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HOUSE BILL NO. 990

Offered January 8, 2014

Prefiled January 8, 2014

A BILL to amend and reenact §§ 25.1-401, 25.1-409, and 25.1-410 of the Code of Virginia, relating to Relocation Assistance and Real Property Acquisition Policies; replacement housing for homeowners and tenants.

Patron—Fowler

Referred to Committee on General Laws

Be it enacted by the General Assembly of Virginia:

1. That §§ 25.1-401, 25.1-409, and 25.1-410 of the Code of Virginia are amended and reenacted as follows:

§ 25.1-401. Scope of chapter.

A. The provisions of this chapter shall be applicable to the acquisition of real property by any locality defined as a state agency for purposes of this chapter, notwithstanding the provisions of the locality's charter.

B. ~~Unless~~ *Subject to the provisions of subsection C, unless* compliance with the provisions of this chapter is a prerequisite to the receipt and expenditure of federal funds on the projects for which property is acquired, this chapter shall not apply to acquisitions by a state agency (i) that are voluntarily initiated or negotiated by the seller under no threat of condemnation, (ii) where property is dedicated pursuant to the provisions of Chapter 22 (§ 15.2-2200 et seq.) of Title 15.2, or (iii) where property is voluntarily dedicated or donated for no consideration.

C. *In the case of transportation projects funded in whole or in part with state or federal funds, unless compliance with the provisions of this chapter would jeopardize the receipt and expenditure of all or a portion of federal funds that would otherwise be available for transportation projects for which property is acquired or for reimbursement of the benefits provided for in this chapter, this chapter shall apply to acquisitions for such transportation projects by the Department of Transportation and any other state agency that are voluntarily initiated or negotiated by the seller under no threat of condemnation.*

§ 25.1-409. Replacement housing for homeowners.

A. In addition to payments otherwise authorized by this chapter, the state agency shall make an additional payment not to exceed ~~\$22,500~~ *\$31,000* to any displaced person who is displaced from a dwelling actually owned and occupied by such displaced person for not less than ~~180~~ *90* days ~~prior to~~ *before* the initiation of negotiations for the acquisition of the property. Such additional payment shall include the following elements:

1. The amount, if any, that when added to the acquisition cost of the dwelling acquired by the state agency, equals the reasonable cost of a comparable replacement dwelling;

2. The amount, if any, that will compensate the displaced person for any increased interest costs and other debt service costs that such person is required to pay for financing the acquisition of any comparable replacement dwelling. The amount for any increased interest or debt service costs shall be (i) determined in accordance with the criteria established by the state agency and (ii) paid only if the dwelling acquired by the state agency was encumbered by a bona fide mortgage that was a valid lien on such dwelling for not less than 180 days immediately prior to the initiation of negotiations for the acquisition of such dwelling; and

3. Reasonable expenses incurred by such displaced person for evidence of title, recording fees, and other closing costs incident to the purchase of the comparable replacement dwelling, but not including prepaid expenses.

B. The additional payment authorized by this section shall be made only to such a displaced person who purchases and occupies a decent, safe, and sanitary replacement dwelling not later than the end of the one-year period beginning on the later of (i) the date on which he receives final payment of all costs for the acquired dwelling or (ii) the date on which the state agency obligation under § 25.1-414 is met. However, the state agency may extend such period for good cause. If such period is extended, the payment under this section shall be based on the cost of relocating the person to a comparable replacement dwelling within one year of such date.

§ 25.1-410. Replacement housing for tenants.

A. In addition to amounts otherwise authorized by this article, a state agency shall make a payment to or for any displaced person displaced from any dwelling not eligible to receive a payment under

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59 § 25.1-409 which dwelling was actually and lawfully occupied by such displaced person for not less
60 than 90 days immediately prior to (i) the initiation of negotiations for acquisition of the dwelling or (ii)
61 if the displacement is not a direct result of acquisition, such other event as the state agency shall
62 prescribe. Such payment shall consist of the amount necessary to enable such displaced person to lease
63 or rent, for a period not to exceed 42 months, a comparable replacement dwelling, but not to exceed
64 \$5,250\$7,200. At the discretion of the state agency, a payment under this subsection may be made in
65 periodic installments. Computation of a payment under this subsection to a low-income displaced person
66 for a comparable replacement dwelling shall take into account such person's income.

67 B. Any person eligible for a payment under subsection A may elect to apply such payment to a
68 down payment on, and other incidental expenses pursuant to, the purchase of a decent, safe, and sanitary
69 replacement dwelling. Any such person may, at the discretion of the state agency, be eligible under this
70 subsection for the maximum payment allowed under subsection A; ~~except that if the displaced~~
71 ~~homeowner has owned and occupied the dwelling from which he is displaced for at least 90 days but~~
72 ~~not more than 180 days immediately prior to the initiation of negotiations for the acquisition of such~~
73 ~~dwelling; such payment shall not exceed the payment such person would otherwise have received under~~
74 ~~subsection A of § 25.1-409 had the person owned and occupied the displacement dwelling 180 days~~
75 ~~immediately prior to the initiation of such negotiations.~~

76 2. That the provisions of this act amending §§ 25.1-409 and 25.1-410 of the Code of Virginia shall
77 become effective on October 1, 2014.