



Gibbons Capitol Report
June 29, 2006

Real Answers to the Eminent Domain Anniversary

Last Friday, June 23, marked the one year anniversary of the shocking United States Supreme Court ruling in the *Kelo v. New London* case. They ruled 5-4 in favor of New London, meaning that your property was not protected against abuses of eminent domain and economic development tools such as Tax Increment Financing (TIF). The only saving grace to this ruling was that it allowed states to step in and pass reforms to protect property owners. We did that. Now, the complete disregard for the rights of property owners are no longer tolerated in Missouri.

Ending the Abuse

This year the legislature, a bipartisan coalition of House and Senate members, put an end to backroom deals and passed House Bill 1944 to prevent developers and government from abusing the awesome power of government to take someone's property using eminent domain.

Missouri has put property owners' rights before economic development. We are also the first to say that in those limited circumstances when there is a taking of land for a public use or benefit, that just compensation now means more than simply fair market value.

Real Values

Just compensation will now include, in addition to other factors, Heritage value, meaning homes, farms or businesses that have been in the same extended family for at least 50 years will automatically receive 150 percent of fair market value. Anyone whose home is taken will receive Homestead value, or 125 percent of fair market value. Also, we protected farmland by saying it cannot be blighted to be taken through eminent domain.

Property Owners' Right to Know

The bill also gives property owners the right to know what utilities or the Missouri Department of Transportation are planning. Now, landowners will be notified much earlier when a utility or MoDOT looks at purchasing an easement. Instead of the current 10 days, the new property owners' bill of rights allows at least 60 days for owners to participate in hearings, propose alternate routes, and make the important decision of whether to sell or fight. The bill also prohibits easements from being transferred or used for a different purpose than the original purpose.

I am glad to say that property owners in Missouri are better protected today than they were before the Kelo decision came down. Together, we have better protected the homes, farms, and businesses of the people of this state from the abuse of eminent domain and passed the first changes in this law in nearly 60 years. We can all sleep better knowing our property is protected.