

571—26.2(316) Actual reasonable moving costs and related expenses.

26.2(1) *Moving expenses.* Actual reasonable moving expenses include payments for the cost of moving the relocatee, including family, business, farm operation or for moving a nonprofit organization, for storage, insurance, losses in moving, removal, reinstallation and reestablishment expenses.

a. The expenses incurred in advertising for packing, crating and transportation may be paid when the agency determines that such advertising is necessary. Such advertising payments shall be limited to complicated or unusual moves where advertising is the only reasonable method of securing bids.

b. The cost of storage of the relocatee's personal property where determined necessary by the agency, for a reasonable period but not to exceed 12 months, may be paid. The cost to store a relocatee's personal property on the property being acquired or on property remaining after the acquisition or on another property owned or controlled by the relocatee shall not be paid.

c. The cost of insurance premiums covering loss and damage of personal property while in storage or transit may be paid. Such insurance coverage shall not exceed the reasonable replacement value of personal property.

d. The reasonable replacement value of property lost, stolen or damaged in the process of moving may be paid where insurance to cover such loss or damage is not available provided that in the judgment of the agency the loss or damage was not caused by the fault or negligence of the relocatee, or an agent or employee of the relocatee.

e. The expenses of removal, reinstallation and reestablishment of machinery, equipment, appliances and other items which are not acquired, including reconnection of utilities to such items, may be paid. No part of any removal, reinstallation and reestablishment expense payment shall be made where the item would constitute an improvement to the replacement site, unless the same is required by law. No payment of removal, reinstallation and reestablishment expenses shall be made for any item classified by the agency as real property retained by the relocatee where the relocatee has been paid or is secured to be paid for the item by the terms of the acquisition agreement whether by purchase or as damage or where purchased by the agency and sold to the relocatee for its salvage value. Items not so paid for or secured to be paid for may be considered personalty for purposes of the payment of removal, reinstallation and reestablishment expenses where by the terms of the acquisition agreement the relocatee and the agency agree that the property is personalty and that the agency is released from any payment for the property as realty.

f. A relocatee who chooses to use the dwelling as a means of moving personal property may be paid a scheduled moving payment.

g. In addition to the payment for the moving of personal property, the relocatee and relocatee's family from the dwelling in accord with the provisions of these rules, a relocatee who owns and occupies a multifamily dwelling may also be paid the actual cost of moving the business portion of the personal property or a payment under Iowa Code section 316.4(3) in accordance with the provisions of these rules.

26.2(2) *Moving cost exclusions.* No payment shall be made for the following costs, losses or expenses as actual reasonable moving expenses.

a. No payment shall be made for additional expenses incurred because of living in a new location.

b. No cost shall be paid for moving of structures, improvements and other real property in which the relocatee is reserved ownership, where compensation for the item has been paid or is secured to be paid by the terms of the acquisition agreement whether by purchase or as damage, or where purchased by the agency and sold to the relocatee at its salvage value.

c. No payment shall be made for improvements to the replacement site or for modification of personal property to adapt it to a replacement site, except when required by law or by these rules.

d. Interest on loans to cover moving expenses, loss of good will, loss of business, loss of profit, loss of trained employees, personal injury and the cost of preparing an application or claim for moving and related expenses shall not be paid.

e. No payment shall be made for such other items as the agency determines should be excluded on the basis that they are not reasonable, or proper.

26.2(3) *Distance of move payment determinations.* There is no limitation on the distance a relocatee may move either interstate or intrastate. Relocates may be paid the actual, reasonable costs of moving personal property onto remaining or other lands owned or controlled by the relocatee or elsewhere not to exceed the cost of moving a distance of 50 miles either interstate or intrastate, except where it is determined by the agency that relocation cannot be accomplished within the 50-mile area. In the case of such a determination payment will be made to the nearest adequate and available site as determined by the agency.

26.2(4) *Commercial or self-moves.* Relocates may either move commercially or may elect a self-move in accord with Iowa Code chapter 316 and by these rules.

a. Payments made on an actual moving cost basis shall be supported by receipt bills or other evidence of expenses incurred but in the case of a self-move shall not be paid in an amount which exceed the estimated cost of moving commercially. In the case of a self-move, estimates of the cost of moving commercially may be prepared by a commercial moving firm.

b. A relocatee electing to move personal property personally may also elect to be paid an amount to be negotiated with the agency based on the lower of two firm estimates obtained from two qualified moving firms.

c. Businesses may be paid actual moving costs where two firm bids or estimates cannot be obtained from qualified moving firms.

d. Moving cost estimates may also be made by a qualified employee of the agency, other than the employee providing the relocation assistance, if the moving costs do not exceed \$1,000 or in such amount as authorized by the appropriate federal authority, in which case the relocatee may be paid the amount of such moving expense finding upon completion of the move without supporting evidence of the actual expenses incurred.

e. Negotiated moving cost payments and moving cost payments for commercial moves shall be limited to the rates as established by the lowest of two firm estimates obtained from two qualified moving firms.

f. When personal property which is used in connection with the business is of low value and high bulk the agency will pay an amount not to exceed cost of replacement in lieu of moving the personal property if less than the moving expenses.

g. The costs of transportation of individuals and families to a new location may be paid. Such costs may be on a mileage basis, not to exceed 15 cents per mile, or reasonable actual fees if commercial transportation is used and may include special services such as the cost of ambulance to transport invalid relocatees. The actual reasonable cost of meals and lodging, when the agency determines that such costs are required because of unforeseen circumstances or practical necessities of the moving operation, may also be paid. However, receipts are required in all situations for out-of-pocket expenses.

26.2(5) *Loss of tangible personal property.* Actual direct losses of tangible personal property may be paid to nonprofit organizations and to relocatees who are displaced from their place of business or whose farming operation is discontinued who are entitled to relocate such property in whole or in part but elect not to do so.

a. Payment for actual direct losses of such property made under authority of Iowa Code section 316.4(1) "b" and these rules may be made only after a bona fide effort has been made by the owner to sell the item(s) involved.

b. If the item(s) cannot be sold the owner may be compensated for such loss as provided in these rules.

c. The sale prices, if any, and the actual reasonable cost of advertising and conducting the sale shall be supported by copies of the bills of sale or similar documents and by copies of any advertisements, offers to sell, auction records and other data supporting the bona fide nature of the sale.

d. If the business is to be reestablished and an item of personal property which is used in connection with the business is not moved but promptly replaced with a comparable item at the new location the payment shall be the lesser of the replacement cost minus the net proceeds of the sale, or the estimated cost of moving the item, or the trade-in value of the item to be replaced.

e. If the business is being discontinued or the item is not to be replaced in the reestablished business the payment will be the lesser of the difference between the depreciated value of the item in place and net proceeds of the sale; or the estimated cost of moving the item.

f. If a bona fide sale is not effected for the reason that no offer is received for the property the relocatee may be paid the reasonable expenses of the sale and the estimated cost of moving the item. The relocatee shall arrange to have the personalty removed from the subject property at no cost by a junk salvage or other dealer. If this fails the agency shall remove the item in the most economical manner.

g. When personal property is abandoned with no effort being made by the owner to dispose of such property by sale or by removal at no cost the owner shall not be paid moving expenses or losses for the item involved.

26.2(6) *Searching costs.* A relocatee may receive a payment for actual, reasonable expenses in searching for a replacement site for a nonprofit organization, business or farm not to exceed an amount of \$500.

Such actual reasonable expenses include transportation expenses at the rate of 15 cents per mile, meals, lodging away from home and the reasonable value of time actually spent in the search including the fees of real estate agents or brokers.

Out-of-pocket expenses shall be supported by receipted bills or other evidence of expenses incurred. A certified statement of the time spent in search and hourly wage rate(s) shall accompany the claim. Payment for time actually spent in search shall be based on the applicable hourly wage rate for the person(s) conducting the search but may not exceed \$10 per hour.

26.2(7) *Scheduled moving costs.* Scheduled residential moving payments made under authority of Iowa Code section 316.4(2) and these rules to occupants of furnished and unfurnished dwellings, shall include a dislocation allowance and shall give consideration to room count of those rooms containing personal property and may be made to occupants of mobile homes where the mobile home is not moved.

a. Where the mobile home is moved the schedule shall also consider the size of the mobile home and distance moved.

b. Scheduled moving cost payments shall be made on the basis of the then current moving costs schedule as established by the department of transportation not to exceed the limitations established by Iowa Code section 316.4(2) and by these rules.

26.2(8) *Determining substantial loss of existing patronage.* A business, other than a part-time occupation which does not contribute materially to the relocatee's income or which is not part of a commercial enterprise having at least one other establishment not being acquired which is engaged in the same or similar activity, shall be entitled to a payment under authority of Iowa Code section 316.4(3) and these rules where the business shall have suffered a substantial loss of its existing patronage.

a. A business shall have suffered a substantial loss of existing patronage and its owner shall be entitled to receive such a payment where, in the judgment of the agency, the business cannot be reestablished or cannot be reestablished without creating a substantial reduction in the average annual net earnings of the business during the two taxable years immediately preceding the taxable year in which the business is required to relocate.

b. In determining if the owner of a business will suffer a substantial loss of its existing patronage, consideration shall be given to the size, nature and type of business, capital available, the market area served and availability of sites within the market area served.

c. Business earnings shall include any compensation paid by the business to the spouse or dependents of the owner or to the owner as a majority interest holder where the owner is a corporation. For the purposes of determining majority ownership, stock held by a husband, his wife and their dependent children shall be treated as one unit.

26.2(9) *Determining displacement of a farm operation.* A farm operation may be considered to have been displaced and the operator shall be entitled to a payment under authority of Iowa Code section 316.4(3) and these rules when:

a. The agency has either acquired the whole farm and the farm operator has discontinued or relocated the entire farm operation, or

b. The agency has acquired only a portion of the farm and the property remaining after the acquisition is no longer an economic unit as determined by the agency during its appraisal process, for those principal farm operations which contributed at least one-third of the operator's average annual net earnings for the two taxable years before the acquisition and such operations have been discontinued or relocated.

c. In instances where such operation is obviously a farm operation it need not contribute one-third to the operation's average annual net earnings for the operator to be so eligible.

d. Income from the farm operation shall include any compensation paid by the farm operation to the spouse or dependents of the operator and any paid to the operator as a majority interest holder where the farm is a corporation. For the purposes of determining majority ownership, stock held by a husband, his wife and their dependent children shall be treated as one unit.

26.2(10) *Newly established business or farm operation.* If a business or farm operation affected can show that it was in business 12 consecutive months during the two taxable years prior to the taxable year in which it is required to relocate, had income during such period and is otherwise eligible, the owner of a business or the operator of a farm is eligible to receive a payment under authority of Iowa Code section 316.4(3) and these rules. Where the business or farm was in operation for 12 consecutive months or more but was not in operation during the entire two preceding taxable years, the payment shall be computed by dividing the net earnings by the number of months the business was operated and multiplying by 12.

26.2(11) *Business owner or farm operator must provide information.* The owner of a business and the operator of a farm shall provide information stating the net business earnings or farm income for support of any claim for a payment under authority of Iowa Code section 316.4(3) and these rules. City, county, state or federal tax returns for the tax years in question are acceptable as evidence of earnings. Any commonly acceptable method may be accepted such as certified financial statements or an affidavit from the owner stating the net earnings providing it grants the state the right to review the records and accounts of the business. The owner's statement alone shall not be sufficient if the claim is in excess of \$2,500.

26.2(12) *Temporary storage moving cost payments.* When an actual cost basis is used and the agency determines that it is necessary for a relocatee to store personal property for a reasonable time, not to exceed 12 months, the cost of such storage is reimbursable as a part of the moving expenses. Storage of personal property on the property being acquired or on other property owned by the relocatee is not eligible for reimbursement.

26.2(13) *Moving costs for nonprofit organizations.* A displaced nonprofit organization is eligible to receive payments for actual reasonable moving expenses, actual direct losses of tangible personal property and actual reasonable expenses in searching for a replacement site.

a. In lieu of such actual reasonable payments, the nonprofit organization may be paid \$2,500 if it cannot be relocated without a substantial loss of its existing patronage, and it is not part of a commercial enterprise having at least one other establishment not being acquired which is engaged in the same or similar activity.

b. The term "existing patronage" as used in connection with nonprofit organizations includes the persons, community or clientele serviced or affected by the activities of the nonprofit organization.

26.2(14) *Limitation on moving cost payments.* Moving and related expense payments made under authority of Iowa Code section 316.4 and of these rules shall be made only to such relocatees who move from the subject dwelling and who file timely claim for the same. All claims for moving and related expense payments shall be filed not later than the 18-month period beginning on the date on which the relocatee receives from the agency final payment of all costs of the real property acquired or on the date on which the relocatee moves from the real property acquired, whichever is the later date. The director may extend this period upon a proper showing of good cause.