

the earlier, shall reimburse the owner, to the extent the head of such agency deems fair and reasonable, for expenses necessarily incurred for—

- (1) recording fees, transfer taxes, and similar expenses in conveying such real property to the United States;
 - (2) penalty costs for prepayment of mortgage incident to such real property; and
 - (3) the pro rata portion of real property taxes allocable to a period subsequent to the date of vesting title or the effective date of a court order of possession, whichever is the earlier.
- (b) The determination as to such payments by the head of such agency shall be final and no provision of this section shall be construed to give any person a cause of action in any court, nor may any violation of this section be raised as a defense by such person in any action.

PART B.—FEDERALLY ASSISTED PROGRAMS

REQUIREMENTS FOR APPROVAL OF CONTRACTS OR AGREEMENTS FOR FEDERAL FINANCIAL ASSISTANCE

SEC. 905. (a) Notwithstanding any other provision of law, on and after the date of enactment of this Act no grant to or contract or agreement with a State agency, under which Federal financial assistance will be available to pay in whole or in part the cost of the acquisition of real property or of a public improvement for which real property is to be acquired, may be approved by the head of the Federal agency responsible for the administration of such Federal financial assistance unless such State agency has entered into an agreement which shall provide—

- (1) that every reasonable effort shall be made to acquire the real property by negotiated purchase;
 - (2) that the construction or development of the public improvement will so scheduled that, to the greatest extent practicable, no person will be required to move from a home, farm, or business location without at least ninety days' written notice, if consistent with project requirements, from such State agency of the date by which the move is required; and
 - (3) that it will be the policy of the head of the State agency, before initiating negotiations for real property, to establish a price which he believes to be a fair and reasonable consideration therefor, and to make a prompt offer to acquire the property for the full amount so established.
- (b) Notwithstanding any other provision of law, on and after January 1, 1970, no grant to, or contract or agreement with a State agency, under which Federal financial assistance will be available to pay in whole or in part the cost of the acquisition of real property, or of a public improvement for which real property is to be acquired, may be approved by the head of the Federal agency responsible for the administration of such Federal financial assistance, unless such State agency has entered into the agreements described in subsection (a) of this section and has agreed—
- (1) that no owner will be required to surrender possession of real property before the head of the State agency (A) pays the agreed purchase price, (B) makes available to the owner, by court deposit or otherwise, an amount not less than 75 per centum of the appraised fair value of such property, as approved by such State agency head, without prejudice to the right of the owner to contest the amount of compensation due for the property, or (C) deposits or pays the final award of compensation in the condemnation proceeding for such property;
 - (2) that any decrease in the value of real property prior to the date of valuation caused by the public improvement for which such property is acquired, or by the likelihood that the property would be acquired for the proposed public improvement, other than that due to physical deterioration within the reasonable control of the owner, will be disregarded in determining the compensation for the property; and
 - (3) that for the purposes of determining the extent of the acquisition of real property and the value thereof, no building, structure, or other improvement will be deemed to be other than a part of the real property solely because of the right or obligation of a tenant, as against the owner of any other interest in the real property, to remove such building, structure, or improvement, and that an amount not less than the value which such building, structure, or improvement contributes to the value of the real property