

"(5) A payment for owner-occupants under the same terms and conditions as are required to be made by Federal agencies by subsection 802(f) of this Act: *Provided*, That no such payment shall be required or included as a project cost under subsection 807(b) if the owner-occupant receives a payment required by State law of eminent domain which is determined by the head of the Federal agency to have substantially the same purpose and effect as subsection 802(f) and to be part of the cost of the project for which Federal financial assistance is available."

Section 807(b) provides in the case of federally assisted projects that costs of relocation would be included in project costs and Federal financial assistance would be provided to the same extent as other project costs, except that the Federal agency would contribute the first \$25,000 of the cost of providing a relocation payment to any displaced person. The effect of the proposal would be to have the Federal Government assume almost all relocation payments.

We believe that relocation payments are an essential element of project cost and see no reason to exempt the first \$25,000 from the usual sharing requirements. Moreover, these relocation provisions will be administered by local agencies. They can be expected to administer the provisions more economically and efficiently if they are also required to bear the same portion of these costs as of other project costs involved. We believe strongly that relocation payments should be shared as other project costs. Accordingly, we recommend that the comma after "project costs" on line 24, page 45, be changed to a period and the balance of the sentence on lines 24 and 25 of page 45 and 1 of page 46 be deleted.

We believe that a new section should be added to this title to provide for the effective date of this title. This amendment is necessary to provide sufficient time for the assignment of responsibility and for drafting of regulations for direct Federal programs and to allow State and local governments sufficient time to make necessary changes in their laws and possibly their constitutions to permit the agreements required as a condition of Federal aid. We recommend the new *Section 811* should read as follows:

"This Act shall become effective 180 days after enactment, except that Sections 807, 808, and 810(a) (4), (5), (6), (7), (8), (9), and (10) shall become effective three years after enactment; *Provided*, that, commencing 180 days after enactment, the provisions of Sections 807 and 808 shall be applicable with respect to any contract, grant to, or agreement with a State agency, where such State agency is able under State law or local ordinance to agree to the requirements set out in Section 807(a) and the provisions of law governing relocation payments and assistance otherwise applicable to the provisions of Federal financial assistance to such State agency shall be superseded by this Act."

BUREAU OF THE BUDGET PROPOSED AMENDMENTS TO SECTION 903(c) AND 904

SECTION 903 (c)

Change the period at the end of the section to a comma and add as follows: "which determination of fair value and method used by the agency head shall be final and conclusive. *Provided*, (1) that payment hereunder will not result in duplication of any payments otherwise authorized by law; (2) that the fee owner of the land involved disclaims any interest in the improvements of the lessee; and (3) the lessee in consideration for such payment shall assign, transfer and release to the United States all his right, title and interest in and to such improvements; *Provided further*, that no provision of this section shall be construed to deprive the lessee of his right to reject the payments hereunder and to obtain payment for his property interests of just compensation as otherwise defined by law."

SECTION 904

(1) On line 1 of Section 904(a) after "agency," delete "not later than" and substitute "as soon as practical after."

(2) On line 14 of subsection 904(a) (2), after "property" delete "; and" and add as follows: "provided that such mortgage shall be of record as required by law on the date the official announcement of the project is made by the authorized Federal agency; and"

Mr. KLUCZYNSKI. What did Mr. Hughes say in the letter?

Mr. BRIDWELL. Mr. Hughes stated a position for the administration on a uniform relocation assistance policy to be applicable to all Fed-