

SUPREME COURT OF OREGON

Hall v. State

355 Or. 503 (2014) · Decided May 30, 2014

SUMMARY

The Oregon Supreme Court reviews an inverse condemnation action brought by property owners against the Oregon Department of Transportation based on public representations concerning a possible interchange closure and condemnation of the property. The court holds that the challenged conduct involved planning for eventual public use and that a reduction in property value, without a physical occupation, invasion of a property right, or deprivation of all economically viable use, was insufficient to establish a compensable taking. The court affirms the Court of Appeals, reverses the trial court judgment, and remands for further proceedings.

CASE DETAILS

COURT	Supreme Court of Oregon
WRITING FOR THE COURT	Brewer, J.
JURISDICTION	Oregon
DECIDED	May 30, 2014
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Plaintiffs brought an inverse condemnation action against the Oregon Department of Transportation. A jury awarded plaintiffs more than \$3 million, and the circuit court entered judgment on the verdict. The Court of Appeals reversed. The Oregon Supreme Court allowed review and affirmed the Court of Appeals, reversed the circuit court judgment, and remanded.
STANDARD OF REVIEW	Review of the denial of a directed-verdict motion and the legal standard governing an inverse condemnation claim; the court considered whether plaintiffs' evidence was legally sufficient to establish a compensable taking.
PRECEDENTIAL VALUE	published precedential opinion of the Oregon Supreme Court
PARTIES	Oregon Department of Transportation v. Hall and other owners of real property in Linn County

TOPICS

eminent domain

takings clause

real estate

damages

remedies

PRACTICE AREAS

constitutional law

real property

eminent domain

inverse condemnation

remedies

QUESTIONS PRESENTED

1. What legal standard governs an inverse condemnation claim based on governmental planning for the eventual public acquisition of private property?
2. Can governmental planning or precondemnation representations that reduce property value constitute a taking without proof that the owner was deprived of all economically viable use or that the government physically occupied the property or invaded a property right?
3. Was ODOT entitled to a directed verdict because plaintiffs failed to prove a cognizable de facto taking?

HOLDINGS

1. When governmental regulation or planning for the eventual taking of property for public use reduces the property's value, no de facto taking generally occurs unless the action deprives the owner of all economically viable use of the property or causes a physical governmental occupation or invasion of a property right that substantially interferes with use and enjoyment.
2. A claim characterized as condemnation blight arising from planning for an eventual taking requires proof that the governmental action deprived the owner of all economically viable private use; a reduction in market value alone is insufficient.
3. The trial court erred in denying ODOT's motion for a directed verdict because plaintiffs neither alleged or proved deprivation of all economically viable use nor established a physical occupation or invasion of a property right.

KEY QUOTATIONS

“By contrast, government regulation of the use of property or planning for the eventual taking of property for public use that reduces the property’s value generally does not result in a de facto taking.” (at 522)

“Under those principles, ODOT’s actions did not give rise to a de facto taking unless plaintiffs proved that those actions deprived them of all economically viable use of their property or that ODOT physically occupied their property or invaded their property rights so as to substantially interfere with its use and enjoyment.” (at 523)

FACTUAL BACKGROUND

Plaintiffs owned a 25-acre parcel adjacent to Interstate 5 in Linn County, including billboard easements and an access easement to the Viewcrest interchange. ODOT publicly explored and discussed closing the interchange, which would have landlocked the property and led to eventual condemnation, and ODOT officials also took steps intended to stop development. Between 2005 and 2007, plaintiffs were unable to sell or develop the property because of uncertainty regarding the interchange, although the property retained billboard easements

that generated income. The jury found that ODOT's conduct substantially and unreasonably interfered with plaintiffs' use and enjoyment of the land and reduced its value by \$3,378,750.

PROCEDURAL HISTORY

Plaintiffs alleged that ODOT's repeated public representations concerning closure of an interchange and eventual condemnation of their property created a nuisance and caused a compensable taking under Article I, section 18, of the Oregon Constitution. The circuit court denied ODOT's motion for a directed verdict, instructed the jury under a substantial-interference-with-use-and-enjoyment standard, and entered judgment after the jury found a substantial interference and awarded \$3,378,750 in damages. The Court of Appeals held that diminution in value was insufficient to establish a taking and reversed and remanded. The Supreme Court affirmed the Court of Appeals' decision and reversed the circuit court judgment.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

The judgment of the circuit court is reversed and the case is remanded for further proceedings consistent with the Supreme Court's holding. The Court of Appeals' decision is affirmed.

CASES CITED

- Hall v. ODOT, 252 Or. App. 649, 288 P.3d 574 (2012)
- Stuart v. Pittman, 350 Or. 410, 414, 255 P.3d 482 (2011)
- Dunn v. City of Milwaukie, 355 Or. 339, 346-48, 328 P.3d 1261 (2014)
- Coast Range Conifers v. Board of Forestry, 339 Or. 136, 142-47, 117 P.3d 990 (2005)
- Vokoun v. City of Lake Oswego, 335 Or. 19, 26, 56 P.3d 396 (2002)
- Thornburg v. Port of Portland, 233 Or. 178, 190, 376 P.2d 100 (1963)
- Morrison v. Clackamas County, 141 Or. 564, 568, 18 P.2d 814 (1933)
- Boise Cascade Corp. v. Board of Forestry, 325 Or. 185, 197-98, 935 P.2d 411 (1997)
- Fifth Avenue Corp. v. Washington Co., 282 Or. 591, 609-14, 581 P.2d 50 (1978)
- Suess Builders Co. v. City of Beaverton, 294 Or. 254, 257-63, 656 P.2d 306 (1982)
- Lincoln Loan Co. v. State Hwy. Comm., 274 Or. 49, 51-57, 545 P.2d 105 (1976)
- Tomasek v. Oregon Highway Commission, 196 Or. 120, 151, 248 P.2d 703 (1952)
- Moeller v. Multnomah County, 218 Or. 413, 425-31, 345 P.2d 813 (1959)
- Cereghino v. State Highway Commission, 230 Or. 439, 445, 370 P.2d 694 (1962)
- Thornburg v. Port of Portland, 244 Or. 69, 73, 415 P.2d 750 (1966)
- Amphitheaters, Inc. v. Portland Meadows, 184 Or. 336, 347, 198 P.2d 847 (1948)
- Jacobson v. Crown Zellerbach, 273 Or. 15, 18, 539 P.2d 641 (1975)
- West Linn Corporate Park v. City of West Linn, 349 Or. 58, 64, 240 P.3d 29 (2010)

- Kurtz v. Southern Pacific Co., 80 Or. 213, 155 P. 367 (1916)
- Mosier v. Oregon Navigation Co., 39 Or. 256, 64 P. 453 (1901)
- Gearin v. Marion County, 110 Or. 390, 402, 223 P. 929 (1924)

Retrieved from lawtools.ai · <https://lawtools.ai/cases/state/oregon-supreme-court-of-oregon/2014/hall-v-state-dbu95400>