

Uncle Sam Wants Your Property – Can You Get a Fair Deal?

By Tracy Hunsaker Gilroy

What would you do if Uncle Sam offered to buy your business property? If you follow a few do's and don'ts, you'll be on your way to a fair deal under the present status of the law.

First, ask the questions listed below.

Second, get all information in writing, including the purchase offer.

Third, don't respond until you take time to thoroughly review the offer. Here's what you need to look for when you first receive the written offer: (1) determine which governmental agency is offering to purchase the property; (2) find out the name of the representative making the offer and his/her capacity with that agency; (3) receive written proof as to the agency's authorization to acquire the property.

Then, before discussing the suggested purchase offer, every business owner should ask the following questions:

1. Why does the authority want to use the property? Is such use necessary and for the public good?
2. Does the authority want to buy **all** or **part of the property**?
3. If the authority wants only part of the property, how will the remaining property look?
4. Would the business be able to survive without part of the property?
5. If the business cannot operate on the property after the proposed purchase, then what are the authority's plans to help the business move to a new location and establish new clientele?
6. Are the tenants on the property entitled to compensation for the taking of the property? If so, how much and who pays them?
7. Should the business relocate to a new location or "go out of business"? If relocation is chosen, what are the **exact** terms of the relocation package being offered?
8. When does the business have to vacate the property? Is an extension possible?
9. Who pays for the business's higher rental payment at a new location?
10. Who pays for moving costs, and who decides what is moved and by whom?
11. Who pays for the costs of re-establishing the business in a new location?

The answers to these questions may depend on whether the authority is acquiring the property with federal, state or municipal monies. Generally speaking, if the authority uses

state or municipal monies, relocation packages are governed by Missouri statute. If, however a governmental authority's project is funded with federal monies, the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (the Uniform Act) governs.

The Uniform Act has the most funds available, but it is an old law in need of renovation.

If a business owner is in an acquisition situation, he/she should review the Uniform Act or the state statute with his/her lawyer and legislature well in advance of the acquisition process. Fairness demands that the federal and state relocation laws should be updated to fully compensate business owners in these situations, but such upheaval takes time and a grass roots effort.

So, when Uncle Sam is looking to take your business property, you should be looking for an immediate chat with your legislator and your attorney. It's one way to be sure that that you will have the best chance at a fair deal from our government.