

Mailing
7/31/61

Memorandum No. 27(1961)

Subject: Study No. 36(L) - Condemnation (Senate Bill No. 203 - Moving Expenses)

Senate Bill No. 203 was introduced at the 1961 session to effectuate the Commission's recommendation concerning reimbursement for moving expenses when property is acquired for public use. Attached is a copy of the pamphlet containing the Commission's recommendation on this subject and a copy of Senate Bill No. 203 as amended in the Senate April 18, 1961.

Senate Bill No. 203 will be considered by the Senate Interim Judiciary Committee. Accordingly, the Commission may wish to examine the amended bill to determine whether it is satisfied with the amendments.

The following amendments were made to Senate Bill No. 203:

(1) Two additional limitations on reimbursement of moving expenses were added in Section 1270.2 of the amended bill: First, reimbursement is limited to a maximum of \$250 for a single family residential unit and \$2,500 for any other type of property. Second, reimbursement under the proposed statute is not allowed in any case where relocation payments are authorized to be made under Section 33270.1 of the Health and Safety Code in connection with a redevelopment project. The dollar limits on reimbursement for moving expenses were accepted by the Commission so that the principle of reimbursement for moving expenses could be established in California. It appeared to Senator Cobey and the Executive Secretary that the bill without dollar limits on reimbursement was not acceptable to the Senate Judiciary Committee. The Commission anticipated that if the bill were

enacted with the dollar limitations on reimbursement, those limitations would be reviewed after experience had been acquired under the statute.

(2) Provisions of the bill as introduced (primarily Sections 1270.2 and 1270.5) relating to reimbursement when real property is taken for a term only were deleted. The insertion of dollar limits on reimbursement would have made it necessary to include in the bill very complex provisions dealing with reimbursement when real property is taken for a term only. The introduction of such complex provisions into the bill was considered undesirable in view of the very few occasions when they would be applicable.

(3) The bill was amended to provide in Section 1270.5 of the amended bill that negotiated settlements of the amount of reimbursement for moving expenses may be based on the estimated amount of moving and storage costs incurred or to be incurred and that negotiated settlements are subject to limitations set out in the bill on the amount of reimbursement. The original bill provided that the limitations on reimbursement did not apply when the parties determined the amount of reimbursement by agreement. This change was made because the public agencies suggested that making these limitations applicable to negotiated settlements would facilitate administration.

(4) Section 1270.8 of the original bill, which permitted the person acquiring the property to elect to move and store the property at its own expense, was deleted. Representatives of condemnees objected to this provision. None of the public agencies that appeared before the Senate Judiciary Committee on the bill believed that the provision was necessary.

(5) The above amendments made the definition of "acquisition" in

Section 1270 unnecessary and this definition was deleted.

It should be noted that Section 3 (amending Section 1248.3) amends a section of Senate Bill No. 205 and must be revised to include any changes made in that section of Senate Bill No. 205.

Respectfully submitted,

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Executive Secretary