relocation advisor can explain how the department determines the maximum down payment assistance payment.

Incidental expenses include the reasonable costs of a title search, recording fees, and certain other closing costs, but do not include prepaid expenses such as real estate taxes and property insurance. You may also be eligible for the reimbursement of loan origination or assumption fees, if such fees are normal to real estate transactions in your area and they do not represent prepaid interest. The combined amount of the down payment and incidental expenses cannot exceed \$7,200.

Down Payment Computation

	Example 1	Example 2	Example 3
Required down payment	\$5,000	\$5,000	\$4,500
Closing and incidental costs	+ 950	+ 950	+ 750
	\$5,950	\$5,950	\$5,250
	-4,800	-5,250	-5,250
Displaced person pays	\$1,150	\$ 700	\$ 0

Down Payment

Explanation of down payment and examples

If you are a tenant of 90 days or more, you may be eligible for a down payment up to \$7,200. The amount you may receive is based on computed rental assistance payment for a tenant or an eligible homeowner. However, the payment cannot exceed \$7,200. (This explains the difference in the department payments depicted in the examples on page 14. Refer to pages 12 and 13 for a detailed explanation of a rental assistance computation.)

On the Down Payment Computation chart on page 14, in Example 1, the total amount needed to purchase the property exceeds the department payment of \$4,800, making it necessary for the displaced person to make up the difference of \$1,150. In Example 2, the displaced person must pay \$700 in addition to the department payment, but in Example 3, the department payment is sufficient to cover the total amount needed. It will not be unusual in today's real estate market to need more for down payment and closing costs than the maximum payment established by law. However, the payment should be a great help if it enables a displaced tenant to become a homeowner.

Displaced owner-occupants of 90 days or more are not eligible for down payment assistance.

Tenants: not less than 90 days occupancy.

Owners: less than 180 days but more than 90 days occupancy.



Purchased and occupied within one year.

Last Resort

With most projects, an adequate supply of housing is available for sale and for rent, and the department benefits will enable you to relocate to comparable housing.

However, there may be projects in locations where available housing is insufficient for those persons being displaced.

When a housing shortage occurs, the department will solve the problem by the administrative process called Housing of Last Resort.

Housing of Last Resort

If comparable housing is not available, or if it is not available within the maximum \$7,200 or \$31,000 payment limits, it must be provided before you are required to move.

The department may provide comparable housing in a number of ways, such as:

1. Purchasing an existing comparable residential property and making it available to you in exchange for your property.
2. Relocating and rehabilitating (if necessary) a dwelling purchased from the project area by the department and making it available to you in exchange for your property.
3. Purchasing, rehabilitating and/or constructing additions to an existing dwelling to make it comparable to your property.
4. Purchasing land and building a new replacement dwelling comparable to your property when a comparable one is not otherwise available.
5. Purchasing an existing dwelling, removing barriers and/or rehabilitating the structure to accommodate a handicapped displaced person when suitable comparable replacement dwellings are not available.
6. Making a replacement housing payment in excess of the maximum \$7,200 or \$31,000 payment limits.

The department has broad flexibility in implementing the Last Resort Housing program and the methods are not limited to the above list.

If you are eligible for replacement housing under the Housing of Last Resort program, you will be so informed by the relocation advisor, who will thoroughly explain the program.

Freedom of Choice

All eligible displaced persons have freedom of choice in the selection of replacement housing, and the department will not require any displaced person, without his/her written consent, to accept a replacement dwelling provided by the department. If you decide not to accept the replacement housing offered by the department, you may secure a replacement dwelling of your choice, providing it meets DSS housing standards.

The most important thing to remember is that the replacement dwelling you select must meet the basic “decent, safe and sanitary” standards. Do not execute a sales contract or a lease agreement until a representative from the department has inspected the dwelling you propose to purchase or rent. Please don’t jeopardize your right to receive a replacement housing payment by moving into a substandard dwelling.

The Fair Housing Law

Title VI of the “Civil Rights Act of 1964” and Title VIII of the “Civil Rights Act of 1968” set forth the policy of the United States to provide for fair housing throughout the United States, within constitutional limitations. These Acts, along with Executive Order 11063, make discriminatory practices illegal in the purchase and rental of most residential units if based on race, color, religion, sex or national origin.

Whenever possible, minority persons must be given reasonable opportunities to relocate to decent, safe and sanitary replacement dwellings, not located in an area of minority concentration, that are within their financial means. This policy, however, does not require the department to provide a displaced person with a larger payment than is necessary to enable a person to relocate to a comparable replacement dwelling outside of an area of minority concentration.

Section 2



How Relocation Assistance Services Can Help You

Assistance & Services

How Relocation Assistance Services Can Help You

Residential Assistance

A relocation advisor from the department will personally explain relocation services and payments you may qualify for. In the initial interview, your housing needs and desires will be determined as well as your need for assistance. You can't be required to move unless at least one comparable replacement dwelling is made available to you. Whenever possible, comparable housing will be inspected beforehand in order to assure that it meets decent, safe and sanitary standards.

In addition, if you wish, the relocation advisor will give you current listings of other available replacement housing. Transportation may be provided to inspect available housing, especially for the elderly or handicapped.

You will also be provided with information concerning other federal, state, and local housing programs offering assistance to displaced persons.

Social Services

If you have special problems, make your needs known so you may receive the help you need. Your relocation advisor will make every effort to provide counseling or help you get assistance from other sources to minimize hardships in adjusting to your new location.

Business and Farm Assistance

The relocation advisor will maintain listings of commercial properties and farms whenever businesses and farms are displaced. Steps will be taken to minimize economic harm to displaced businesses and to increase the likelihood of relocating within the same community. The advisor will also explore and advise you as to possible sources of funding and assistance from other local, state, and federal agencies.

Any individual, family, business or farm displaced by a federal or federally assisted program is offered relocation assistance services to locate a suitable replacement property.

These services are provided by qualified personnel employed by the department.

It is their goal and desire to help you in any way possible to successfully relocate.

Assistance & Services

Project Relocation Offices

In addition to personal contacts by the relocation advisor, the department may establish a relocation office on or near a project. Project relocation offices are usually open during hours convenient to those persons being displaced, including evening hours when considered necessary by the department. The persons employed in the project relocation office will be happy to assist you. The office maintains a variety of information that should be helpful to you, such as:

- Listings of available replacement properties
- Local housing ordinances
- Building codes
- Social services
- Security deposits
- Interest rates and terms
- Typical down payments
- VA and FHA loan requirements
- Real property taxes
- Consumer education literature on housing

Visit your relocation office if one has been established. You will be more than welcome.

Other Important Benefits

No adverse effects on:

- Social Security eligibility
- Welfare eligibility
- Income taxes

No relocation payment received will be considered as income by the Internal Revenue Service or for determining eligibility or the extent of eligibility of any person for Social Security assistance or any other federal law (except any federal law providing low income housing assistance).

The relocation advisor will personally interview you to:

- Determine your needs and preferences
- Explain relocation benefits
- Offer assistance
- Offer transportation if necessary
- Assure the availability of a comparable property before displacement
- Provide current listings of comparable properties
- Declare the amount of the replacement housing payment in writing
- Inspect houses for DSS acceptability
- Supply information on other Federal and State programs offering assistance to displaced persons
- Provide counseling to minimize hardships

In addition, the department is required to coordinate its relocation activities with other agencies causing displacements, to ensure that all persons displaced receive fair and consistent relocation benefits.

Your Right of Appeal

If you believe the department has failed to properly determine your eligibility for relocation assistance payment, you may file a written appeal with the head of the department.

If you have a grievance, you will be given a prompt and full opportunity to be heard. You have the right to legal counsel or other representation in connection with the appeal, but solely at your own expense.

The department will promptly review your appeal and consider all pertinent justification and information available to ensure a fair and full review. The department will provide you with a written determination as well as an explanation of the decision. If you are still dissatisfied with the relief granted, the department will recommend that you seek a judicial review.

Section 3



Information for Businesses, Farms & Non-Profit Organizations

Moving Cost Reimbursement *For Businesses, Farms and Not-for-Profit Organizations*

Owners or tenants may be paid on the basis of actual reasonable moving costs and related expenses or, under certain circumstances, a fixed payment.

Two Types of Payments

1. Actual reasonable moving expenses

Actual reasonable moving expenses may be paid whether the move is performed by a professional mover or you move yourself (page 24). Related expenses, such as personal property losses (page 25), expenses in finding a replacement site (page 25), and re-establishment expenses (pages 26 and 27) may also be reimbursable.

2. Fixed payment

Or instead, you may be eligible for a fixed payment, of not less than \$1,000 nor more than \$40,000. The fixed payment is based on a two-year average of the annual net earnings of a business or farm operation. To qualify for a fixed payment, certain conditions must be met. See page 27 for a detailed explanation of the fixed payment. If you represent a not-for-profit organization, this payment is computed differently. Contact your relocation advisor for more details.

Actual
Reasonable
Moving Costs

- Including:
- Personal property losses
 - Expenses in finding a replacement location
 - Reestablishment expenses



Fixed
Payment
in Lieu of
Moving
Costs

From \$1,000 to
\$40,000 equal to
average annual net
earnings.

Two Ways to Move Your Enterprise

1. Actual cost move

You may be paid the actual reasonable and necessary costs of your move when the move is performed by a professional mover or when you elect to move yourself. However, all of your moving costs must be supported by paid receipts or other evidence of your expenses.

In addition to the transportation costs of your personal property, certain other expenses may also be reimbursable, such as packing, crating, unpacking and uncrating, and disconnecting, dismantling, removing, reassembling, and reinstalling machinery, equipment and other personal property. Other expenses may also be reimbursable, such as professional services necessary for planning and carrying out the move, temporary storage costs, and the cost of licenses, permits and certifications. This is not intended to be an all-inclusive list of moving-related expenses. Your relocation advisor will provide you with a complete explanation of reimbursable expenses.

2. Estimated cost move

If you agree to take full responsibility for all or part of the move of your business or farm operation, the department may approve a payment not to exceed the lower of two acceptable bids or estimates obtained by the department from qualified moving firms, moving consultants or a qualified department staff employee. A low cost or uncomplicated move may be based on a single bid or estimate at the department's discretion. The advantage of this moving option is the fact that it relieves the displaced business or farm operator from documenting all moving expenses. The department may make the payment without additional documentation as long as the payment is limited to the amount of the lowest acceptable bid or estimate.

Notification and Inspection

To assure eligibility and prompt payment for moving expenses, you should provide the department with advance written notice of the approximate date of the planned move and an inventory of the items to be moved so that the department may inspect the personal property at the displacement and replacement sites and monitor the move.

Direct Losses of Tangible Personal Property

Displaced businesses, farms and not-for-profit organizations may be eligible for a payment for the actual direct loss of tangible personal property, which is incurred as a result of the move or discontinuance of the operation. This payment will be based upon the value of the item for continued use at the displacement site less the proceeds from its sale or the estimated cost of moving the item, whichever is the lesser.

Your relocation advisor will explain this procedure in detail if you are faced with this problem.

Searching Expenses for Replacement Property

Displaced businesses, farms and not-for-profit organizations are entitled to reimbursement for actual reasonable expenses incurred in searching for a replacement property, not to exceed \$2,500. Expenses may include transportation, meals and lodging when away from home, the reasonable value of the time spent during the search, fees paid to real estate agents, brokers or consultants, and other expenses determined to be reasonable and necessary by the department.

Re-establishment Expenses

A small business, farm or not-for-profit organization may be eligible for a payment, not to exceed for \$25,000 expenses actually incurred in relocating and re-establishing the enterprise at a replacement site. To qualify, the business, farm or not-for-profit organization must have at least one, but not more than 500, employees working at the site being affected who will be displaced by a program or project. Re-establishment expenses may include, but are not limited to, the following:

1. Repairs or improvements to the replacement real property required by federal, state or local laws, codes or ordinances.
2. Modifications to the replacement real property to make structure(s) suitable for business operation.
3. Installation of exterior advertising signs.
4. The cost of installing utilities from the right-of-way line to the structure(s) or improvements on the replacement site.
5. Redecorating or replacement such as painting, wallpapering, paneling and carpeting when required by the condition of the replacement site.
6. The cost of license fees and permits when not covered as a moving expense.
7. Marketing studies, feasibility surveys and soil testing.
8. Advertising the new business location.
9. Professional real estate services needed for the purchase or lease of a replacement site.
10. The estimated increased costs of operation at the replacement site during the first two years for items such as:
 - Lease or rental charges
 - Personal or real property taxes
 - Insurance premiums, and
 - Utility charges (excluding impact fees)

11. One-time assessments or impact fees for anticipated heavy utility usage.
12. Other items that the department considers essential for the re-establishment of the business or farm.
13. Re-establishment costs in excess of the maximums set forth in 3, 8 and 10 may be considered eligible by the department if excessive costs are encountered at the replacement site, but the total payment cannot exceed \$25,000.

Fixed Payment (In Lieu)

Displaced businesses, farms and not-for-profit organizations may be eligible for a fixed payment in lieu of (in place of) actual moving expenses, personal property losses, searching expenses, and re-establishment expenses. The fixed payment may not be less than \$1,000 nor more than \$40,000.

For a business to be eligible for a fixed payment, the department must determine that:

1. The business owns or rents personal property that must be moved due to the displacement.
2. The business cannot be relocated without a substantial loss of its existing patronage.
3. The business is not part of a commercial enterprise having more than three other businesses engaged in the same or similar activity which are under the same owners and are not being displaced by the department.
4. The business contributed materially to the income of the displaced business operator during the two taxable years prior to displacement.

Any business operation that is engaged solely in the rental of space to others is not eligible for a fixed payment. This includes the rental of space for residential or business purposes.

Farms and Not-for-Profit Organizations

If you are being displaced from a farm or if you represent a not-for-profit organization, and you are interested in a fixed payment, please consult your relocation advisor for additional information. Eligibility requirements are slightly different than those for businesses.

The Computation of Your Fixed Payment (In Lieu)

The fixed payment for a displaced business or farm is based upon the average annual net earnings of the operation for the two taxable years immediately preceding the taxable year in which it was displaced.

The payment for not-for-profit organizations is computed on the basis of average annual gross revenues less administrative expenses for the two years immediately preceding the taxable year in which it was displaced.

You must provide the department with proof of net earnings to support your claim. Proof of net earnings can be documented by income tax returns, certified financial statements, or other reasonable evidence acceptable to the department.

Example

2012 annual net earnings	\$16,500
2013 annual net earnings	\$18,500
2014 year displaced	

Average:

$$\$16,500 + \$18,500 = \$35,000 \div 2 = \$17,500$$

Fixed payment	\$17,500
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The information in this brochure is provided to assist you in understanding the requirements that must be met by the Montana Department of Transportation and your rights and obligations. If you have any questions, please contact:

Montana Department of Transportation
Right-of-Way Bureau
2701 Prospect Avenue
P.O. Box 201001
Helena, MT 59620-1001
(406) 444-7683

The Montana Department of Transportation attempts to provide accommodations for any known disability that may interfere with a person participating in any service, program or activity of the Department. Alternative accessible formats of this information will be provided upon request. For further information, call (406) 444-7683, TTY (800) 335-7592, or Montana Relay at 711 or by contacting the ADA Coordinator (406) 444-9229.

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