



Development Services Division  
Real Estate Services Section

---

# YOUR RIGHTS AND BENEFITS



UPDATED FOR 2025



This booklet is intended to provide general information. It is not intended to set forth all the details of the legal rights and obligations arising from the acquisition of property and the relocation process.

If you require assistance accessing this information or require it in an alternative format, contact the Michigan Department of Transportation's (MDOT) Americans with Disabilities Act (ADA) coordinator at [www.Michigan.gov/MDOT-ADA](http://www.Michigan.gov/MDOT-ADA).



Michigan Department of Transportation

Scan for language assistance

Escanee para obtener asistencia lingüística

امسح الرمز للحصول على المساعدة اللغوية

ভাষা সহায়তার জন্য স্ক্যান করুন



# TABLE OF CONTENTS

## General Information

- 1 Introduction
  - Relocation Advisory Services
  - Relocation Payments
  - Relocation Notices - When Will I Need to Move?
  - General Information Notice
- 2 Notice of Relocation Eligibility and 90-Day Notice
  - Relocation Definitions

## Residential

- 4 Occupancy Requirements
  - Owner-Occupants Who Have Lived in Their Homes for 90 Days or More
    - Replacement Housing Payment - Housing Supplement*
    - Replacement Housing Payment - Rental Assistance*
    - Replacement Housing Payment - Incidental Expenses*
    - Replacement Housing Payment - Increased Interest Differential*
- 6 Tenants Who Have Lived in Their Homes for 90 Days or More
  - Replacement Housing Payment - Rental Assistance*
  - Replacement Housing Payment - Purchase Down Payment*
- 7 Owner-Occupants or Tenants Who Have Lived in Their Homes for Less Than 90 Days
  - Residential Moving Payments Options
- 8 Residential Eligible Actual Moving Expenses
- 9 Residential Ineligible Moving Expenses
  - Residential Claim Filing

## Non-Residential

- 10 Business, Farm or Nonprofit Relocation
  - Reestablishment
- 11 Non-Residential Relocation
  - Notifications and Inspections
- 12 Move Planners
  - Moving Expenses for Businesses, Farms and Nonprofits
- 13 Fixed Payment
- 14 Non-Residential Claim Filing

## Miscellaneous

- 15 Eminent Domain
  - Your Right to Appeal
  - How to Locate MDOT Real Estate Offices

## GENERAL INFORMATION

### INTRODUCTION

The purpose of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Uniform Relocation Act) is to establish a uniform policy for fair and equitable treatment of persons displaced as a result of federal and federally assisted programs.

If you are required to move as the result of a transportation project, you may be eligible for relocation advisory services and payments provided under state and federal laws. This booklet explains the relocation program and what relocation advisory services are available to you. It also includes information on relocation payments and eligibility requirements.

A representative from the Michigan Department of Transportation (MDOT) will contact you to answer any questions and provide additional information. You will be offered technical guidance throughout the relocation process and assistance will be provided in the preparation of necessary forms.

### RELOCATION ADVISORY SERVICES

Relocation advisory services are offered to individuals, families, businesses, farms or nonprofit organizations displaced by a transportation project. This assistance applies to owners and tenants occupying property needed for a project. An MDOT representative will contact you to gather information, answer questions and establish relocation eligibility based on your specific circumstances. If you have a special situation, MDOT will make every effort to secure the cooperation of organizations providing those services.

Any person who is an alien not lawfully present in the United States, including nor any person who has not provided proper certification, is ineligible for relocation advisory services and relocation payments, unless such ineligibility would result in exceptional and extremely unusual hardship to a qualifying spouse, parent or child. MDOT will work with the owners and/or tenants to determine eligibility.

### Alien not lawfully present in the United States.

As defined in 8 CFR 103.12, includes:

An alien present in the United States who has not been admitted or paroled into the United States pursuant to the Immigration and Nationality Act (8 U.S.C. 1101 et seq.) and whose stay in the United States has not been authorized by the United States Attorney General. Also, an alien who is present in the United States after the expiration of the period of stay authorized by the United States Attorney General or who otherwise violates the terms and conditions of admission, parole or authorization to stay in the United States.

### RELOCATION PAYMENTS

Relocation assistance payments are exempt from federal and state income taxes. They are not considered income for the purpose of determining the eligibility for assistance under the Social Security Act or other federal laws, except for any federal law providing low-income housing assistance. Relocation assistance payments are generally exempt from claims by the Internal Revenue Service. You may choose to consult a certified public accountant or tax attorney for an opinion.

### RELOCATION NOTICES - WHEN WILL I NEED TO MOVE?

MDOT provides several notices to displacees:

### GENERAL INFORMATION NOTICE

This booklet provides general information about MDOT's Relocation Program, including:

- Relocation payment(s) for which you may be eligible.
- Basic conditions of relocation eligibility.
- Procedures for obtaining relocation payment.
- Overview of relocation advisory services.
- Your right to appeal MDOT's determination of relocation eligibility.



## **NOTICE OF RELOCATION ELIGIBILITY AND 90-DAY NOTICE**

You will be given a Relocation Eligibility Notice and 90-Day Notice that describes the amount of relocation benefits you may be eligible for and relocation time frames. This notice is typically provided when MDOT issues a Good Faith Offer letter to purchase your property or the property you occupy. These notices state that you have at least 90 days from the date of the notice before you may be required to move. These notices are not a notice to vacate and you will not be required to move earlier than the 90 days identified on the Relocation Eligibility Notice.

### **Residential Occupant**

If you are a residential occupant, research is conducted using information about the residence you occupy and your needs in a replacement dwelling. The results identify a comparable dwelling that is used to calculate your maximum financial relocation benefits. After the calculation is completed, you will be given a written Relocation Eligibility Notice and 90-Day Notice stating that you have at least 90 days from the date of the notice before you will be required to move. The Relocation Eligibility Notice is not a notice to vacate. The 90-day period allows you time to search for a decent, safe and sanitary replacement dwelling. During or after the 90-day period, title to the property you occupy may be transferred to MDOT. When title to the property transfers, you will be given a “notice to vacate” that cites the specific date by which you will need to move from the property. You will not be required to move earlier than the 90 days identified on the Relocation Eligibility Notice.

### **Non-Residential Occupant**

If you are a non-residential occupant, you will be given a written Relocation Eligibility Notice stating that you have at least 90 days from the date of the notice before you will be required to move. The Relocation Eligibility Notice is not a notice to vacate. The 90-day period allows you time to search for a suitable replacement property. During or after the 90-day period, title to the property you occupy may be transferred to MDOT. When title to the property transfers, you will be given a “notice to quit” that contains a specific date by which you need to move from the property. You will not be required to move earlier than the 90 days identified on the Relocation Eligibility Notice.

### **Tenant**

If you are a tenant, you must continue to pay rent to the present owner until MDOT purchases the property. You will then receive a notice to vacate from MDOT that specifies the time limit of your occupancy. You will not be required to pay rent during this period.

Depending on the situation, MDOT may allow short-term continued occupancy. Continued occupancy after the time limit set forth in the notice to vacate will require a rental agreement with the department that specifies the rate of rent, the payment start date and any other mutually agreed upon conditions. If you rent from MDOT, you must properly maintain the property and be responsible for utility payments.

## **RELOCATION DEFINITIONS**

Relocation can be better understood if you become familiar with some important terms.

### **Business**

Any lawful activity conducted primarily for the purchase, sale, lease and/or rental of either personal property or real property, or for the manufacture, processing and/or marketing of products, commodities or other personal property, or for the sale of services to the public.

### **Comparable Replacement Dwelling**

Comparable replacement dwellings must be similar to your present dwelling and should be:

- Decent, safe and sanitary,
- Functionally equivalent (i.e., performs the same function and provides the same utility),
- Large enough to accommodate the occupants,
- In an area not subject to unreasonable adverse environmental conditions,
- Similar to your current property regarding access to utilities, commercial and public facilities, as well as your employment,
- On a site typical in size for residential development,
- Currently available on the private market, and
- Within your financial means.

## Decent, Safe and Sanitary (DS&S)

Comparable decent, safe and sanitary dwellings must meet all the following minimum requirements:

- Be structurally sound, weather tight, in good repair and adequately maintained,
- Contain an adequate electrical wiring system,
- Contain a heating system adequate to maintain a temperature of about 70 degrees Fahrenheit,
- Be large enough with respect to the number of rooms and area of living space needed to accommodate the occupants,
- Have a well lighted and ventilated bathroom that contains a sink, bathtub or shower stall connected with hot and cold water and a flush toilet, all properly connected to a sewage disposal system,
- Where required by local code standards, have a kitchen with connections for a cooking stove and refrigerator, and a sink connected with hot and cold potable water, an adequate sewage system, and an adequate supply of safe drinking water,
- Have unobstructed access to safe, open space at ground level,
- Conform to state and local housing codes and ordinances,
- Free of any barriers that prevent reasonable use of the dwelling by a displaced person who has a disability.

*The most important thing to remember is that the replacement dwelling you select must meet the basic “Decent, Safe and Sanitary” standards. If not, this may jeopardize your replacement housing relocation benefits. Any purchase agreement or lease should be written contingent on the dwelling passing a decent, safe and sanitary inspection conducted by an MDOT-hired inspector.*

## Farm Operation

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

## Initiation of Negotiations

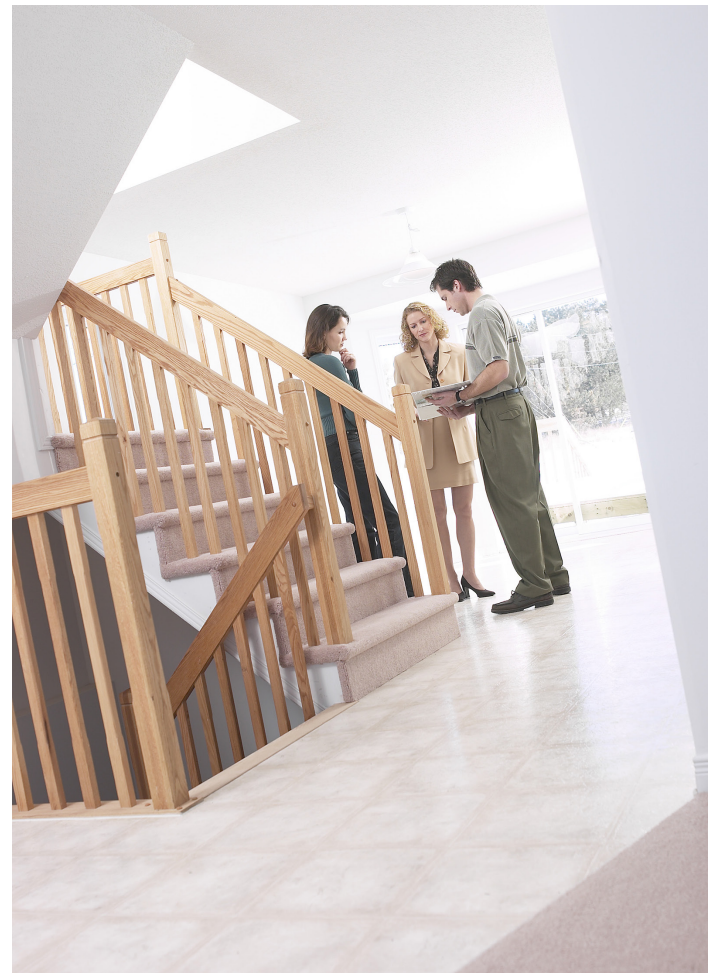
The date the acquiring agency (MDOT) makes its initial written offer to an owner of real property, or the owner’s representative, to purchase the real property for transportation project.

## Nonprofit Organization

An organization that is incorporated under the applicable laws of a state as a nonprofit organization and exempt from paying federal taxes under Section 501 of the Internal Revenue Code.

## Owner’s or Tenant’s Designated Representative

A representative designated by a property owner or tenant to receive all required notification and documents from the agency. The owner or tenant must provide a written notification that states they are designating a representative, provides the person’s name and contact information, and specifies what, if any, notices or information the representative is not authorized to receive.



### OCCUPANCY REQUIREMENTS

The type of Replacement Housing Payment you may receive depends on whether you are an owner or tenant in lawful occupancy, and how long you have lived in your home.

#### **Owners who have lived in their home for 90 days or more\* may be eligible for:**

A Replacement Housing Payment (up to \$41,200) that may include:

- Replacement Housing Payment - Housing Supplement,
- Certain incidental closing costs,
- An increased mortgage interest differential payment (if applicable),
- Reverse mortgage calculation (if applicable), or
- Rental assistance payment.

#### **Tenants who have lived in their home for 90 days or more\* may be eligible for:**

- A rental assistance payment or purchase down payment.

#### **Owners or tenants who have lived in their home for less than 90 days\*:**

- MDOT will work with the owner or tenant who has resided in their home for less than 90 days\* to determine their eligibility.

### **OWNER-OCCUPANTS WHO HAVE LIVED IN THEIR HOME FOR 90 DAYS OR MORE\***

#### **Replacement Housing Payment - Housing Supplement**

As a homeowner, you may be eligible to receive a housing supplement payment up to \$41,200. The exact amount of the payment is determined by calculations based on the following:

1. Acquisition price of the MDOT-acquired dwelling.
2. Listing price of a comparable dwelling.
3. Sales price of the replacement dwelling.

### **Requirements:**

To receive a replacement housing supplement, you must:

1. Own and occupy your home for at least 90 days immediately prior to the date of MDOT's written offer to purchase the dwelling,
2. Sell your home to MDOT (note: any adjustment to the good faith written offer may impact the amount of the maximum housing supplement),
3. Purchase a decent, safe and sanitary dwelling within one year of the date a listing for a comparable dwelling has been provided to you or final payment on the MDOT-acquired dwelling is made, whichever is later, and
4. File a relocation claim following the time limits and procedures as explained by your relocation specialist.

### **Relocation Claim**

#### **Documentation Requirements:**

To claim any portion of the Replacement Housing Payment - Housing Supplement you are eligible to receive, a copy of the purchase agreement, land contract or deed and a certification that the home passed a decent, safe and sanitary inspection are required.

If you are building a replacement house, a copy of the deed for the land, construction contract, occupancy permit and copies of bills and paid receipts are required.

#### **Replacement Housing Payment - Rental Assistance Payment**

If you decide to move into rental housing instead of purchasing a replacement home, a rental assistance payment can be calculated based on the fair market rent of your home but may not exceed the amount you would have received for replacement housing supplement as an owner-occupant. Notify your relocation specialist if you would prefer to be a tenant and rent a replacement dwelling.

\* 90 days before the date of the good faith written offer to purchase the dwelling.

## Computation Of Replacement Housing Payment - Housing Supplement

Here are some examples of how a Replacement Housing Payment - Housing Supplement is determined.

### Example #1:

Assume the fair market value of your home is \$175,000. Per Public Act 367 of 2006, the acquisition price is \$218,750 (\$175,000 x 125 percent). After a search for comparable houses in the market, MDOT determined that a comparable replacement home will cost you \$185,000. In this case, the Housing Supplement Payment is \$0.00.

Listing price of comparable house	\$185,000
Acquisition price of MDOT-acquired house	<u>-\$220,000</u>
Maximum housing supplement payment	\$0

In other words, the fair market value is sufficient compensation for you to purchase a comparable replacement and no housing supplement is necessary. If you purchase a decent, safe and sanitary replacement home, you are eligible for incidental closing costs, a mortgage increased interest differential payment, and a reverse mortgage calculation, if necessary.

### Example #2:

Assume the fair market value of your home is \$50,000. Per Public Act 367 of 2006, the acquisition price is \$62,500 (\$50,000 x 125 percent). After a search for comparable houses on the market, MDOT determined that a comparable replacement home will cost you \$75,000. The Housing Supplement Payment is a maximum of \$12,500. To claim the maximum, you must purchase a decent, safe and sanitary dwelling that costs at least \$75,000.

Listing price of comparable house	\$75,000
Acquisition price of MDOT-acquired house	<u>-\$62,500</u>
Maximum housing supplement payment	\$12,500

## Replacement Housing Payment - Incidental Expenses

This payment is designed to reimburse the owner-occupant of 90 days or more for the necessary and reasonable costs actually incurred by the displaced person when purchasing a replacement home.

Eligible costs:

- Must be customarily paid by the buyer,
- Must be a non-recurring expense (no taxes, insurance, homeowner's association dues, etc.),
- Are limited to the listing price of comparable when based on price, and
- Include incidentals related to securing a mortgage if you had a mortgage at the time your home was purchased by MDOT.

## Relocation Claim

### Documentation Requirements:

To claim reimbursement for eligible incidental expenses or closing costs, copies of the closing statement, deed or land contract, and the inspector's certification DS&S inspection are required. If there is no existing mortgage, many of these costs are ineligible for payment. Prepaid taxes, prepaid insurance and prepaid interest are not eligible for reimbursement.

## Replacement Housing Payment - Increased Interest Differential

If you purchase a replacement home and the prevailing interest rate results in a higher interest rate for your new mortgage than on your existing mortgage, you may be eligible for an increased differential payment to buy down the extra interest cost. This payment is based on the principal balances of the existing and new mortgages, the time remaining on the shorter mortgage term and the difference in interest rates. It is important to provide the interest rate on the new mortgage to MDOT as soon as possible prior to closing on your new house to allow for the correct increased interest differential payment to be applied to your new mortgage.



## Replacement Housing Payment - Reverse Mortgage Calculation

The payment for replacing a reverse mortgage shall be the difference between the existing reverse mortgage balance and the minimum dollar amount necessary to purchase a replacement reverse mortgage that will provide the same or similar terms as that for the reverse mortgage on the displacement dwelling. In addition, payments shall include other debt service costs, if not paid as incidental costs, and shall be based only on reverse mortgages that were valid liens on the displacement dwelling for at least 180 days prior to the initiation of negotiations.

## TENANTS WHO HAVE LIVED IN THEIR HOME FOR MORE THAN 90 DAYS OR MORE\*:

### Replacement Housing Payment - Rental Assistance Payment

If you wish to rent a replacement dwelling, you may be eligible to receive a rental assistance payment up to \$9,570. The rental assistance payment is to help you pay increased rent and utility costs, if any, that you incur in renting a decent, safe and sanitary dwelling for 42 months.

To determine your rental assistance, you will be asked to provide household income information, a copy of your current lease with the rental payment amount, utility payment information (if not included in rental payment), and family size information. The exact amount of the rental assistance will be determined by calculations based on the following:

1. Base monthly rent (which includes utilities) of the MDOT-acquired dwelling.
2. Listing rent and estimated utility costs for a comparable dwelling.
3. Actual rent and estimated utility costs of the decent, safe and sanitary selected replacement dwelling.

## Requirements:

To claim a Rental Assistance Payment, you must:

1. Rent a decent, safe and sanitary replacement dwelling within one year after the date you moved from the MDOT-acquired dwelling.
2. Provide MDOT with a copy of the executed replacement residence lease agreement showing the amount of the lease payments and utility information, as well as payment of first month's rent.
3. Follow the claim-filing time limits and procedures.

### Computation of Replacement Housing Payment - Rental Assistance Payment

#### Example:

In your current dwelling, rent is \$1,000 per month, including utilities. After a study of the rental market, MDOT determines that a Comparable Replacement Rental Rate for a replacement dwelling will cost \$1,100 monthly, including utilities. The maximum rental assistance payment you may receive in this case is \$100 per month for 42 months, or \$4,200.

Comparable Replacement	\$1,100/month
Current Rent + Utilities	<u>-\$1,000/month</u>
Maximum rental assistance payment (\$100 x 42 months)	\$4,200

To receive the maximum payment, you must rent a decent, safe and sanitary dwelling that costs at least \$1,100 per month, including utility costs.

Rental assistance payments cannot exceed the maximum rental assistance calculation. If you select a decent, safe and sanitary replacement dwelling that rents for more than the comparable replacement dwelling, your rental assistance payment will remain \$4,200 (the calculated maximum rental assistance payment).

If you select a decent, safe and sanitary replacement dwelling that rents for less than the comparable replacement dwelling, you will be paid based on actual costs for the replacement dwelling.

\* 90 days before the date of the good faith written offer to purchase the dwelling.

## **Replacement Housing Payment - Purchase Down Payment**

If you elect to purchase a house rather than rent one, you may be eligible to receive up to \$9,570 toward a down payment on the purchase of a decent, safe and sanitary replacement dwelling. This payment is intended to help with the down payment required to purchase a home.

The full amount of the replacement housing payment for down payment assistance must be applied to the purchase price of the replacement dwelling and related incidental expenses.

### **Relocation Claim Documentation Requirements:**

To claim the purchase down payment, a copy of the purchase agreement, land contract, mortgage or deed, and a certification that the home passed a decent, safe and sanitary inspection are required within one year of the date you vacate the MDOT-acquired dwelling.

If you are building the replacement house, a copy of the deed for the land, construction contract, occupancy permit and copies of the invoices and receipts are required.

### **OWNER-OCCUPANTS OR TENANTS WHO HAVE LIVED IN THEIR HOMES FOR LESS THAN 90 DAYS**

If you are an owner-occupant or tenant who has lived in your home for less than 90 days from the date the written offer to purchase the real estate was made, you should discuss your relocation benefits, including interest in down payment assistance, with your relocation specialist and specific guidance regarding your eligibility will be provided.



## **RESIDENTIAL MOVING PAYMENTS OPTIONS**

All displaced residents in legal occupancy are eligible for a payment to move themselves and/or their personal property from the MDOT-acquired dwelling to a replacement dwelling. Displaced individuals and families may choose to move based on the following options:

1. Commercial Move
2. Self-Move - Fixed-Move Cost Schedule
3. Self-Move - Actual Cost
4. Self-Move - Moving Cost estimate
5. Self-Move - Commercial Mover estimate
6. Combination Move

### **Commercial Move**

Move performed by a professional mover and must be supported by an itemized invoice, detailed inventory sheet and receipts.

### **Self-Move - Fixed-Move Cost Schedule**

Move performed by the displaced individual and the payment is based on the number of rooms in your dwelling. This payment is intended to include all moving and related expenses (with the exception of reasonable, actual and necessary storage for a period up to 12 months) and does not have to be supported by invoices and receipts.

### **Self-Move - Actual Cost**

Move performed by the displaced individual and must be supported by receipts for labor and equipment. Hourly labor rates must not exceed the cost paid by a commercial mover to employees performing the same activity. Note: this is not the hourly rate charged by a commercial mover; it is the hourly labor rates paid to their employees. Equipment rental fees must be based on the actual rental cost of renting the equipment and cannot exceed the cost paid by a commercial mover.



### Self-Move - Moving Cost Estimate

Move performed by the displaced individual. Reimbursement is based on an estimate prepared by MDOT and is developed from a thorough review of the personal property to be moved and documented costs for materials, equipment and labor. Hourly labor rates should not exceed the cost paid by a commercial mover for moving staff. Costs for moving residential personal property that requires special handling should not exceed the hourly rate for a commercial specialist. Equipment rental fees should be based on the actual cost of renting the equipment but not exceed the cost paid by a commercial mover. The cost of materials should equal those readily available locally.

### Self-Move - Commercial Mover Estimate

Move performed by the displaced individual. Reimbursement is based on the lower of two bids from commercial movers.

### Combination Move

Move performed by a combination of move types. If you plan to do a self-move but have a specialty item that requires professional assistance (such as a piano), you may use a combination method. However, if using the Self-Move - Fixed-Move Cost Schedule method, your room count may be adjusted to reflect any items moved by the professional.

*\*A move planner may be used if MDOT determines them to be a necessary actual expense (pre-approval required). For MDOT to make that determination, we must discuss with you first, be given access to the subject site for inspection purposes and review the proposed scope of work identifying the qualifications of the move planner. Please discuss with your relocation specialist.*

## RESIDENTIAL ELIGIBLE ACTUAL MOVING EXPENSES

Eligible moving and related expenses as determined by MDOT to be reasonable and necessary may include but are not limited to:

- Transportation costs to the new location (limited to a 50-mile distance),
- Packing/unpacking, crating/uncrating (with pre-approval), loading/unloading of personal property,\*
- Disconnecting, dismantling, removing, reassembling and reinstalling relocated household appliances and other personal property,\*
- Storage of personal property (with pre-approval by MDOT), limited to 12 months,
- Replacement value insurance costs while moving or storing the personal property,
- Replacement value of property lost, stolen or damaged in the process of moving, if insurance is not reasonably available,
- Actual expenses incurred for rental replacement dwelling application fees or credit reports required to lease a replacement dwelling, not to exceed \$1,000 (tenants only).





## **RESIDENTIAL INELIGIBLE MOVING EXPENSES**

The following list includes but is not limited to items that are ineligible for reimbursement:

- Cost of moving structures or other real property improvements reserved by the owner,
- Interest on a loan covering moving expenses,
- Personal injury,
- Expenses for searching for a temporary or replacement dwelling,
- Storage on property you own or lease,
- Refundable security or utility deposits, and
- Legal fees or other costs to prepare relocation claims or for representation before MDOT.

*If you have questions regarding eligibility of specific moving or related expenses, please contact your relocation specialist to discuss.*

## **RESIDENTIAL CLAIM FILING**

### **Homeowners**

Homeowners in occupancy 90 days immediately prior to written offer must purchase (or rent) and occupy a decent, safe and sanitary dwelling within one year from the latest of the following dates:

- Date that you received your Relocation Eligibility Notice and 90-Day Notice with specific information about at least one comparable home available to you on the private market.
- Date you receive final payment for the MDOT-acquired property.
- Date the estimate of just compensation is deposited in court (for condemnation cases).

A 90-day owner-occupant has 18 months from the moving date or the date of final payment for the MDOT-acquired dwelling to file relocation claims, whichever is later.

### **Tenants**

Tenants must rent or purchase and occupy a decent, safe and sanitary dwelling within one year of their date of move. All relocation claims must be filed within 18 months of the date you move from the MDOT-acquired dwelling.



## NON-RESIDENTIAL

### **BUSINESS, FARM OR NONPROFIT RELOCATION**

If MDOT buys the real estate that your non-residential entity occupies and your business, farm or nonprofit organization is displaced, you may be eligible to receive non-residential relocation payments for:

- Reestablishment,
- Moving and other related expenses, or
- Fixed payment (in lieu of reestablishment and moving payments).

### **REESTABLISHMENT**

This payment is designed to help in the reestablishment of small businesses (500 or less employees at the MDOT-acquired site), nonprofit organizations and farms. This includes landlords who are displaced and must reestablish at a different location. Expenses must be incurred in relocating and reestablishing at the replacement site. The total amount of reimbursable expenses cannot exceed \$33,200 and must be supported by itemized invoices and receipts. Your relocation specialist is available to discuss your expenditures and their eligibility for reimbursement.



*\*“Contribute materially” is defined as during the two-taxable-year period the average annual gross receipts were at least \$5,000, or the average annual net earnings were at least \$1,000, or contributed at least 33 1/3 percent of the owner’s annual gross household income from all sources.*

**Eligible reestablishment expenses must be reasonable and necessary as determined by MDOT and include but are not limited to the following:**

- Repairs or improvements to the replacement real property as required by law, code or ordinance,
- Modifications to the replacement property to accommodate the business operation or make the replacement structure suitable for conducting the business,
- Construction and installation cost of exterior signs to advertise the business,
- Redecoration or replacement of soiled or worn surfaces at the replacement site, such as paint, paneling, or carpeting,
- Advertisement of the replacement location, and
- Estimated increased costs of operation during the first two years at the replacement site (e.g., rent, utilities, taxes, and insurance).

**Ineligible reestablishment expenses include but are not limited to the following:**

- Purchase of capital assets, such as office furniture, filing cabinets, machinery and trade fixtures,
- Purchase of manufacturing materials, production supplies, product inventory or other items used in the normal course of the business operation,
- Interest on money borrowed to make the move or purchase the replacement property,
- Payment to a part-time business in the home that does not contribute materially\* to the household income, and
- Construction costs for a new building at the business replacement site, or costs to construct, reconstruct or rehabilitate an existing building.



## **NON-RESIDENTIAL RELOCATION**

### **Moving Options for Businesses, Farms and Nonprofits**

All displaced businesses, farms and nonprofits are entitled to payment for actual reasonable moving and related expenses for moves from a business, farm or nonprofit of their personal property as determined by an inventory from a business, farm or nonprofit organization from the MDOT-acquired real estate. A displaced business, farm or nonprofit may choose to move based on the following options:

1. Commercial Move
2. Self-Move - Actual Cost
3. Self-Move - Estimated Cost
4. Self-Move - Move Cost Finding
5. Combination Move

#### **Commercial Move**

You may hire a commercial mover of your choice; however, the reimbursement to you is limited to the lower of two bids or estimates prepared by commercial movers. When specialty movers are required (i.e., riggers, hazardous material, wide loads, heavy loads), two bids or estimates are required when available. Movers should be provided a scope of work, complete inventory of the personal property to be moved, provided access to view the inventory at the MDOT-acquired site, and access to the replacement property.

#### **Self-Move - Actual Cost**

An actual self-move is performed by the displaced business, farm or nonprofit and must be supported by receipts for labor and equipment. Hourly labor rates must not exceed the cost paid by a commercial mover to employees performing the same activity. Note: this is not the hourly rate charged by a commercial mover. Equipment rental fees must be based on the actual rental cost of the equipment and cannot exceed the cost paid by a commercial mover.

#### **Self-Move - Estimated Cost**

Non-residential displacees may choose to move themselves and be compensated based on the lower of two bids or estimates prepared by a commercial mover. Movers should be provided a scope of work, complete inventory of the personal property to be moved, provided access to view the inventory at the MDOT-acquired site, and access to the replacement property.

#### **Self-Move - Move Cost Finding**

A qualified MDOT employee may develop a move cost finding by estimating and determining the cost of a small uncomplicated non-residential personal property move of \$5,000 or less, with the written consent of the person. This estimate may include only the cost of moving personal property that does not require disconnect and reconnect and/or specialty moving services necessary for activities including crating, lifting, transportation and setting of the item in place.

#### **Combination Move**

A non-residential displacee may also choose a combination of self-move and professional moves. For example, a business may hire professionals to move the equipment but have the employees move the contents of the offices. In these situations, a clear inventory list for each component of the move is necessary to prevent over or underpayment.

Your relocation specialist can advise you on how to determine the amount and how to document your move claim.

## **NOTIFICATIONS AND INSPECTIONS**

A business, farm or nonprofit required to move will be notified in writing of all requirements as soon as possible. To be eligible for payments, MDOT must be provided an approximate date of the start of the move or disposition of personal property and an inventory of the items to be moved. MDOT must also be allowed to make reasonable and timely inspections of personal property at both the MDOT-acquired and replacement sites, and allow MDOT to monitor the move.



## MOVE PLANNERS

A move planner may be used if MDOT determines them to be a necessary expense (pre-approval required). For MDOT to make that determination, we must conduct an interview with you first, access the subject site for inspection purposes and review the proposed scope of work identifying the qualifications of the move planner. Please discuss with your relocation specialist.

## MOVING EXPENSES FOR BUSINESSES, FARMS AND NONPROFITS

### Non-Residential Eligible Actual Moving Expenses

Eligible moving and related expenses as determined by MDOT to be reasonable and necessary may include but are not limited to:

- Transportation costs to the new location (limited to a 50-mile distance),
- Packing/unpacking, crating/uncrating, loading/unloading of personal property,
- Disconnecting, dismantling, removing, reassembling and reinstalling machinery, equipment, substitute personal property and connections to utilities available within the building,
- Modifications to personal property, including those mandated by federal, state or local law, code or ordinance, necessary to adapt it to the replacement structure, the replacement site or utilities at the replacement site,
- Modifications necessary to adapt the utilities at the replacement site to the personal property,
- Storage of personal property, up to 12 months with pre-approval by MDOT and only one move paid,
- Replacement value for insurance costs while moving or storing the personal property,
- Replacement value of property lost, stolen or damaged through no fault of the displaced individual or owner, their agent or employee when insurance is not reasonably available,
- Any license, permit, fees or certification required at the replacement site (remaining life prorated),



- Professional services for planning the move (requires pre-approval), moving the personal property and installing the relocated personal property at the replacement site,
- Re-lettering signs and replacement of stationery made obsolete by the move,
- Actual loss of personal property resulting from the move or discontinuance of the business or farm. The payment will be the lesser of either:
  - A. Fair market value of the item for continued use, as is, less any proceeds from its sale, or
  - B. The estimated cost to move the item up to 50 miles (as is), and re-install.
- Reasonable cost incurred in attempting to sell an item that is not being relocated,
- Purchase of substitute personal property. The payment will be the lesser of either:
  - A. The purchase price of the substitute item plus the reinstallation costs minus any proceeds from sale or trade-in of the original item, or
  - B. The estimated cost to move.
- Searching for a replacement site (maximum reimbursement - \$5,000), which includes but is not limited to transportation, meals, lodging and time/fees paid to a real estate agent (not commissions) to locate a replacement site. A one-time payment of \$1,000 for searching expenses with minimal or no documentation is an alternative to the \$5,000. A displacee cannot receive both.

**Other related eligible expenses if MDOT determines they are actual, reasonable and necessary include:**

- Connection to available utilities from the replacement site's property line to improvements at the replacement site,
- Professional services performed prior to the purchase or lease of a replacement site to determine its suitability including but not limited to soil testing, feasibility and marketing studies, and
- Impact fees or "one-time" assessments for anticipated heavy utility usage at the replacement site.

**Non-Residential Ineligible Moving Expenses include but are not limited to:**

- Cost of moving structures or other real property improvements reserved by the owner,
- Interest on a loan covering moving expenses,
- Loss of goodwill,
- Loss of profit,
- Loss of trained employees,
- Additional operating expenses in a new location (except those covered under reestablishment expenses),
- Personal injury,
- Legal fees or costs to prepare relocation claims or for representation before MDOT,
- Physical changes to the business or farm location (except those covered under moving and reestablishment expenses), and
- Costs to store personal property on property already owned or leased by the property owner.



**FIXED PAYMENT**

**Business**

A displaced business may be eligible to receive a one-time fixed payment based on income instead of claiming a reestablishment expenses (if it's a small business) or moving and other related expenses if it:

- Owns or rents personal property that must be moved in connection with the project and the business vacates or relocates from its site,
- Cannot be relocated without a substantial loss of its existing patronage (clientele or net earnings),
- Is not part of a chain with more than three other entities that are:
  - A. Not being acquired,
  - B. Under same ownership, and
  - C. Engaged in the same or similar business.
- Is not in the business of solely renting sites or dwellings to others, and
- Contributed materially to the household income of the business owner during the previous two years.

The amount of the fixed payment is based on the average annual net earnings before income taxes for the previous two years at that site. The fixed payment may not be less than \$1,000 nor more than \$53,200. Your relocation specialist will ask you for certified copies of your previous two years of tax returns to determine the amount of your fixed payment.

**Nonprofit Organization**

A nonprofit organization may be eligible to choose a fixed payment of \$1,000 to \$53,200 in lieu of claiming any reestablishment or actual moving expenses if MDOT determines that it cannot be relocated without a substantial loss of existing patronage (membership or clientele). The payment amount for a nonprofit organization is based on an average of two years gross revenues less administrative expenses. Any payment more than \$1,000 must be supported with financial statements for the two 12-month periods prior to acquisition.



## Farm

A displaced farm may receive a one-time fixed payment based on income instead of claiming any reestablishment expenses, moving costs or other related expenses. The payment amount for a farm is based on an average of two years net earnings before income taxes at the site. The fixed payment may not be less than \$1,000 nor more than \$53,200. Any payment more than \$1,000 must be supported with certified tax returns or financial statements for the two taxable years prior to acquisition.

In the case of a partial acquisition of land from a farm operation, a fixed payment will be made only if the acquisition results in the farmer being displaced from the operation on the remaining land, or if it substantially changes the nature of the farm operation.

## NON-RESIDENTIAL CLAIM FILING

All claims for relocation benefits shall be filed with MDOT within 18 months after:

- For tenants: the date of displacement or temporary move,
- For owners: the date of displacement or the date of final payment for the acquisition of the real property (whichever is later).

All claims for relocation benefits shall be supported by documentation such as invoices, receipts, certified documents, appraisals or other evidence of expenses.

To make a relocation claim, copies of paid invoices or receipts must be provided. Your relocation specialist will help you request all documentation in a format that is necessary to determine the actual, reasonable and necessary expenses eligible for reimbursement by MDOT.





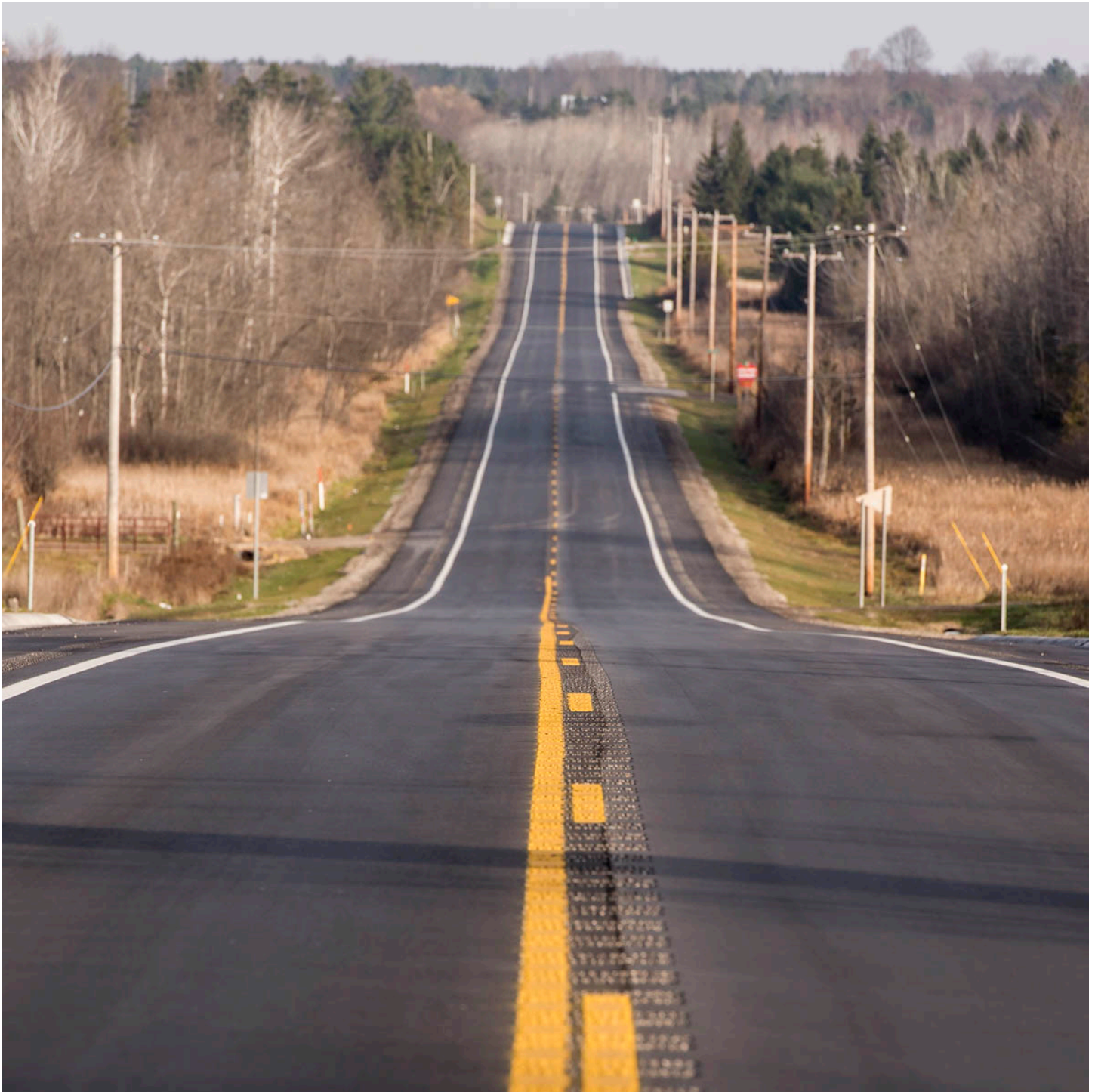
## MISCELLANEOUS

### ***EMINENT DOMAIN***

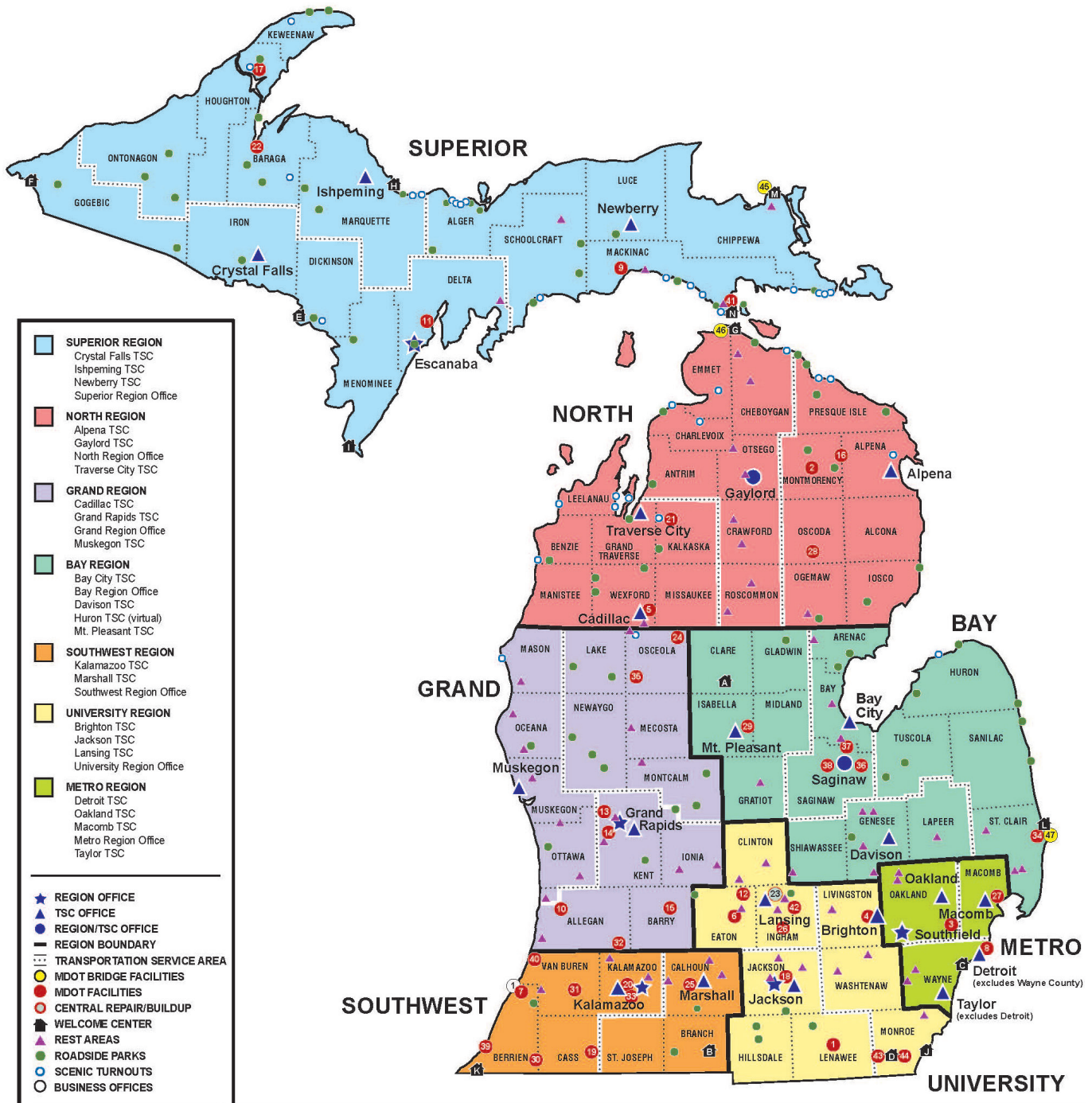
If the department is unable to reach an agreement with you as an owner-occupant for the purchase of your property, you may still be entitled to moving costs and relocation benefits as set forth in this booklet. Moving costs may be claimed after the move.

### ***YOUR RIGHT TO APPEAL***

If you wish to appeal the determination of eligibility for a relocation payment or the amount of payment, you may contact MDOT's region real estate agent, who will review the determination and render a decision. If you wish to appeal that decision, MDOT will provide proper procedures for initiating a formal appeal. You will be given a prompt hearing and notice of decision.



# MICHIGAN DEPARTMENT OF TRANSPORTATION REGION OFFICES



**SUPERIOR REGION**  
 1818 Third Ave. North  
 Escanaba, MI 49829  
 Phone: 906-786-1800  
 Fax: 906-789-9775

**NORTH REGION**  
 1088 M-32 East  
 Gaylord, MI 49735  
 Phone: 989-731-5090  
 Fax: 989-731-0536

**GRAND REGION**  
 1420 Front Ave., N.W.  
 Grand Rapids, MI 49504  
 Phone: 616-451-3091  
 Fax: 616-451-0707

**BAY REGION**  
 5859 Sherman Road  
 Saginaw, MI 48604  
 Phone: 989-754-7443  
 Fax: 989-754-8122

**SOUTHWEST REGION**  
 1501 East Kilgore Road  
 Kalamazoo, MI 49001  
 Phone: 269-337-3900  
 Fax: 269-337-3916

**UNIVERSITY REGION**  
 4701 W. Michigan Ave.  
 Jackson, MI 49201  
 Phone: 517-750-0401  
 Fax: 517-750-4397

**METRO REGION**  
 18101 W. Nine Mile Road  
 Southfield, MI 48075  
 Phone: 248-483-5100  
 Fax: 248-569-3103





## Serving and Connecting People, Communities, and the Economy Through Transportation.

Individuals with disabilities may contact the Michigan Department of Transportation's (MDOT) Americans with Disabilities Act (ADA) coordinator to request an alternative format to these materials. Please visit [www.Michigan.gov/ADA](http://www.Michigan.gov/ADA) for a list of state ADA coordinators.

