

Reimbursement of Code Modifications Incurred by a Business

This article will discuss the types and limitations of reimbursement for code-related modifications incurred by a business required to move.

DISCUSSION

If the code modification is directly related to the reinstallation of an item of personal property paid under 49 CFR 24.301(g)(3), the amount is only limited by what the agency determines is actual, reasonable, and necessary for the move.

Disconnecting, dismantling, removing, reassembling, and reinstalling relocated household appliances and other personal property for businesses, farms or non profit organizations includes:

Machinery, equipment, substitute personal property, and connections to utilities available within the building. It also includes modifications to the 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 the utilities at the replacement site. Additionally, it includes the modifications necessary to adapt the utilities at the replacement site to the personal property.

Code modifications are reimbursable as reestablishment expenses for any reason, but the amount is limited to \$25,000.

Example

A non-skid floor material applied across the entire floor of a bakery may be required by code, but since it is not specifically associated with a given item of personal property, it would be paid for as a reestablishment cost and limited to a maximum payment of \$25,000 (reference 49 CFR §24.304(a)(1)).

However, if one of the mixers in the bakery was required by code to have a personnel barrier erected around the machine, then that modification is an integral part of the installation of the machine. The cost is covered under actual moving expenses and not subject to a dollar limit (reference 49 CFR §24.301(g)(3)).

