



REGION 1 Right-of-Way Office:

7345 Region Lane
Knoxville, TN 37914

Phone: (865) 594.2496 Fax: (865) 594.2495

REGION 2 Right-of-Way Office:

7512 Volkswagen Drive
Chattanooga, TN 37416

Phone: (423) 892.3430 Fax: (423) 510.1131

REGION 3 Right-of-Way Office:

6601 Centennial Blvd.
Nashville, TN 37243

Phone: (615) 350.4200 Fax: (615) 350.4410

REGION 4 Right-of-Way Office:

300 Benchmark Place
Jackson, TN 38301

Phone: (731) 935.0299 Fax: (731) 935.0135

HEADQUARTERS:

11th Floor
William R. Snodgrass Tennessee Tower
312 Rosa L. Parks Ave
Nashville, TN 37243

Phone: (615) 741.3196 Fax: (615) 532.1548

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Right of Way Division



**Non-Residential
Relocation**

**Business, Farm, Non-Profit, and
Personal Property Moves**

NON-RESIDENTIAL RELOCATION ASSISTANCE PROGRAM

DEFINITIONS

DISPLACED PERSON: Any person (individual, family, corporation, partnership or association) who moves from real prop-erty or moves personal property from real property as the result of the acquisition of the real property, in whole or in part, or as the result of a written notice from the state to vacate real property. In the case of a partial acquisition the state will determine if a person is displaced as a result of the acquisition.

BUSINESS: Any lawful activity, except farm operation, that is:

- Conducted primarily for the purchase, sale, lease and/or rental of personal and/or real property and/or for the manu-facturing, processing and/or marketing of products, commodities and/or any other personal property; or.
- Conducted primarily for the sale of services to the public; or
- Conducted by a non-profit organization; or
- Conducted for outdoor advertising display purposes, when the display must be moved as a result of this project. (NOTE: such operations do not qualify for re-establishment expenses)

CONTRIBUTES MATERIALLY: During the two taxable years prior to the taxable year in which displacement occurs, or during such other period as the state determines to be more equitable, a business or farm operation:

- Had average annual gross receipts of at least \$5,000; or
- Had average annual net earnings of at least \$1,000; or
- Contributed at least 33 1/3% of the owner's or operator's average annual gross income from all sources

If the application of the above criteria creates an inequity or hardship in any given case, the department may approve the use of other criteria as determined appropriate.

FARM OPERATION: Any activity conducted primarily for the production of one or more agricultural products or com-modities and customarily producing such products or commodities in sufficient quantity to contribute materially to the operator's sup-port.

INITIATION OF NEGOTIATIONS: The term initiation of negotiations means the date the state makes the first contact with the owner of real property to deliver a written offer for the property to be acquired.

NON-PROFIT ORGANIZATION: An organization that is incorporated under state law as a non-profit organization, and exempt from paying federal income taxes under section 501 of the Internal Revenue Code (26 U.S.A. 501)

SMALL BUSINESS: A business having not more than 500 employees working at the site being acquired or displaced by a pro-gram or project, which site is the location of economic activity.

PAYMENTS NOT TAXABLE

No relocation payment received will be considered as income for the purposes of state or federal income taxes or for the pur-poses of determining eligibility for social security or any other federal law.

APPEAL RIGHTS

If you feel that the state has failed to properly determine your eligibility for a payment or the amount of a payment, you may appeal for a review of the determination.

If you indicate your dissatisfaction either verbally or in writing, the relocation agent will furnish you with all necessary forms to initiate a formal appeal and will advise you of the proper procedures to be followed. The appeal must be filed no later than 60 days after the time limit specified for filing a claim or 60 days after the final action on a claim, whichever is later. You will be given a prompt and full opportunity to be heard and will be advised of the decision and provided an ex-planation of the basis for the decision. You have the right to be represented by an attorney or other representative, but only at your own expense.

NON-RESIDENTIAL RELOCATION

INTRODUCTION

The purpose of the State’s Relocation Assistance Program is to ensure to the maximum extent possible the prompt and equitable relocation of persons displaced as a result of state or state-aid projects in order that such persons shall not suffer disproportionate harm as a result of programs designed to benefit the public as a whole.

This brochure has been prepared to provide information about relocation services and payments that are available in addition to payments that would normally be made for the purchase of real property for public use.

NON-RESIDENTIAL MOVES

Owners or tenants may be paid on the basis of actual reasonable moving costs and related expenses.

ACTUAL REASONABLE EXPENSES

Actual reasonable expenses may include the following:

- Transportation of your personal property within a 50 mile radius.
- Packing, crating, unpacking and uncrating the personal property.
- Disconnecting, dismantling, removing, reassembling and installing relocated machinery, equipment and other personal property.
- When made necessary by the move, temporary storage of personal property in connection with the move, on property not owned by you. This payment must be preapproved by the State.
- Insurance for the replacement value of your personal property in connection with the move.

- The reasonable replacement value of property lost, stolen or damaged in the process of moving when insurance is not available. Payable only when not caused by you, your agent, or employee. If you are unable to obtain insurance, please contact your relocation agent before the move takes place.
- The pro-rated cost of any license, permit or certification required at your new location. Transfer costs may also be eligible for reimbursement.
- Professional services necessary to plan or carry out the move.
- Re-lettering signs and replacing stationary on hand at the time of the move if they are made obsolete by the move.
- Actual, documented expenses incurred while searching for a replacement location not to exceed \$5,000.
- Impact fees or one-time assessments for anticipated heavy utility usage.
- Feasibility surveys, soil testing and marketing studies.
- Provision of utilities from right-of-way to improvements on the replacement site.

DIRECT LOSS (TANGIBLE PERSONAL PROPERTY)

You may be eligible for a payment for the actual loss of tangible personal property which is incurred as a result of the move or discontinuance of the operation. This loss will be based on the value of the item for continued use in place less the proceeds from its sale or the estimated costs of moving the item, whichever is less.

Your relocation agent will explain this procedure in detail if you are faced with this problem.

REESTABLISHMENT EXPENSE

A small business, farm or non profit organization may be eligible to receive a reestablish-

ment payment, not to exceed \$33,200, for expenses actually incurred in relocating and reestablishing such small business, farm, or non profit at the replacement site.

These expenses must be reasonable and necessary as determined by the department and may include.

- Repairs or improvements to the replacement real property as required by law, code or ordinance.
- Replacement property modifications to make replacement structures suitable for conducting business.
- Construction and installation costs for exterior signage to advertise the business.
- Redecoration or replacement of soiled or worn surfaces at replacement site, such as paint, paneling or carpeting.
- Advertisement of replacement location.
- Professional services in connection with the purchase or lease of a replacement site.
- Estimated increased costs of operation during the first two years at the replacement site:
 - Lease or rental charges
 - Personal or real property taxes
 - Insurance premiums, and
 - Utility charges (exc. Impact fees)

The following is a non exclusive list of reestablishment expenditures not considered to be reasonable, necessary or otherwise eligible.

- Purchase of capital assets, such as office furniture, filing cabinets, machinery or trade fixtures.
- Purchase of manufacturing materials, production supplies, product inventory or other items used in the normal course of the business operation.

- Interest on money borrowed to make the move or purchase the replacement property.
- Payment to a part-time business in the home which does not contribute materially to the household income.

FIXED PAYMENT

A displaced business may be eligible to receive a fixed payment in lieu of actual moving expenses and reestablishment expenses, provided they meet the following criteria:

- The business cannot be relocated without a substantial loss of existing patronage.
- The business is not part of an enterprise with at least three other similar establishments engaged in the same or similar activity not being acquired.
- The business is not operated at the site solely for the purpose of renting the site or improvements to others.
- The business contributed materially to the income of the displaced person during the two taxable years prior to the displacement.

The payment shall be the average net earnings of the displaced enterprise for the two taxable years immediately preceding the displacement (for non-profit organizations the payment shall equal gross revenues less administrative expenses for the same time period) not to exceed \$53,200

MISCELLANEOUS MOVES

The owner of personal property relocated as a result of the project that does not meet the criteria as a displaced business, farm, or non-profit organization will be eligible for actual reasonable expenses as defined previously in this brochure. Reestablishment expenses and fixed payment do not apply.