

Texas Public Policy Foundation

# Keeping Texas Competitive

## A Legislator's Guide to the Issues 2013-2014



### Property Rights and the Texas Courts

#### The Issue

In the wake of the 2005 *Kelo v. New London* decision, Texas courts have made significant headway in the direction of protecting property rights, and correcting weaknesses in the protection thereof.

For example, in *Laws v. Texas*, a couple sought to prove that a tract of land condemned by the state was, in fact, capable of being divided into several self-sustainable economic subunits, whose value collectively was greater than the value viewed in the greater unit by the state. The Supreme Court, examining this situation, agreed that the Lawses, and by extension anyone else whose land is under government scrutiny, could provide evidence in court that their property is more valuable than the state estimates. The courts still make final decisions, but the state cannot constrain evidence in such proceedings.

In another important case, the city of Dallas declared Heather Stewart's long-vacant home a public nuisance, demolished it, and refused to pay compensation due to its prior declaration. However, the courts determined that she was, in fact, due compensation because the condemnation was based only on facts presented by the city exercising its taking powers. The Supreme Court determined that the "protection of property rights ... cannot be charged to the same people who seek to take those rights away."

In another case, the Supreme Court continued to re-emphasize the importance of private rights to property over supposedly public interest. In *Texas Rice Land Partners v. Denbury*, Denbury received permission from the Railroad Commission to claim land for a CO<sub>2</sub> pipeline as a common carrier, and argued that such permission precluded a court case. However, the Supreme Court disagreed, saying that, in fact, just "checking the right boxes" to become a common carrier doesn't provide protection from suits to determine if the use is public rather than private.

Most recently, the Texas Supreme Court issued its decision in *Severance v. Patterson*, in which the state of Texas was claiming that a rolling easement to beach access can eliminate a property owners right to use her own property in the case of a rapid erosion event, such as a hurricane.

However, the Court determined there was simply no evidence in the record of an easement by prescription or dedication on such land, nor has the public had a "continuous right" to use it.

Based on this, the Court ruled (twice) that while the public has acquired the right to access many beaches over time, it does not suddenly acquire the right to access private property that becomes the beach because of a major storm. The Court's majority opinion cited legal precedent dating back to William Blackstone. Thus it is possible for the public to acquire an easement over time as a beach gradually shifts and the public uses it without interference from property owners. But the law is clear that a beach cannot become public overnight.

Finally, despite not being a property rights case, *Barbara Robinson v. Crown Cork and Seal* deserves special mention, since it showcases a turning away from prior eras of judicial deference to the legislature. In this case, the Supreme Court invalidated a law that protected companies from asbestos claims they inherited from companies they took over, saying that unless the law made "a convincing public-welfare showing," such a law would not stand.

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There is still much more to be done in the sphere of property rights. However, these decisions help protect those rights from executive and legislative abuse of takings powers, and the discussion of these rights and the threats to them—such as takings powers and taxation—is essential for moving our state and country forward economically.

### The Facts

- Property rights are essential for economic prosperity and development.
- The Supreme Court of Texas has made many strides of late in protecting property rights from abuse by executive agencies and legislative acts, and has turned away from strict deference to the legislature.

### Recommendations

- Amend statute to shift the burden of proof in all property rights cases from the land owner to the condemnor.
- Reduce judicial deference to the decisions of executive agencies and local governments.
- Restore the constitutional right to both own and use property. Current case law, as held by the Texas Supreme, says, “Property owners do not acquire a constitutionally protected vested right in property uses.”

### Resources

*Property Rights in Texas: Heading in the Right Direction* by Bill Peacock, Texas Public Policy Foundation (Oct. 2011).

*Amicus Brief in Beach Access Case* by Vikrant P. Reddy (June 2011).

*Senate Bill 18: Presumption* by Ryan Brannan and Bill Peacock (Feb. 2011).

