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WLF SEEKS U.S. SUPREME COURT REVIEW IN LANDMARK TAKINGS CASE (*McQueen v. South Carolina Dep't of Health and Env'tl. Control*)

Today the Washington Legal Foundation (WLF) urged the U.S. Supreme Court to review a case where a farmer's land was rendered worthless by state wetlands regulations, and yet the state refuses to pay any compensation.

In a petition filed with the Court, WLF argued that the Court ought to hear this case to confirm that the Constitution prohibits the government from imposing regulations that effectively confiscate private property, unless it pays the owner for his loss.

This case arose when WLF's client, Sam McQueen, a farmer, tried to build on residential property that he had bought in the early 1960s. In 1991 he applied for permits with the South Carolina Department of Health and Environmental Control, Office of Ocean and Coastal Resource Management (OCRM) to put up bulkheads for erosion control and to backfill his land in preparation for building two single-family homes. OCRM denied the permits in 1993 on the ground that the land had become a legally protected wetland. The agency has stubbornly maintained this position ever since.

So McQueen filed a lawsuit. He asserted that OCRM had not validly denied the permits. He also pointed out that if OCRM's denial were valid, his land would be stripped of all economically beneficial use and, therefore, the federal Constitution would require OCRM to compensate him for the property that its wetlands regulation had taken for public use. To support his position, McQueen cited *Lucas v. South Carolina Coastal Council*, a case where the U.S. Supreme Court decided that the Constitution nearly always requires compensation when an owner can show that a government regulation has totally deprived his property of all economically beneficial use. The South Carolina court found that OCRM had validly denied the permit applications but agreed with McQueen that the state owed him compensation to the tune of \$100,000. The South Carolina Court of Appeals affirmed the trial court's decision to award McQueen compensation, labeling the government's action "a textbook taking."

But in a decision issued earlier this year, the Supreme Court of South Carolina reversed. While admitting that "[i]t is uncontested the permit denial at issue here deprives respondent

of all economically beneficial use of his property," the court ruled that OCRM owed McQueen no compensation because the regulation had not interfered with McQueen's "distinct investment-backed expectations." The court defended that surprising conclusion based on McQueen's "prolonged neglect of the property and failure to seek developmental permits in the face of ever more stringent regulations" A month later the court denied McQueen's petition for rehearing, paving the way for WLF's appeal to the U.S. Supreme Court.

In the petition for writ of certiorari filed with the U.S. Supreme Court, WLF urged review for four reasons. First, WLF argued that that decision creates a nationwide conflict among seven decisions handed down by federal appellate courts and state supreme courts. Second, WLF contended that the South Carolina Supreme Court's decision is inconsistent with the U.S. Supreme Court's decisions in *Lucas* and other cases interpreting the Constitution. Third, WLF pointed out that the issue in the case—whether a property owner is entitled to compensation when he proves that a regulation deprives him of all economically beneficial use of his property without also proving that the regulation frustrates his distinct or investment-backed expectations—is a recurring issue of national importance that only the Court can finally resolve. Finally, WLF pointed out several reasons why the Court ought to hear *this* case, rather than awaiting another opportunity to address the issue raised by Mr. McQueen.

"Mr. McQueen's case cries out for Supreme Court review," said Shawn Gunnarson, WLF's Senior Counsel for Litigation Affairs. "What one state government agency did to Mr. McQueen in this case could be repeated by any government official who wants to totally control private property without paying for it. Only the Supreme Court can discourage such abuse of power, by confirming that federal and state officials may not constitutionally enforce the law in a way that effectively confiscates private property—unless they pay the owner for his loss."

The Washington Legal Foundation is a nonprofit public interest law and policy center with supporters nationwide. It devotes a significant portion of its resources to defending and promoting the principles of free enterprise and individual rights.

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For further information, contact WLF Senior Counsel for Litigation Affairs, Shawn Gunnarson, at (202) 588-0302.