Symposium on Civility and Judicial Ethics in the 1990s: Professionalism in the Practice of Law

Takings 1992: Scalia's Jurisprudence and a Fifth Amendment Doctrine to Avoid Lochner Redivivus

J. Freitag

Recommended Citation
[A] constitution is not intended to embody a particular economic (or property) theory, whether of paternalism and the organic relation of the citizen to the State or of laissez faire. It is made for people of fundamentally different views, and the accident of our finding certain opinions natural and familiar, or novel, and even shocking, ought not to conclude our judgment upon the question whether statutes embodying them conflict with the Constitution of the United States.

I think that the word liberty in the Fourteenth Amendment is perverted when it is held to prevent the natural outcome of a dominant opinion, unless it can be said that a rational and fair man necessarily would admit that the statute proposed would infringe fundamental principles as they have been understood by the traditions of our people and our law.

I. INTRODUCTION

Justice Holmes's hoary admonition, made nearly a century ago, has since stood as a warning to the federal judiciary about the impropriety of usurping the constitutional role of Congress and state legislatures by deciding cases based upon judges' ideological predilections. After a prolonged flirtation with laissez faire, Holmes's position eventually carried the day, as the Court veered away from Lochner.

3. In Lochner and a series of successive cases, the Court struck down legislation targeted at protecting unskilled laborers from long hours, low wages, and unsafe conditions. See Adair v. United States, 208 U.S. 161 (1908) (invalidating federal anti-union discrimination regulation); Coppage v. Kansas, 236 U.S. 1 (1915) (invalidating state anti-union discrimination regulation); Adkins v. Children's Hosp., 261 U.S. 525 (1923) (invalidating District of Columbia minimum wage regulation); Morehead v. New York ex rel. Tipaldo, 298 U.S. 587 (1936) (invalidating state minimum wage regulation). The Court, operating in part under the Due Process Clauses of the Fifth and Fourteenth Amendments, invalidated regulations on the theory that business and labor should be free to contract without these regulations, even to the detriment of labor. The Court construed
from legislating from the bench and began applying a more deferential standard to regulatory legislation.

Ironically, another opinion authored by Justice Holmes has allowed the current Supreme Court to stray back into the murky, discredited waters of the word liberty in the Due Process Clauses to implicate such a liberty of contract. Although Lochner itself was overruled in Bunting v. Oregon, 243 U.S. 426 (1917), Lochner's influence continued. The Court's conservative activism lasted until the 1930s, clearing the path for business development, unfettered by the interference of legislators. To distinguish the Lochner period's use of due process from the use of due process advocated in this note, the Lochner approach will be referred to as economic due process. See John A. Humbach, Economic Due Process and the Takings Clause, 4 PACE ENVT. L. REV. 311 (1987).

4. The position that the Court should not second-guess legislatures also implicates the intent of the constitutional framers. Although the Federalists were concerned with creating an independent federal judiciary, the separation of powers doctrine also embedded in the Constitution, see infra note 186, meant that the Court was not intended to be a branch of government that would actively influence national policy in the same manner as the political branches of government. THE FEDERALIST NO. 78, at 465 (Alexander Hamilton) (W. Kendall & G. Carey eds., 1966). Because the federal judiciary would have neither the power of the purse, nor the power of the sword, id., the Court was intended to be a check on coequal branches, as well as state governments, to ensure that government operated within constitutional parameters. See generally THE FEDERALIST NOS. 78-80 (Alexander Hamilton). See also Marbury v. Madison, 5 U.S. (1 Cranch) 137 (1803) (judicial review of Congress); Martin v. Hunter's Lessee, 14 U.S. (1 Wheat.) 304 (1816) (judicial review of state legislatures); Cohens v. Virginia, 19 U.S. (6 Wheat.) 264 (1821) (judicial review of state criminal proceedings).

5. Generally, the collapse of economic due process is attributed to Nebbia v. New York, 291 U.S. 502 (1934), and West Coast Hotel v. Parrish, 300 U.S. 379 (1937). Some commentators have credited this sudden shift away from economic due process to President Franklin Delano Roosevelt's court-packing scheme, whereby older members of the Court would have been supplemented with younger justices, presumably more sympathetic to FDR's New Deal legislation. See generally ROBERT H. JACKSON, THE STRUGGLE FOR JUDICIAL SUPREMACY (1941); William E. Leuchtenburg, The Origins of Franklin D. Roosevelt's "Court Packing" Plan, 1966 SUP. CT. REV. 347.

6. The deference applied by the Court to legislation under a due process analysis after West Coast Hotel illustrates the reasonableness, or minimum rationality, standard. This standard took the teeth out of economic due process analysis and lowered the due process scrutiny given to economic regulation by the Court to the level at which it currently stands. Under the Due Process Clause, legislation is constitutional if "there is an evil at hand for correction, and that it might be thought that the particular legislative measure was a rational way to correct it." Day-Brite Lighting, Inc. v. Missouri, 342 U.S. 421, 423 (1952). See also Minnesota v. Clover Leaf Creamery Co., 449 U.S. 465 (1981) (stating that the constitutional standard is whether the legislature "could have rationally decided" that the regulation would serve the stated public interest). Justice Brennan, dissenting in Nollan v. California Coastal Comm'n, 483 U.S. 825 (1987), cites with favor the "classic statement of the rule": "It must appear, first, that the interests of the public . . . require [government] interference; and second, that the means are reasonably necessary for the accomplishment of the purpose . . . ." Id. at 843 n.1 (citing Lawton v. Steele, 152 U.S. 133 (1894) (pre-Lochner)).
Lochner period’s higher scrutiny. *Pennsylvania Coal Co. v. Mahon,* with Holmes writing for the Court, introduced the regulatory takings doctrine. In *Pennsylvania Coal,* the Court stated that while the government can generally regulate the use of private property, the government can also, in certain cases, push this regulation “too far,” at which time the regulation “will be recognized as a taking.” The Court in recent years has resurrected *Pennsylvania Coal* and the regulatory takings doctrine it spawned. More importantly, the holdings

7. 260 U.S. 393 (1922). In *Pennsylvania Coal,* the Court considered the constitutionality of the Kohler Act, a Pennsylvania land-use regulation that required coal companies to refrain from mining below habitable structures. The landowner had sought an injunction in state court to prevent such mining beneath his home, despite the fact that the coal company held legal title to his right of subterranean support.

8. The Fifth Amendment states that “[n]o person shall . . . be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation.” U.S. CONST. amend. V. The Fourteenth Amendment states that “no State shall deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.” U.S. CONST. amend. XIV, § 1.

The Supreme Court has interpreted the Takings Clause to apply in two different contexts: first, physical-invasion takings—government regulation that actually appropriates private property for public use, see, e.g., *Loretto v. Teleprompter Manhattan CATV Corp.*, 458 U.S. 419 (1982), and second, regulatory takings—government regulation that deprives a private property owner of some aspect of ownership without physically invading the property, see, e.g., *Nollan,* 483 U.S. at 825. See infra notes 53-66 for a discussion of *Loretto* and infra notes 84-104 for a discussion of *Nollan.*

Though the issue of what use government may make of condemned property is beyond the scope of this note, the Court had held that as long as the purpose is debatably in the public’s interest, the public use requirement of the takings clause is satisfied. See *Berman v. Parker,* 348 U.S. 26 (1954) (Fifth Amendment); *Hawaii Hous. Auth. v. Midkiff,* 467 U.S. 229 (1984) (Fourteenth Amendment).

9. *Pennsylvania Coal,* 260 U.S. at 415. As generally understood, this passage implicates the government’s duty to pay the landowner just compensation for the land taken, under the Takings Clause of the Fifth Amendment if the federal government is the regulator, or under the Fourteenth Amendment’s Due Process Clause if a state government is the regulator. See *Chicago Burlington & Quincy R.R. Co. v. Chicago,* 166 U.S. 226 (1897); *John E. Nowak & Ronald D. Rotunda, Constitutional Law* § 10.2, at 335 (4th ed. 1991):

> The fifth amendment guarantee of just compensation technically has not been incorporated in the fourteenth amendment. Nevertheless, the Court has held that the fourteenth amendment due process guarantee provides the same safeguard against a state’s taking of property without just compensation.

Whether this explicit use of due process renders the regulatory takings doctrine, as applied to the states, nugatory is debatable. Clearly, if the Court is using the Due Process Clause to analyze regulatory takings challenges to state legislation, the proper standard of review for state legislation should be rational scrutiny, see *supra* note 6, not Justice Scalia’s nexus test, see *infra* notes 84-117.

10. After a considerable break from application of the takings doctrine to the merits of a case, the Court in *Penn Cent. Transp. Co. v. New York City,* 438 U.S. 104 (1978), brought the Takings Clause back into vogue. Since then, both the Burger Court and the Rehnquist Court have used the Takings Clause more frequently. See, e.g., *Loretto,* 458 U.S. at 419; *Agins v. City of Tiberon,* 447 U.S. 255 (1980); and *Kaiser-Aetna v. United States,* 444 U.S. 164 (1979) for takings cases in the Burger Court, and *Keystone Bituminous Coal Ass’n v. DeBenedictis,* 480 U.S. 470 (1987); First
in the proliferation of new takings decisions forebode a return to the stricter scrutiny of regulatory legislation under the police power,\(^{11}\) not applied since the _Lochner_ period ended in 1937.\(^{12}\)

The Court's return to the stricter scrutiny of _Lochner_ in takings jurisprudence is especially apparent in the regulatory takings opinions written by Justice Antonin Scalia.\(^{13}\) Most recently in _Lucas v. South Carolina Coastal Council_, Justice Scalia led a six justice majority in invalidating a state environmental protection and public safety law. The _Lucas_ decision, when read in the context of Justice Scalia's other takings opinions, demonstrates first, that the current Court will scrutinize more closely than previous Courts the legislative motives behind police power legislation that adversely affects private property interests.\(^{14}\) Second, as argued in this Note, _Lucas_ demonstrates that this Court will apply stricter scrutiny to advance its ideological predilections in favor of real estate development rights.\(^{15}\)

The parallel to the _Lochner_ period is startling. Just as _Lochner_ and its progeny exalted common law contract rights,\(^{16}\) untouchable by legislatures, so

---

11. "Police power" connotes the term generally applied to regulations enacted to promote the health, safety, and welfare of the polity. See Village of Euclid v. Ambler Realty Co., 272 U.S. 365, 395 (1926). Professor William B. Stoebuck has characterized legislation enacted under the police power as designed to "advance the public interest to some degree." William B. Stoebuck, _Police Power, Takings, and Due Process_, 37 WASH. & LEE L. REV. 1057 (1980). See also Joseph L. Sax, _Takings and the Police Power_, 74 YALE L. J. 36, 36 n.6 (1964) (giving a definition and examples of the police power). An example of a police power enactment would be the Kohler Act in _Pennsylvania Coal_. Other examples would include zoning ordinances and rent control ordinances. See, e.g., _Ambler Realty_, 272 U.S. at 365 (zoning); _Pennell v. City of San Jose_, 485 U.S. 1 (1988) (rent control).

12. _See supra_ note 5.

13. Alfred P. Levitt, Comment, _Taking on a New Approach: The Rehnquist-Scalia Approach to Regulatory Takings_, 66 TEMP. L.Q. 197 (1993) (arguing that Scalia has spearheaded an analytical revolution in takings jurisprudence). Scalia wrote the majority opinion in _Nollan_, 483 U.S. at 825 (see _infra_ notes 84-104) and a dissenting opinion in _Pennell_, 485 U.S. at 1 (see _infra_ notes 105-17). In 1992 he authored the majority opinion in _Lucas v. South Carolina Coastal Council_, 112 S. Ct. 2886 (1992). This note will focus upon Justice Scalia's approach because he has recently been the Court's most vocal member in the takings arena.


15. _See infra_ notes 118-65 and accompanying text for a discussion of _Lucas_.

16. In most of the economic due process decisions, the Court flavored its analysis with references to natural law in general, and specifically to the proposition that the Constitution did not limit the rights of the polity to freely contract either to its benefit or detriment. _See supra_ note 3 and cases cited therein.
Justice Scalia and the current Court have placed land development rights on a similar pedestal by insisting that stricter scrutiny apply to land use regulations. The problem inherent in emphasizing developmental rights is that the Court may invalidate valuable legislative initiatives that do not afford landowners the most profitable use of their property, although other valuable, non-economic uses for the property may exist. The current Court has taken cognizable steps toward a course of decisions under the Takings Clause that mirrors the *Lochner* bias for economic development.

In resurrecting Lochnerian jurisprudence, the Court has haphazardly stepped around precedent and added unclarity to the already convoluted body of takings jurisprudence. Justice Scalia's formulation of the test for regulatory takings requires a close nexus: the government must target its regulation at the land that causes the problem which the government attempts to solve. Narrow tailoring may be proper where personal liberties are at stake to protect the exercise of fundamental constitutional rights, but regulation that merely

---

17. This trend toward stricter scrutiny began in *Nollan*, 483 U.S. at 825 and continued in *Lucas*, 112 S. Ct. at 2886. See *infra* notes 84-104 for a discussion of *Nollan* and notes 118-65 for a discussion of *Lucas*.

18. The current Court has taken Justice Holmes’s “too far” rule too far by holding that if a landowner is being blocked by regulation from making the most profitable use of property, then any other use of the property, obviously less profitable, will not be considered valuable at all. See *infra* notes 131-35 and accompanying text. This naturally leads to the determination that if the diminution in value between the property without the regulation and the property encumbered by the regulation is total, that the regulation has indeed gone “too far.”

19. See *infra* notes 131-35 for a discussion of alternatives to economic value in the context of the *Lucas* decision.

20. This Lochnerian shift under the Takings Clause suffers from the same shortcomings as economic due process. Though advocacy for individual rights from the bench may appear noble, strong arguments exist against the advocacy of economic rights. Judicial legislation violates the separation of powers doctrine, and may even impede the proliferation of legislative initiatives to serve long-term interests of the polity. See *infra* notes 240-42.

21. Legal scholars characterize the Court’s approach to takings as a muddled mess. See, e.g., Stoebuck, *supra* note 12, at 1059 n.11 (takings law is “as disheveled as a ragpicker’s coat”); Frank I. Michelman, *Property, Utility, and Fairness: Comments on the Ethical Foundations of “Just Compensation” Law*, 80 HARV. L. REV. 1165 (1967) (stating that attempts to formulate static, predictable rules have yielded only ethically unsatisfying rules for takings cases). Even the Court itself has recognized that no “set formula” has been developed to determine when a taking occurs and that whether a taking will be found depends “upon the particular circumstances” of each case, as the Court engages in “essentially ad hoc, factual inquiries.” *Penn Cent. Transp. Co. v. New York City*, 438 U.S. 104, 124 (1978).

22. See *infra* notes 84-117 and accompanying text for a discussion of the development of Scalia’s nexus requirement.

23. See *United States v. Carolene Products*, 304 U.S. 144, 152-53 n.4 (1938). See also NOWAK & ROTUNDA, *supra* note 9, at 377-78 (“In sharp contrast to the Court’s almost total abandonment of any real scrutiny of economic legislation under substantive due process . . . analysis is its increasingly strict examination of legislation and government actions that affect civil rights or
targets property use should receive a more deferential review.\textsuperscript{24} Property rights should be subject to more legislative direction without stricter scrutiny in order to afford the legislature sufficient "elbow room"\textsuperscript{25} to enact new regulations to fit new problems.\textsuperscript{26}

With the Court’s takings doctrine in flux, the proposal of a new approach to takings may help to prevent a recurrence of \textit{Lochner}'s excesses. The Takings Clause of the Fifth Amendment has never been a proper gauge for analyzing the constitutionality of police power exercises. The Takings Clause only properly prescribes the consequences of a non-compensated exercise of the eminent domain power.\textsuperscript{27} A deferential due process analysis would more properly

\begin{footnotesize}
\begin{enumerate}
\item[25.] This concept of legislative "elbow room" is analogous to that afforded to publishers after New York Times v. Sullivan, 376 U.S. 255 (1964), to avoid chilling protected speech. Legislatures may be chilled in enacting ground-breaking regulations if legislatures know that landowners have a right to compensation even if a temporary taking is found. See First English Evangelical Lutheran Church v. County of Los Angeles, 482 U.S. 304, 340-41 (1987) (Stevens, J., dissenting) (cautious local officials may never take necessary regulatory action if temporary takings require compensation); \textit{infra} note 241. This chilling effect is more pronounced under a strict scrutiny regime under which a taking is more likely to be found.
\item[26.] A particularly good example of new problems to be addressed by legislatures is environmental protection. Legislatures have limited experience in this area, and as such, are not yet adept at tailoring means to ends. Therefore, environmental protection legislation is not likely to pass strict scrutiny, despite the desperate need for such measures. See \textit{Lucas v. South Carolina Coastal Council}, 112 S. Ct. 2886 (1992) (regulation protecting coastal zone invalidated).
\item[27.] See \textit{infra} note 239 and accompanying text for a new proposed rule for regulatory takings.
\end{enumerate}
\end{footnotesize}
judge regulation of property use. Using the Due Process Clause to analyze land use regulation does not imply that the Takings Clause would be read out of the Constitution. On the contrary, the Takings Clause should be afforded its original place in the American constitutional scheme as a guarantee to private property owners that the government will pay for physical invasions of private property either by the government or by government-authorized trespassers.

The propriety of this proposed rule, which distinguishes between a Takings Clause analysis for physical invasions by the government and a Due Process Clause analysis for mere police power regulations, becomes apparent after reading the pair of 1992 takings cases: Yee v. City of Escondido and Lucas v. South Carolina Coastal Council. The Takings Clause should be invoked only in cases of physical invasion, while the Due Process Clause should gauge the constitutionality of police power regulations affecting property.

28. Emphasis should be placed on the word "deferential." Deference to legislative judgment distinguishes the pre- and post-Lochner constructions of the Due Process Clause. The new takings rule proposed in this note would employ the current deferential construction of the Due Process Clause to regulatory takings. This deference would not only allow legislative "elbow room," but it would also allow the Court to escape from the ad hoc takings determinations in a doctrinal field full of conflicting precedent. Compare Pennsylvania Coal Co. v. Mahon, 260 U.S. 393 (1922) (taking) with Keystone Bituminous Coal Ass'n v. DeBenedictis, 480 U.S. 470 (1987) (no taking).


29. See infra note 195 and authorities cited therein.
30. See infra notes 171-86 and accompanying text.
31. See infra notes 40-73 for a discussion of physical invasion takings.
33. 112 S. Ct. 2886 (1992). Yee involved a physical invasion takings challenge in which the Court unanimously agreed that no taking had occurred. See infra notes 67-73 and accompanying text for a discussion of Yee. Lucas, a regulatory takings case, carried only a bare majority of five Justices on the Opinion of the Court. See infra notes 118-65 for a discussion of Lucas. Comparing simply the number of Justices supporting the majority opinion in Yee (nine) and Lucas (five) leads to the inescapable conclusion that the Court is more divided on the proper resolution of regulatory takings cases. The takings rule proposed in this note would address both the physical invasion and regulatory takings contexts.

34. The rule proposed here would easily comport with most of the Court's takings jurisprudence. Where takings have been found by the Court, the landowner may have also been deprived of due process. See, e.g., Nectow v. City of Cambridge, 277 U.S. 183 (1928) (holding that denial of exception to zoning ordinance denied landowner due process). In the Court's most
Part II of this Note will review the development of both the physical invasion takings doctrine and the current test for regulatory takings, Justice Scalia’s means/end nexus, to demonstrate that this test signals a return to the economic due process analysis of *Lochner.* Part III of this Note will explore the *Lucas* decision to show how the Court has cemented itself into a return to *Lochner,* as well as to show that judicial superlegislation is no longer the abstract fear it was in 1987. Part IV of this Note will discuss why the text of the Constitution, nineteenth-century police power cases, and Justice Holmes’s opinion in *Pennsylvania Coal* all reject current takings jurisprudence and its return to *Lochner.* Finally, after showing that no justifications exist for the stricter scrutiny of Justice Scalia’s nexus test, Part V of this Note will conclude with a proposed new approach for regulatory takings that uses both the Takings Clause and the Due Process Clause.

II. CABLEBOXES AND A BEACHFRONT BUNGALOW: THE RECENT EVOLUTION AND BIFURCATION OF TAKINGS JURISPRUDENCE

A. Physical Invasion Takings—Development of the Loretto Rule

The current Court has recognized those regulations “where the government authorizes physical occupation of property (or actually takes title)” as a separate

recent decisions, *Yee* and *Lucas,* the proposed test would change the result only in *Lucas.* The developmental ban in *Lucas* would likely survive due process scrutiny as applied in land use contexts. See, e.g., Village of Euclid v. Ambler Realty Co., 272 U.S. 365 (1926).

In *Yee* the Court correctly applied the *Loretto* rule, see infra notes 53-66 and accompanying text, and held that the composite effects of the rent control ordinance and the mobile home law did not authorize a permanent physical occupation. If the Court adopted the proposed test, takings challenges would be limited to those contemplated in *Yee,* and cases formerly considered regulatory takings challenges would be analyzed under the Due Process Clause and its deferential review standard.

35. See infra notes 87-117 and accompanying text. Professor Frank I. Michelman disagrees with the assertion that Scalia’s decision in *Nollan* v. California Coastal Comm’n, 483 U.S. 825 (1987), implicates a return to *Lochner.* See Michelman, supra note 1, at 1609. Michelman attempts to limit *Nollan*’s application to development exactions that allow permanent physical occupations. Accord Douglas W. Kmiec, *The Original Understanding of the Taking Clause Is Neither Weak Nor Obsolete,* 88 COLUM. L. REV. 1630, 1648 (1988) [hereinafter *Original Understanding*] (concluding that *Nollan* is not *Lochner* revisited); Douglas W. Kmiec, *The Coherence of the Natural Law of Property,* 26 VAL. U. L. REV. 367, 377-78 (1991) [hereinafter *Natural Law*] (*Nollan*’s means-ends nexus requirement was accepted judicial standard, while *Lochner*’s superlegislation was not). But see David A. Myers, *Some Observations on the Analysis of Regulatory Takings in the Rehnquist Court,* 23 VAL. U. L. REV. 527 (1988) (contending that uncertainty exists as to when *Nollan*’s higher scrutiny will apply).


37. See infra notes 118-65 and accompanying text.

38. See infra notes 171-217 and accompanying text.

39. See infra notes 243-44 and accompanying text.
category of takings. In physical invasion takings cases, the Court applies "a clear rule" that requires the government to pay compensation to burdened landowners. The Court has not always authorized compensation under this rule, but government occupation has historically been a consideration for the Court in determining whether a taking has occurred.

The evolution of the clear, *per se* takings rule for physical invasions began with *Kaiser-Aetna v. United States*. In *Kaiser-Aetna*, a development company challenged as a taking the federal government's proposed opening, under its regulatory powers, of a private marina to the public. The Court, with then-Justice Rehnquist writing for the majority, held that the government owed compensation for the taking of essentially a public easement in the marina. Though Congress did have the power to assure public access, Congress could not freely authorize public trespass onto what remained private property. Congress did have an interest in maintaining free access to interstate waters. However, the mere presence of a public interest in private

---

41. Id.
42. Consideration of government-authorized trespasses onto private property has traditionally fallen under the "character of governmental action" test. See Penn Cent. Transp. Co. v. New York City, 438 U.S. 104, 124 (1978). In *Penn Central*, after citing the familiar disclaimer that the Court has no "set formula" for takings analysis, *id.*, the Court, per Justice Brennan, added that among the several factors that the Court employs in takings cases is the character of the governmental action: "A taking may be more readily found when the interference with property can be characterized as a physical invasion by the government... than when the inference arises from some public program adjusting the benefits and burdens of economic life to promote the common good." *Id.* In other words, Justice Brennan devised a rough dichotomy between trespassory or physical invasions and mere regulatory exercises of the police power. The case cited by Brennan for this proposition was *United States v. Causby*, 328 U.S. 256 (1946), in which a landowner alleged that his property, a chicken farm, had been deprived of all viable use due to constant low overflights by government aircraft. The Court agreed with the landowner's characterization of the government action as trespassory, not regulatory, and ordered compensation.
43. Loretto v. Teleprompter Manhattan CATV Corp., 458 U.S. 419, 433 (1982). A physical invasion does not effect a *per se* taking unless the invasion is permanent. See PruneYard Shopping Ctr. v. Robins, 447 U.S. 74 (1980) (holding that temporary imposition of demonstrators in shopping mall is not a taking.) For convenience, the terms "Loretto rule" and "per se taking" will be used interchangeably.
44. 444 U.S. 164 (1979).
45. The district court found that the marina was navigable federal water for the purpose of Congressional regulatory power, but that it was not federally owned water in the sense that its opening to the public required no compensation. 408 F. Supp. 42 (D. Haw. 1976). The Ninth Circuit Court of Appeals reversed this decision and held that the opening of the marina required no compensation. 584 F.2d 378 (9th Cir. 1978).
47. *Id.* at 174.
48. *Id.* at 176.
49. *Id.* at 175.
property—an interest that only arose after the landowner had improved the marina and linked it to the ocean—could not transfer private marina control from the landowner to the government and its authorized trespassers, the public.

The Court found a taking because Justice Rehnquist focused the Court’s attention upon “one of the most essential sticks in the bundle of rights that are commonly characterized as property—the right to exclude others.” By characterizing the right of the landowner to keep its property free from uninvited public visitors as “a universally held . . . fundamental element” of property ownership, the Court decided that compensation was due for any encroachment by the public on this right of exclusivity, even if sanctioned by the government.

From the decision in *Kaiser-Aetna*, where physical invasion by the government created a weighty presumption in favor of compensation to protect a landowner’s right to exclude, the Court created a *per se* rule for physical invasion takings in *Loretto v. Teleprompter Manhattan CATV Corp.* In *Loretto*, a landowner sued a cable television operator, alleging that the installation of a cable box which measured one-third square foot on the landowner’s roof, pursuant to state law, constituted a compensable taking. The Supreme Court reversed the state court decision finding no taking.

Justice Marshall, writing for the majority, began the Court’s inquiry by acknowledging that generally, takings decisions relied upon no formal rules. Marshall, as had Rehnquist in *Kaiser-Aetna*, then turned the Court’s attention to the question of whether a navigational easement could be imposed without compensation after a balancing of the public and private interests in the marina. *Kaiser-Aetna v. United States*, 444 U.S. 164, 187 (1979). Blackmun felt that Congress’s interest in regulating interstate waters outweighed any private exclusionary interest or a desire for compensation after having sacrificed considerable investment in development.

The cable box had been installed pursuant to a state law prohibiting landowners from interfering with cable installation. The state trial court granted summary judgment to the cable operator, and the appellate court affirmed this decision. 422 N.Y.S.2d 550 (A.D. 1979). The New York Court of Appeals held that the statute served a legitimate police power purpose by facilitating the dissemination of an important educational resource, cable television. 423 N.E.2d 320 (N.Y. 1981). Additionally, the state court held that the relatively unobtrusive box had in no appreciable measure adversely affected the landowner’s economic interest in the property, and thus the government owed no compensation.

50. *Id.* at 176.
51. See *International News Serv. v. Associated Press*, 248 U.S. 215, 250 (1918) (Brandeis, J., dissenting) (exclusivity is an essential element of property ownership) cited by the Court for this proposition.
52. Justice Blackmun dissented on the ground that the Court could only make the decision whether a navigational easement could be imposed without compensation after a balancing of the public and private interests in the marina. *Kaiser-Aetna v. United States*, 444 U.S. 164, 187 (1979). Blackmun felt that Congress’s interest in regulating interstate waters outweighed any private exclusionary interest or a desire for compensation after having sacrificed considerable investment in development. *Id.* at 189-90.
54. The cable box had been installed pursuant to a state law prohibiting landowners from interfering with cable installation. The state trial court granted summary judgment to the cable operator, and the appellate court affirmed this decision. 422 N.Y.S.2d 550 (A.D. 1979). The New York Court of Appeals held that the statute served a legitimate police power purpose by facilitating the dissemination of an important educational resource, cable television. 423 N.E.2d 320 (N.Y. 1981). Additionally, the state court held that the relatively unobtrusive box had in no appreciable measure adversely affected the landowner’s economic interest in the property, and thus the government owed no compensation. *Id.* at 425.
55. *Loretto*, 458 U.S. at 442.
to the portion of the Penn Central opinion that stated that the character of the government action was a consideration to be weighed in a takings analysis, especially if this government action could be characterized as a physical invasion. Justice Marshall’s opinion then created a new category of regulations that always triggers the compensation requirement: “[W]hen the physical intrusion reaches the extreme form of a permanent physical occupation, a taking has occurred.” In such a case, the “character of the governmental action not only is an important factor in resolving whether the action works a taking but also is determinative.”

Applying this rule to the facts of Loretto, only one result became possible. The state statute prohibited the landowner from removing the cable box from the property. By authorizing, or more properly mandating, this physical invasion by the cable operator, the statute effected a taking. The diminutive size of the box had no bearing upon the decision that a taking had occurred. The determinative factor remained the characterization of the government-authorized invasion as permanent. Once the government has physically invaded private property permanently, a per se taking requiring compensation under Loretto has occurred.

The reasoning behind the Loretto decision merely extended that of Kaiser-Aetna. In Kaiser-Aetna, the Court focused upon the right to exclude. When government regulation impinges upon this right, the Court will more likely find a taking because exclusivity is a fundamental incident of property ownership. Though the invasion in Kaiser-Aetna could not be characterized as permanent, and thus would not have triggered application of Loretto’s per se rule, the difference between the invasion in both cases is a matter of degree. Where the government action in Kaiser-Aetna only implicated the right to exclude, the regulation in Loretto did not “simply take a single ‘strand’ from the ‘bundle’ of property rights: it chop[ped] through the bundle taking a slice from every strand.”

58. Loretto, 458 U.S. at 426.
59. Id. The physical-invasion takings doctrine eschews the general liberal/conservative characterization of the Court’s members. Justice Marshall, usually considered a liberal, found a per se taking in Loretto while Justice Blackmun, considered a moderate liberal, found no taking.
60. Loretto, 458 U.S. at 437. Size, or the extent of the physical invasion, may have some relevance to the amount of compensation to be paid.
61. Id. at 434-35.
62. See supra notes 44-52 and accompanying text.
63. See supra note 51 and accompanying text.
65. Id. at 435.
right to exclude, but also of the rights to use and dispose of property.\textsuperscript{66}

The Court applied the \textit{Loretto} rule most recently in \textit{Yee v. City of Escondido}.\textsuperscript{67} In \textit{Yee}, a mobile home park owner challenged as an unconstitutional taking a municipal rent control ordinance setting a ceiling on rents chargeable to mobile home park tenants.\textsuperscript{68} With Justice O'Connor

\textsuperscript{66} Id. at 435. The Court characterized these rights, as well as the landowner's expectation in exercising these rights, as traditional restraints on government's ability to physically occupy private property, and the rule that resulted from protecting these rights as a traditional rule. \textit{Id.} at 441. Cf. \textit{Andrus v. Allard}, 444 U.S. 51 (1979) (holding that retention of rights to possess and transport personal property weighs against finding a taking). Whether this rule that any permanent physical occupation by the government works a taking has the historical pedigree that the Court asserted in \textit{Loretto} remains open to debate. Surely, the Court had never explicitly stated this rule before \textit{Loretto}. Prior cases had merely held that a physical invasion was a factor to be considered in the takings analysis. See \textit{Penn Cent. Transp. Co. v. New York City}, 438 U.S. 104, 124 (1978); \textit{supra} note 42.

Even assuming the \textit{per se} takings rule has the support of history, such a history may be a disadvantage, according to Justice Blackmun's dissent in \textit{Loretto}. Creation of a fixed, \textit{per se} takings rule has the tendency to freeze the common law in its nineteenth-century form, leaving no flexibility for governmental interference of any extent. \textit{Loretto}, 458 U.S. at 455. However, reliance on history at the expense of sound judicial doctrine (see \textit{Lucas v. South Carolina Coastal Council}, 112 S. Ct. 2886 (1992); \textit{infra} notes 150-55) does not pose a similar problem for the \textit{per se} rule. The line-drawing in \textit{Loretto} serves a useful purpose because the line is concrete and easily identifiable at the moment of physical occupation. This approach also has the support of the framer's intent. \textit{See infra} notes 171-86 and accompanying text. By advancing the cause of certainty in constitutional guarantees, the \textit{per se} rule can only help protect property in its constitutional dimension.

\textsuperscript{67} 112 S. Ct. 1522 (1992).

\textsuperscript{68} The rent control ordinance alone did not animate the landowner's physical invasion takings challenge. To provide further protection for mobile home dwellers, the state had also enacted the Mobilehome Residency Law, which prevented mobile home park owners from actually or constructively evicting tenants under certain circumstances. Working together, these regulations both prevented park owners from removing unwanted tenants, and prevented rent increases to remove undesirable tenants or to insulate mobile home parks from the incursion of new undesirable tenants. The landowner challenged only the constitutionality of the rent control ordinance.

In substance, the landowner's takings claim alleged that the combined effect of the regulations forced him to accept potentially unwanted tenants at deflated rents, which violated his right of exclusivity. \textit{See supra} notes 50-52 and accompanying text. Because the rent control ordinance deflated rents collectable from mobile home tenants, and the residency law restricted when park owners could evict these tenants, the landowner alleged not only that his right to exclude had been taken, but also that such forced association between park owners and tenants resulted in a permanent transfer of wealth, in the form of higher rents that new tenants would pay, from park owners to tenants. \textit{Yee}, 112 S. Ct. at 1528. The California Supreme Court denied review of the landowner's claims. 274 Cal. Rptr. 551 (1990).

\textit{Yee} was not controlled by \textit{Pennell v. City of San Jose}, 485 U.S. 1 (1988); \textit{see infra} notes 105-17; another rent control takings case, because the landowner in \textit{Yee} advanced a physical invasion takings theory before the Court, whereas \textit{Pennell} involved a regulatory takings challenge. Had \textit{Pennell} applied, its precedential value would have been minimal nonetheless. The applicability of one rent control takings case to subsequent rent control cases rests upon the similarity of the underlying ordinances. Because different municipalities address the problem of exorbitant rents in

http://scholar.valpo.edu/vulr/vol28/iss2/9
writing for a unanimous panel, the Court held that the physical invasion rule of
Loretto only applied when the government required the landowner to acquiesce
to a trespass. Because the government had not chosen the park owner's
tenants, the Loretto rule could not help the landowner. Additionally, the
mere transfer of wealth from park owner to tenant did not convert a police
power regulation into a physical invasion requiring compensation. Plainly,
the Court meant to compensate only real, tangible permanent physical invasion
by the government when it promulgated the Loretto rule; Yee simply applied this
rule, finding no taking.

B. Regulatory Takings—Justice Scalia Builds the New Lochner

Yee identified the two distinct classes of takings cases: physical invasion
takings and regulatory takings. The regulatory takings doctrine involves a
much more complex inquiry than whether a permanent physical invasion has
occurred. The Court's regulatory takings jurisprudence, which has garnered
most of the Court's attention on takings, remains muddled, at best. At its
different ways, similarities would seem unlikely. Compare the rent control ordinance in Yee, 112 S. Ct. at 1522 with the rent control ordinance in Pennell, 485 U.S. at 1.
69. Yee, 112 S. Ct. at 1528.
70. Id. at 1530.
71. Id. at 1528-29.
72. The Court prudentially refused to reach the question of whether the cumulative effects of
the regulations resulted in a regulatory taking because the landowner had not raised the regulatory
taking issue in the state court below. Id. at 1531-34.
73. Yee assuaged any doubts that the Loretto rule would be manipulated by clever landowners
trying to fashion a regulatory impact upon their property into a physical invasion. What Loretto
never made clear, as Justice Blackmun's dissent indicates, see Loretto v. Teleprompter Manhattan
CATV Corp., 458 U.S. 419, 445-51, and Yee failed to address, was how the Court would deal with
temporary physical invasions. Largely this question seems academic. In the absence of a permanent
physical invasion, and therefore without the benefits of the per se rule for a landowner, the character
of government action factor under Penn Central, see supra note 42, would still weigh in favor of
finding a taking under the Court's takings analysis. The right to exclude emphasized in Kaiser-
Aetna, see supra notes 44-52 and accompanying text, would also militate toward finding a taking.
Once a taking is found, whether temporary or permanent, compensation is due from the government.
See First English Evangelical Lutheran Church v. County of Los Angeles, California, 482 U.S. 304
(1987); infra note 241.
75. See Loretto, 458 U.S. at 419.
76. Of the five takings decisions issued in 1987 and 1992, only one—Yee, 112 S. Ct. at 1522—
involved a physical invasion takings challenge. The remainder were regulatory takings cases.

The regulatory takings doctrine has elicited spirited commentary from considerable numbers
of legal scholars as well. See generally BRUCE ACKERMAN, PRIVATE PROPERTY AND THE
CONSTITUTION (1977); FRED BOSSelman ET AL., THE TAKING ISSUE (1973); RICHARD Epstein,
TAKINGS, PRIVATE PROPERTY AND THE POWER OF EMINENT DOMAIN (1985); Douglas A. Humback,
A Unifying Theory for the Just-Compensation Cases: Takings, Regulation and Public Use, 34
RUTGERS L. REV. 243 (1982); Michelman, supra note 1; Michelman, supra note 21; Andrea L.
worst, the regulatory takings doctrine is a confusing legal briarpatch of disregarded or manipulated precedent, unsupported rule-making, and even plain judicial error. Justice Brennan, in trying to synthesize more than half a century of regulatory takings cases, could not distill coherent standards and could only offer several vague considerations that the Court had previously examined to determine whether a taking had occurred. Where the Court once cited Justice Holmes's “too far” test with mantric reverence, Justice Brennan's all-too-candid remark that the Court has no “set formula” for deciding takings cases has gradually displaced the Holmes test. Additionally, Brennan's remark exposes the Court's doctrinal difficulties by admitting that the real test for a regulatory taking is no test at all. As a remedy for this lack of direction or doctrine in the takings arena, Justice Scalia has introduced a new takings test, setting the stage for a return to Lochner's strict scrutiny of regulatory legislation.

The case that first raised the specter of Lochner was also Scalia's first takings opinion, Nollan v. California Coastal Commission. In Nollan, a landowner planned to develop his beachfront property, replacing a small one-story bungalow with a considerably larger two-story home. The state regulatory commission charged with overseeing coastal development found that the proposed development would create a visual and psychological barrier to beach access for passersby. To increase overall public beach access, the commission


78. See Nollan v. California Coastal Comm'n, 483 U.S. 825 (1987); infra notes 84-104. The stricter scrutiny proposed by Scalia for regulatory takings analysis had no precedential support.

79. See Agins v. City of Tiberon, 447 U.S. 255, 261 (1980) (takings analysis requires a weighing of public and private interests). The balancing of public and private interests is not proper for a takings analysis. If private property has indeed been taken, the presence of even the weightiest public interest will not undo the taking, and therefore will not avoid the compensation requirement. Balancing is proper under the Due Process Clause. See Stoebuck, supra note 11, at 1065-66.

80. See infra note 81 and accompanying text.

81. These considerations included the impact of the regulation, the degree to which the regulation interferes with investment-backed expectations, the character of the governmental action, average reciprocity of advantage, and the degree to which the regulation seeks to prevent harm to other private property. See Penn Cent. Transp. Co. v. New York City, 438 U.S. 104 (1978). For an analysis and explanation of Justice Brennan's use of these terms, see generally Myers, supra note 35.

83. Penn Central, 438 U.S. at 124.
conditioned the grant of a permit on the dedication of a lateral easement of public access across the landowner’s property, parallel to the shore. The landowner challenged this development condition as unconstitutional.\textsuperscript{85}

The Court found that the imposition of the access condition effected an unconstitutional taking.\textsuperscript{86} Justice Scalia, writing for a five justice majority, began the Court’s decision by attempting to characterize the condition as a physical invasion. He cited \textit{Loretto}\textsuperscript{87} for the proposition that the easement, by forcing continuous public access, violated the right to exclude,\textsuperscript{88} although the condition allowed no individual members of the public to permanently station themselves on the property.\textsuperscript{89} Seemingly, Justice Scalia found that the easement condition violated the \textit{per se} takings rule,\textsuperscript{90} but he chose not to rest the Court’s decision upon \textit{Loretto}’s shoulders.\textsuperscript{91}

Justice Scalia instead inquired whether the fact that the easement could not have been appropriated directly by the state without compensation rendered the indirect appropriation of the easement through a development condition a taking.\textsuperscript{92} This portion of Justice Scalia’s opinion abandoned the apparently dispositive physical invasion aspect of the case and focused upon the regulatory takings doctrine, where he completely altered the Court’s analysis. Justice

\textsuperscript{85}The trial court agreed with the landowner that the commission had not advanced sufficient reasons to show how a lateral easement would remedy the problem of limited visual access, and thus declared the development condition void. \textit{Id.} at 829. The state appellate court reversed the trial court’s decision invalidating the development condition, finding that any development condition that debatably contributed to overall public access, albeit indirectly, satisfied the Takings Clause. Nollan v. California Coastal Comm’n, 223 Cal. Rptr. 28, 30-31 (1986). Further, the court held that the condition imposed did not deprive the landowner of a reasonable use of his property. \textit{Id.} at 30. The landowner appealed to the United States Supreme Court. \textit{Nollan}, 483 U.S. at 831.

\textsuperscript{86}\textit{Id.} at 842.

\textsuperscript{87}458 U.S. 419 (1982). \textit{See also} notes 53-66 and accompanying text for a discussion of \textit{Loretto}.

\textsuperscript{88}\textit{Nollan}, 483 U.S. at 831.

\textsuperscript{89}\textit{Id.} at 832.

\textsuperscript{90}\textit{Id.} If not directly violative of \textit{Loretto}’s \textit{per se} rule, at least the condition in \textit{Nollan} would seem to bring the case within the rule of \textit{Kaiser-Aetna} v. United States, 444 U.S. 164 (1979). This rule, essentially a pre-\textit{Loretto} formulation for physical invasion takings, creates a presumption that a taking has occurred if a landowner’s right to exclude is impinged. \textit{See supra} notes 44-52 and accompanying text. On the similarity of their respective facts, \textit{Kaiser-Aetna} would seem to dispose of \textit{Nollan}: allowing public navigation in a private marina from time to time is analogous to allowing public passage over private beachfront property from time to time. In neither case was an individual member of the public permanently fixed upon the regulated property, but in both cases the regulation limited the right to exclude.

\textsuperscript{91}Seemingly Justice Scalia felt that a \textit{per se} taking served as an insufficient basis for decision, and he chose \textit{Nollan} as an opportunity to produce a new takings test. Scalia probably felt that he could not neatly characterize the conditional developmental ban as a physical occupation.

\textsuperscript{92}Nollan v. California Coastal Comm’n, 483 U.S. 825, 831 (1987).
Scalia began by citing Agins v. City of Tiburon\textsuperscript{93} for the innocuous proposition that a regulation does not effect a taking if it "substantially advances" a legitimate state interest and does not "deny the owner an economically viable use of his land."\textsuperscript{94}

Where courts had previously focused upon the legitimacy of the asserted state interest, Justice Scalia turned the Court's analysis toward the requirement that the regulation substantially advance this interest.\textsuperscript{95} In footnote three,\textsuperscript{96} Scalia stated that the Court would no longer use a deferential standard requiring only a rational relation between the means and the ends of government regulation\textsuperscript{97} in analyzing regulatory takings challenges. Instead, his opinion

\begin{itemize}
\item \textsuperscript{93} 447 U.S. 255 (1980). \textit{Agins} involved a takings challenge to a zoning ordinance in which the Court found that no taking had occurred. Ripeness also weighed against finding a taking; see infra note 108.
\item \textsuperscript{94} Id. at 260. This language is perhaps inapplicable to takings analysis because the "substantially advance" prong comes from the zoning and due process case of Nectow v. City of Cambridge, 277 U.S. 183 (1928). \textit{Nectow} does not employ the Takings Clause, and the decision is an anomaly because it invalidated a zoning ordinance in the wake of Village of Euclid v. Ambler Realty Co., 272 U.S. 365 (1926) (generally upholding zoning as a rational exercise of the police power). Nonetheless, accepting \textit{Nectow} as at least a distant cousin of regulatory takings cases, its standard of judicial review is no higher in substance than that of minimum rationality. See supra note 6. See also \textit{Nollan}, 483 U.S. at 844 n.1 (Brennan, J., dissenting) ("Our phraseology [of takings scrutiny] may differ slightly from case to case . . . . These minor differences cannot, however, obscure the fact that the inquiry in each case is the same."). Though Justice Brennan used the word "substantially" in Penn Cent. Transp. Co. v. New York City, 438 U.S. 104, 127 (1978), his approach to this word differed from that taken by Scalia in \textit{Nollan}.
\item \textsuperscript{95} By so altering the Court's inquiry, Scalia relegated the ends of the regulation to the background, while he focused solely in the foreground upon the means used to advance these ends. See \textit{Nollan}, 483 U.S. at 837. This approach raises the specter of economic due process. Many of the members of the \textit{Lochner} Court would have undoubtedly accepted state goals such as ensuring worker safety as noble and worthwhile ends. See supra note 3 and cases cited therein. However, these same judges invalidated many such regulations because they felt that business should not have to bear the costs of such regulation, i.e., they questioned the means that the state had contemplated to advance its ends. See supra note 3. Presumably, Justice Scalia even would have very little apprehension in recognizing preservation of public beach access as a legitimate state interest. \textit{Nollan}, 483 U.S. at 841. Justice Scalia though, like some of his more conservative predecessors, disagrees with imposing the cost of this regulation through an access condition to the detriment of private development. Id. at 841-42.
\item \textsuperscript{96} \textit{Nollan} v. California Coastal Comm'n, 483 U.S. 825, 835 n.3 (1987).
\item \textsuperscript{97} In \textit{Nollan} itself, Justice Scalia's lean toward heightened scrutiny comes by rejecting, in footnote three, Justice Brennan's suggestion in dissent that the inquiries under the Takings, Due Process, and Equal Protection Clauses are essentially the same. Compare id. at 834 n.3 (Scalia, J.) ("our opinions do not establish that these [takings] standards are the same as those applied to due process or equal protection claims") with id. at 844 n.1 (Brennan, J., dissenting):

\begin{quote}
Our consideration of [takings] factors . . . provides an analytical framework for protecting the values underlying the Takings Clause, and other distinctive approaches are utilized to give effect to other constitutional provisions. This is far different, however, from the use of different standards of review to address the threshold issue of
\end{quote}

http://scholar.valpo.edu/vulr/vol28/iss2/9
mandated a much more searching inquiry into the substantiality of the relationship between the asserted government interest and the means chosen by the state to serve that interest.98

*Nollan*'s most notorious contribution to the regulatory takings doctrine remains not so much the standard of review adopted by Justice Scalia, as his actual application of this standard. The minimal extraction of a lateral passage easement did not pass Justice Scalia's scrutiny. Specifically, Scalia found that the lateral easement did not address the problem identified by the commission with more intense development: reduced visual access to the beach.99 The microscopic examination to which Justice Scalia submitted the development condition not only allowed private sector development without restriction, but also advanced with it a nearly fundamental right of private real estate development that the Court had never before recognized.100

the rationality of government action.

Scalia's new scrutiny is itself questionable, but one of the cases he cites to support it, *see id.* at 834, is Justice Brennan's opinion for the Court in *Penn Central*, 438 U.S. at 127 (1978) ("use restriction may constitute a 'taking' if not reasonably necessary to the effectuation of a substantial government purpose"). Presumably, Brennan did not have the kind of strict scrutiny Scalia propounds in mind when he wrote *Penn Central*. *Penn Central* was exceedingly deferential in reviewing a landmark preservation ordinance and may even be characterized as a case hostile to development rights because the Court there found no taking. Justice Brennan never employed the phrase "substantially advance" to refer to the degree to which the means of achieving this interest must be advanced, *Nollan*, 842 U.S. at 843, i.e., Brennan never intended to require a close causal nexus between the landowner's use and the problem regulated.

98. Justice Scalia added substance to "substantially advance" as used in *Agins*. In other words, he refused to equate "substantially advance" with the classic deferential review standard for takings challenges, and instead equated substantial with nearly compelling. *See infra* note 99.

99. Here Scalia's higher scrutiny manifests itself in practice: 

"[U]nless the permit condition serves the same governmental purpose as the developmental ban, the building restriction is not a valid regulation of land use but an out-and-out plan of extortion." *Nollan*, 483 U.S. at 837. Scalia requires an unrealistically tight fit between the ends of the regulation (remedying the lack of visual access) and the means advanced in the regulation to solve this problem (permitting condition allowing lateral access to the public). The example of a regulation that would pass this scrutiny, a visual easement from the street to the beach, does not benefit the public to a sufficient degree to make regulation worthwhile. The takings doctrine has never before required such narrow tailoring. *See, e.g.*, *Penn Central*, 438 U.S. 104 (holding that denial of development permit is not a taking in part because developmental rights are transferable to other non-restricted property).100

100. *But cf.* Lucas v. South Carolina Coastal Council, 112 S. Ct. 2886 (1992), *infra* notes 118-65 and accompanying text. Some legal scholars have attempted to cabin the *Nollan* decision by refusing to equate Justice Scalia's approach in limiting the range of constitutional government activity as a return to *Lochner*. *See Michelman*, *supra* note 1; *Original Understanding*, *supra* note 35. These commentators emphasize that although the language of *Nollan* is broad, the holding is narrow. *See also* *Myers*, *supra* note 35. Whether these scholars are merely justifying Scalia's opinion or correctly reading *Nollan* is open to debate. Surely, the former seems more likely when *Nollan* could have been decided as a physical invasion case. *See supra* notes 87-91 and accompanying text.

Ironically, Justice Scalia has been hesitant to recognize non-textual rights in other, less
Justice Brennan, in dissent, focused upon the rationality standard for reviewing police power regulations and decried any stricter scrutiny.\(^{101}\) Moreover, he showed that even under heightened scrutiny, the lateral easement condition passed constitutional muster. By characterizing the state interest as increasing overall access—visual, psychological, and physical—of the public to the beach,\(^{102}\) Brennan found a substantial nexus between the state interest and the developmental condition, between end and means.\(^{103}\) Most importantly though, Justice Brennan argued for a more deferential standard of review to provide legislatures with the necessary flexibility to address new problems in an era of increasingly intense development threatening environmentally sensitive areas such as shoreland.\(^{104}\)

The disturbing development of higher scrutiny in *Nollan* became even more apparent in *Pennell v. City of San Jose*.\(^{105}\) In *Pennell*, a landowner challenged a municipal rent control ordinance as a regulatory taking.\(^{106}\) The Court, in an

\(^{101}\) Justice Brennan even implicates *Lochner*. *Nollan v. California Coastal Comm’n*, 483 U.S. 825, 842 (1987) (Brennan, J., dissenting) ("[T]he Court imposes a standard of precision for the exercise of a State’s police power that has been discredited for the better part of this century."). *See also id.* at 846 (Scalia’s “narrow conception of rationality has long since been discredited a judicial arrogation of legislative authority”).

\(^{102}\) *Id.* at 849-53.

\(^{103}\) Under the factors enunciated in *Penn Central*, Justice Brennan would have found that no taking had occurred; *see supra* note 81. The regulation involved no denial of economically viable use of the property because the landowner could still use the bungalow. *Nollan*, 483 U.S. at 845 n.2. The physical invasion was minimal because part of the easement already rested in the public domain over shoreland. *Id.* at 853. The regulation involved an average reciprocity of advantage because similar easements were required on other beachfront property, giving the landowner a right to walk along beach property other than his own. *Id.* at 856. Finally, investment-backed expectations were not a problem because the landowner purchased the land with knowledge of the condition. *Id.* at 860.

\(^{104}\) *Id.* at 863, 864. Justice Blackmun also advocated this argument in a separate dissent. *See id.* at 865.


\(^{106}\) The ordinance provided six objective factors to help determine at what rate landlords must set their rents. *Id.* at 4-5. The ordinance also provided for consideration of a subjective factor, tenant hardship, in determining a reasonable rent. *Id.* The landowner narrowed his constitutional challenge to the subjective factor, arguing that consideration of such a soft variable could give the municipality the opportunity for arbitrary enforcement of the ordinance. *Id.* at 9. This arbitrariness could in turn result in “taking” rent properly assessed under the objective factors. *Id.* The trial court held the ordinance unconstitutional, and the state appellate court affirmed this decision on the grounds that the possibility of arbitrary enforcement made the ordinance unconstitutional. 201 Cal. Rptr. 728 (Cal. Ct. App. 1984). The California Supreme Court reversed. 721 P.2d 1111 (Cal. 1986).
opinion authored by Chief Justice Rehnquist, held that no evidence existed in the record to demonstrate that the rent control ordinance effected a taking. In short, although the Court did not invoke the prudential limitation of ripeness to resist hearing the case on its merits, the decision rested upon an inadequate factual record in which a taking could be found.

The importance of *Pennell* for this Note lies in the dissent of Justice Scalia. Scalia would have found the rent control ordinance to work a taking. Returning to the *Nollan* language that a regulation must “substantially advance a legitimate state interest” to avoid a successful takings challenge, Justice Scalia once again imposed a higher level of scrutiny to a regulation challenged as a taking. Scalia embellished upon his nexus test to require a “cause-and-effect relationship between the property restricted by the regulation and the social evil that the regulation seeks to remedy.” The thrust of this new language is that government must meet a high standard of judicial review by showing a close fit between the regulation imposed and a need for this regulation caused by the burdened landowner.

107. *Pennell*, 485 U.S. at 10. No taking had occurred for the obvious fact that no proprietary interest had been deprived of the landowner. *Id.* Additionally, the Court held that the landowner’s facial challenge to the ordinance under the Due Process Clause also failed because fixing rents was a rational exercise of the police power. *Id.* at 12-13. The Court did not hold that any consideration of subjective factors would be impermissible, even on an applied challenge. The issue of the extent to which consideration of subjective factors would result in a taking as applied was therefore reserved by the Court.

108. See, e.g., *Williamson Planning Comm’n v. Hamilton Bank*, 473 U.S. 172, 186-87 (1985). In *Williamson*, the Court held that a takings clause claim is not ripe until the government has decided that the regulation actually applies to the landowner’s property. *Id.* at 186. See also *Hodel v. Virginia Surface Mining & Reclamation Ass’n, Inc.*, 452 U.S. 264 (1981); *Agins v. City of Tiburon*, 447 U.S. 255 (1980).


110. See supra notes 93-98 and accompanying text.


112. *Pennell v. City of San Jose*, 485 U.S. 1, 20 (1989). In other words, the landowner must be the cause of the harmful effects that the regulation is imposed to rectify. In Justice Scalia’s opinion, the rent control ordinance did not meet this test because the landowner had not caused the hardship experienced by the tenants.

113. Whether it is termed cause-and-effect, means/ends scrutiny, or a nexus requirement, this intensified review standard lacks precedential support. *Nollan*, 483 U.S. at 844 n.1. The danger of the Court imposing its own judgment upon the wisdom of legislative enactments is equally manifest because the Court conducts its own independent review to determine the extent to which a regulation addresses a given social evil. The possibility for abuse could come from a Court whose members considered a regulation particularly onerous or ideologically wrong. Such a Court would find that the regulation failed to adequately address the problem regulated.

The current Court, or at least Justice Scalia, imposes the burden of proof on the government to justify regulation to the satisfaction of the Court before the regulation will pass constitutional muster. But the burden correctly rests upon the landowner to establish that a regulation effects an
Justice Scalia attempted to justify this cause-and-effect test by referring to the time-honored taking's maxim that "a landowner may not be singled out to bear public burdens . . . that should be borne by the public as a whole." But Scalia's citation of this passage is misleading. The whole purpose behind police power legislation is the promotion of the health, safety, and general welfare of the polity. This power entails impeding some citizens' rights, and necessarily their property, for the benefit of others. By citing Armstrong v. United States for the blanket proposition that the Takings Clause affords protection to singled-out and uniquely disadvantaged landowners, Scalia attempted to revive Lochner's appeal to the contract liberties of singled-out businesses. In any event, a careful reading of Nollan and Justice Scalia's unconstitutional taking. See Keystone Bituminous Coal Ass'n v. DeBenedictis, 480 U.S. 470, 485 (1987). This is the meaning of the presumption of constitutional validity generally, and properly afforded to police power legislation. See also Lucas v. South Carolina Coastal Council, 112 S. Ct. 2886, 2909 (1992) (Blackmun, J., dissenting).

114. Pennell, 485 U.S. at 22 (citing Armstrong v. United States, 364 U.S. 40 (1960)). This "guiding principle of the Takings Clause," Pennell, 485 U.S. at 23, is often referred to as the equal protection arm of takings jurisprudence. See Original Understanding, supra note 35, at 1652-53; Note, Taking a Step Back: A Reconsideration of the Takings Test of Nollan v. California Coastal Commission, 102 HARV. L. REV. 448, 451 (1988). The argument proceeds that the government, by taking without compensation, unfairly singles out particular landowners, and that these landowners deserve the protection of the Takings Clause. Justice Scalia mentioned this argument in Nollan, but failed to develop it fully. Nollan, 483 U.S. at 835 n.4. Reading equal protection under the law into the Takings Clause is unpersuasive. An equal protection violation could be addressed sufficiently by the Equal Protection Clause, and the construction given to it by the Court requires strict judicial scrutiny only in the event of deprivation of a group's fundamental rights or suspect classifications under a legislative scheme. See, e.g., Davis v. Bandemer, 478 U.S. 109 (1986) (fundamental right to vote) and Village of Arlington Heights v. Metropolitan Hous. Dev. Corp., 429 U.S. 252 (1977) (suspect racial classification).

In opposition to the "equal protection" argument that an individual should not alone bear burdens more properly assigned to society stands Justice Brennan's suggestion that a regulation is valid if it merely adjusts the benefits and burdens of economic life. See Penn Cent. Transp. Co. v. New York City, 438 U.S. 104, 124 (1978).

115. See supra note 11 and authorities cited therein.

116. Here, the question of when compensation will be required becomes apparent. In the context of a broad city-wide rent control ordinance, Justice Scalia's argument in favor of finding a compensable taking falls on deaf ears. No landlord is uniquely disadvantaged in comparison to others engaged in the same business, because all landlords have the factor of tenant hardship to potentially lower rents. The fact that a single landlord with more tenants suffering hardship bears more of a burden than other landlords does not, without more, require compensation as a taking. See Penn Central, 438 U.S. 104 (1978) (finding no taking when only landowners with parcels designated as landmarks burdened by regulation). Bearing this in mind, the Armstrong equal protection argument seems more appropriate in a physical invasion context.

117. Even Justice Scalia would not go this far. In his Pennell dissent, he does recognize some instances when an exercise of the police power will survive his scrutiny, e.g., zoning set-back restrictions in residential neighborhoods and emergency price controls. Pennell v. City of San Jose, 485 U.S. 1, 20 (1989). He justifies these requirements as "traditional land-use controls." Id. But price control measures would also violate the Takings Clause under Scalia's nexus test because
Pennell dissent together in this light leads arguably to the conclusion that Justice Scalia has drastically changed the regulatory takings doctrine. This change continued in 1992, as higher scrutiny became the touchstone of takings jurisprudence.

III. Lucas v. South Carolina Coastal Council

Slightly more than two months after the Court denied a physical invasion takings challenge in Yee, the Court reentered the takings arena, entertaining a regulatory takings challenge in Lucas v. South Carolina Coastal Council. Lucas addressed the constitutionality of the South Carolina Beachfront Management Act (BMA) against a takings claim brought by a developer, Lucas. In a majority opinion authored by Justice Scalia, the Court held that the regulation tentatively effected a compensable taking. Scalia began his opinion by invoking the familiar Pennsylvania Coal formulation of the regulatory market failures, not exorbitant prices, are the cause of the consumer hardship problem that legislatures attempt to correct with price controls.

Mere historical acceptance does not, without more, measure constitutionality. If these traditional police power exercises can be accepted, then why not less traditional uses of the police power? See Lucas v. South Carolina Coastal Council, 112 S. Ct. 2886 (1992) (developmental ban for beachfront property). Tradition does not justify traditional exercises of the police power. The policies behind the police power—regulation in the interests of health and general welfare—do. See supra note 11.


119. Lucas had purchased and developed shoreland on one of South Carolina's barrier islands in the late 1970s. As development of the property came to a profitable close, Lucas purchased two additional parcels nearby in 1986 for development of single-family residences. When Lucas made this purchase, these parcels were unencumbered by building restrictions under state environmental protection laws.

However, in 1988, the South Carolina legislature amended its coastal zone legislation with the BMA. The BMA prohibited construction of "occupiable improvements" near a line drawn parallel to the shore by the coastal council. Id. at 2889. Unfortunately for Lucas, his two parcels fell within the restricted property. Lucas immediately sought the aid of the courts, contending that although the BMA was a valid exercise of the state's police power, it had completely destroyed his investment in these parcels by prohibiting development. Lucas asserted that the state owed him compensation of $1.2 million.

The trial court agreed with Lucas, finding that the developmental ban rendered his parcels "valueless." Id. at 2890. The South Carolina Supreme Court reversed, holding that in the absence of a challenge to the statute's purpose, which Lucas had already admitted as valid, the legislative findings that development threatened a public resource fended off a successful takings challenge. Relying on Mugler v. Kansas, 123 U.S. 623 (1887), discussed infra notes 187-99, the state supreme court reasoned that legislation directed at the prevention of public harm, like the BMA, constituted a valid exercise of the police power. As such, the BMA was valid under the Takings Clause even if the property's developmental value had been destroyed. The United States Supreme Court granted certiorari. Lucas, 112 S. Ct. at 436.

120. The Court's holding was qualified because the case was remanded to the state courts to determine whether "traditional" state property law allowed such regulation of land use. See infra notes 150-55 and accompanying text for a discussion of Justice Scalia's "traditional" rule.
takings doctrine and the equally familiar disclaimer by Justice Brennan that the Court recognizes no "set formula" in its takings decisions. But quickly enough, Justice Scalia continued his alteration of takings clause jurisprudence by announcing that the Court had formulated two categories of *per se* takings that did not require a case specific inquiry to find a taking: permanent physical occupation authorized by the government as enunciated in *Loretto*, and the previously unrecognized category of government regulation that "denies all economically beneficial or productive use of land." Scalia supported his creation of this new and unprecedented class of *per se* takings by referring to a landowner's "reasonable expectations" as "shaped by the state's law of property." Thus, by merely referring to state property law, the Takings Clause may protect a landowner from regulations that eliminate economic value if the value eliminated inheres to an estate with "a rich tradition of protection at common law." Such a rule circumvents the normal case-

121. "[I]f a regulation goes too far it will be recognized as a taking." Pennsylvania Coal Co. v. Mahon, 260 U.S. 393, 415 (1922). See also supra note 9 and accompanying text.


123. *Loretto* v. Teleprompter Manhattan CATV Corp., 458 U.S. 419 (1982), created a *per se* takings rule that the compensation requirement of the Takings Clause is automatically triggered when the government permanently physically invades private property. See supra notes 53-66 and accompanying text. Before *Lucas*, this was the only *per se* takings rule ever explicitly recognized by the Court.

124. *Lucas* v. South Carolina Coastal Council, 112 S. Ct. 2886, 2893 (1992). This second category has never been categorized as a *per se* rule in the history of the Court's takings jurisprudence, although Chief Justice Rehnquist intimated in 1987 that he would create such a rule. See *Keystone Bituminous Coal Ass'n v. DeBenedictis*, 480 U.S. 470, 517 (Rehnquist, C.J., dissenting) ("[T]here is no need for further analysis where the government by regulation extinguishes the whole bundle of rights in an identifiable segment of property."). The formulation of such a rule has always presented difficulties because the destruction of the economic value of property lies in the eyes of the beholder. In other words, total deprivation of economic value depends upon how the relevant property is defined. The Court could characterize destruction of a one-acre lot of a hundred-acre parcel as either a one percent devaluation of the larger tract or a total deprivation of one acre. This definitional problem may account for the difference in the holdings in *Pennsylvania Coal*—where the Court found a total deprivation of a smaller estate, even though the landowner held more property, and *Keystone Bituminous*—where the Court regarded larger holdings as relevant. See also *Andrus v. Allard*, 444 U.S. 51 (1979) (holding that a regulation outlawing sale of endangered bird parts is not a taking because owners still retain right to possess and transport). Certainly, the extent that a regulation diminishes economic value is considered by the Court in the regulatory takings analysis, see, e.g., *Penn Central*, 438 U.S. at 124 (Court will consider the "economic impact of the regulation"), but this consideration never generated a category of automatic takings until *Lucas*. Even Scalia recognizes the problem inherent in such a rule. *Lucas*, 112 S. Ct. at 2894 n.7 ("Regrettably, the rhetorical force of our 'deprivation of all economically feasible use' rule is greater than its precision, since the rule does not make clear the 'property interest' against which the loss of value is to be measured.").

125. *Id.*

126. *Id.*
by-case inquiry in takings cases. Justice Scalia dispensed with this method of takings analysis by stating that when a regulation leaves no economic value in the property, the Court can summarily conclude that the regulation is not a valid exercise of the police power. When regulation eliminates property’s economic value, such regulation carries with it a presumptive purpose of “pressing” private property “into some form of public service under the guise of mitigating serious harm.” Scalia refused to recognize the fact that not only regulation that eliminates economic value may look like the impression of private property for public service; most valid police power regulation also bears this look.

A more fundamental problem plagues Justice Scalia’s new category in that the only value whose elimination bothered the Court in Lucas was economic value. The Court even decried regulation that forces landowners to submit to regulations that leave property “economically idle.” With this statement, Scalia revealed his Lochnerian design for takings analysis. Land, and property more generally, has more than economic value, but only economic value receives the benefit of the Court’s categorical rule. Like the Lochner Court, the current Court, led by Justice Scalia, exalts economic development at the

127. See supra note 81 and accompanying text.
129. Id. at 2895.
130. Another example of valid police power regulation that may fall into Justice Scalia’s newly created category is zoning laws. Property owners displeased with their parcel’s classification would undoubtedly fail with a takings challenge if they alleged a taking on the ground that their property had been impressed into public service. But Justice Scalia’s opinion almost goes this far by asserting that an environmental protection regulation, like a zoning ordinance, applied similarly to all coastal property impresses into public service only that land most severely burdened by the neutral regulation.
132. Lucas, 112 S. Ct. at 2895.
133. Justice Stevens, in dissent, criticizes the economic-use bias of the majority opinion. Id. at 2919 n.3 (“[T]he Court offers no basis for its assumption that the only uses of property cognizable under the Constitution are developmental uses.”). Supporting economic productivity is not the proper role of the Court though, especially when this endeavor neglects other values property may have that may lend support to the legislation under attack.

In attempting to refute this assertion of a pro-development bias, Justice Scalia cited Loretto for the proposition that non-economic interests are also recognized under the Constitution. Fundamentally though, Loretto displays a similar concern for economic interests. Much of the Loretto decision turns on the right to exclude and how impairment of this right can have adverse consequences for a landowner in terms of the property’s market and resale values. See Loretto v. Teleprompter Manhattan CATV Corp., 458 U.S. 419, 436 (1982). This economic slant is less troublesome in the context of Loretto because exclusivity, not development, is the central concern of the per se rule for physical invasions. This distinction between Loretto and Lucas comports with the intent of the framers in the Takings Clause. See infra notes 171-86.
expense of other valuable state interests. Simply put, by not recognizing other non-economic value in the property, the Court can more easily find a taking and frustrate legislative initiatives.

Even with the development ban, Lucas’s property had value: aesthetic and recreational value. In no realistic sense, except perhaps economically, could the Court state that Lucas had been deprived of all beneficial use of his property. Calling the extinguishment of the right to develop property a complete destruction of property value not only belittled beneficial uses that remained in the property but also implicated a fee interest comprised of only a single stick—developmental rights—not a bundle of rights.

Aside from trivializing the beneficial uses remaining in Lucas’s property, Justice Scalia’s opinion also trivialized the state’s interest in promulgating the BMA. Scalia characterized this statute as an effort to maintain an aesthetically pleasing shoreline. While this characterization comports with some of the legislative findings, the legislature also explicitly found that the BMA would “protect life and property by serving as a storm barrier,” as well as preventing further property damage caused by erosion due to more intense development. These findings would seem to put the BMA within the class of traditional police power regulations, like the regulation in Keystone Bituminous Coal Ass’n v. DeBenedictis, that the Court had generally upheld, rather than in a class with the development condition in Nollan. The Court obviously disagreed. Although the state supreme court found that the BMA was a valid exercise of the police power, the United States Supreme Court held not only that the state court was mistaken, but also that the route taken by the state court to reach its decision—due process analysis of police power regulations affecting land use—was wrong.

The state supreme court based its holding upon Mugler v. Kansas. Mugler had held that any exercise of the police power was consonant with the Takings Clause and that no exercise of the police power could warrant

134. See supra note 3.
135. Even this proposition can be disputed. Though the developmental ban prohibited the construction of occupiable improvements, Lucas’s property, if local zoning so allowed, could turn a profit as a seasonal restaurant, a non-residential beach club, or a private nature preserve.
137. Id. at 2896 n.10.
138. Id.
139. 480 U.S. 470 (1987). In Keystone Bituminous, the Court upheld the Subsistence Act, which was designed to prevent coal companies from mining under inhabited structures and thereby endangering life and property.
141. 123 U.S. 623 (1887). See also infra notes 187-99 and accompanying text.
compensation. Justice Scalia's opinion characterized Mugler as resting upon the noxious use doctrine, which held that exercises of the police power to enjoin nuisance-like activity did not violate the Takings Clause. Then the Court discarded Mugler to the dustbin of out-moded legal principles, and in its wake reintroduced the heightened scrutiny of Nollan. Scalia characterized the noxious use doctrine as merely a precursor to the "substantially advances" test of Agins, as modified by Nollan. Because noxious uses cause the harm addressed by regulation, these cases would pass stricter constitutional scrutiny. The problem with raising this review standard in Lucas was that Justice Scalia refused to agree with the state court's finding that the BMA was designed to prevent the harm caused by beachfront development. As such, the state interest in the BMA was not great enough to pass the Nollan test.

After eschewing the noxious use doctrine and the harm/benefit distinction, Justice Scalia introduced a modification of the Court's new


143. In other words, Mugler joined cases like Pennoyer v. Neff, 95 U.S. 714 (1877) (invalidating territorial theory of personal jurisdiction), Plessy v. Ferguson, 163 U.S. 537 (1896) (holding that separate-but-equal public facilities for minorities satisfies Equal Protection Clause), Hammer v. Dagenhart, 247 U.S. 251 (1918) (holding that manufacturing cannot be regulated under Commerce Clause), and of course, the case that Justice Scalia discreetly embraces, Lochner v. New York, 198 U.S. 45 (1902) (economic due process).

144. See supra notes 84-104 and accompanying text.

145. See supra notes 93-94 and accompanying text.


147. See supra notes 84-117 for a discussion of stricter scrutiny.

148. The characterization of the BMA as non-harm-preventing is only instructive for the result it yields under the Nollan standard. Under Nollan, those exercises of the police power formerly understood as harm-preventing will more likely be non-compensable because they pass the means/ends scrutiny. Justice Scalia, throughout much of the Lucas opinion, eschews the harm/benefit distinction because the Court could consider any regulation as either harm-preventing or benefit-conferring. Lucas, 112 S. Ct. at 2898. The regulation in Lucas itself could be termed as either preventing harm to persons and property caused by beach erosion, or as conferring a benefit to the public by preserving beaches. Such a characterization "depends primarily upon one's evaluation of the worth of competing uses of real estate." Id. That such a statement came from Justice Scalia is ironic considering his rather myopic view of the valuable use of property. Id. at 2895. See supra notes 131-35 and accompanying text.

At any rate, Scalia's refusal to follow state legislative findings violates the principle of deference to state lawmakers inherent in the Court's takings jurisprudence. See, e.g., Keystone Bituminous Coal Ass'n v. DeBenedictis, 480 U.S. 470 (1987).

149. See supra note 142.
categorical rule: Regulations that deprive a landowner of all economically beneficial use avoid a successful takings challenge only if the uses prohibited by the regulations did not attach to the landowner’s title under state property law. Newly legislated regulations of property that restrict all economically beneficial uses generally cannot stand in the face of the Takings Clause because such restrictions generally do not derive solely from state property or nuisance law. A regulation that completely destroys the economic value of property must merely duplicate the result of nuisance adjudication under state common law.

A regulation that completely destroys the economic value of property must merely duplicate the result of nuisance adjudication under state common law. Because Lucas’s property would probably not have been burdened by a developmental ban to prevent shoreline erosion at common law, the BMA failed under the Court’s new rule.

The Court’s holding, with the new categorical rule thus modified, freezes state property rights at common law and constitutionalizes them, leaving very little room for innovative legislators to regulate property for fear that a regulation would extinguish too much property value, triggering the compensation requirement. This new rule exalts common law property rights and holds them immune from legislative readjustments. A similar rule—not about property rights, but about contract rights—began the Lochner era.

151. Id. at 2900.
152. Id.

Arresting the development of the common law is not only a departure from our prior decisions; it is also profoundly unwise. The human condition is one of constant learning and evolution—both moral and practical. Legislatures implement that new learning; in doing so they must often revise the definition of property and the rights of property owners.

Id.
154. This problem is particularly serious in light of the different definitions of property that courts may adopt. See supra note 124 and accompanying text. See also Lucas, 112 S. Ct. at 2913 (Blackmun, J., dissenting):

[Whether the owner has been deprived of all economic value of his property will depend on [sic] how “property” is defined. . . . “We have long understood that any land-use regulation can be characterized as the ‘total’ deprivation of an aptly defined entitlement. . . . Alternatively, the same regulation can always be characterized a ‘partial’ withdrawal from full, unencumbered ownership of the landholding affected by the regulation . . . .”

155. See supra note 3 and accompanying text.
Justice Kennedy, concurring in the Court's judgment, would not have gone to this extreme to find a taking: "The takings clause does not require a static body of state property law." Instead, Justice Kennedy recognized that while state property and nuisance principles provide the source of most landowners' expectations when investing, the government still maintains some residual authority to change these expectations. Justice Kennedy would have found a taking on the basis that the BMA frustrated Lucas's reasonable, investment-backed expectations.

In dissent, Justice Blackmun disagreed with nearly every point made in the course of Justice Scalia's majority opinion. Justice Blackmun would have characterized the BMA as a statute addressed to preventing personal injuries, as well as property damage, and ultimately would have found that no taking had occurred because the BMA had not totally deprived Lucas's property of economic value. Justice Blackmun went further by stating that the Court had repeatedly upheld regulations that destroy real property interests and had never conditioned state regulation under the police power upon leaving "some residual available use" in the regulated property. He also targeted the major weakness of Justice Scalia's opinion. Although Justice Scalia rejected the noxious use doctrine as allegedly susceptible to manipulation, he replaced it with his common law rule that suffered from the same problem on two levels, only one of which Justice Blackmun addressed.

First, the development of state common law involved the same kind of decisions about noxious uses, harms, and benefits that Justice Scalia found so troublesome. As Justice Blackmun phrases this criticism:

There is nothing magical in the reasoning of judges long dead. They determined a harm in the same way as state judges and legislatures do today. If judges in the 18th and 19th centuries can distinguish a harm from a benefit, why not judges in the 20th century, and if judges, why

---

157. Id.
158. See Penn Cent. Transp. Co. v. New York City, 438 U.S. 104, 124 (1978) (holding that investment-backed expectations are a consideration for the Court's regulatory takings analysis). Lucas would seem to fall within the Penn Central holding on investment-backed expectations that weighed against finding a taking. In Penn Central, the landmark preservation law was enacted after the landowners had already held their property for some time, and in Lucas the landowner had similarly held his purchased property before the BMA went into effect.
159. See also Lucas, 112 S. Ct. at 2925 (Stevens, J., dissenting).
160. See Keystone Bituminous Coal Ass'n v. DeBenedictis, 480 U.S. 470, 489 n.18, and cases cited therein.
161. Lucas, 112 S. Ct. at 2912.
162. Id. at 2898. See supra note 142.
Second, by the simple choice of the common law as the definitive source of legislative abilities and limitations to enact regulations, Justice Scalia demonstrated his own “evaluation of the worth of competing uses of real estate.” At common law, the fee simple was relatively free of regulatory encumbrances. Reliance on the common law as the source for legislative initiatives under the police power limits twentieth-century government to nineteenth-century law when regulation in the public interest may be desperately more necessary today. Justice Scalia advocated from the bench, sub silentio, an unregulated fee simple, and therefore developmental rights, at the expense of legislative efficacy, even while he purported to adhere to an expanded view of the police power.

In Nollan, Justice Scalia invoked the spirit of Lochner by reifying an abandoned level of judicial scrutiny for government regulation not impeding fundamental personal rights. In Lucas, Justice Scalia embraced the corpse of Lochner by legislating laissez faire economic development from the bench.

IV. SEEING LOCHNER’S GHOST IN SCALIA’S TAKINGS JURISPRUDENCE AND SEEING THE LIGHT IN MUGLER: A NEW TAKINGS ANALYSIS PROPOSED

With the threat of Lochnerian scrutiny looming over the Supreme Court’s regulatory takings doctrine, Justice Scalia has at least given a direction to the Court’s confused takings jurisprudence. No longer the “ragpicker’s coat” it seemed, the takings mantel once worn by Justice Holmes now resembles the haunting, dusty robe that the Court has not dared to touch since 1937. Is

---

164. Lucas, 112 S. Ct. at 2898.
165. Id. at 2897.
166. See supra note 23 and accompanying text for a discussion of the role of personal liberties in the modern constitutional scheme and their relation to the proper standard of judicial review.
167. See generally Stoebuck, supra note 11.
168. See supra note 5. The 1937 decision of West Coast Hotel v. Parrish, 300 U.S. 379 (1937), is generally considered the death knell of the Lochner era.
Lochner's apparent resurrection necessarily wrong? Does strict scrutiny of regulatory legislation really work the evils that Holmes foresaw in his Lochner dissent? Are the challenges facing legislatures in the 1990s really so novel and daunting that deference should be given to new legislative initiatives? Emphatically, yes.

A. The Lessons of History: Judicial Scrutiny of Land Use Regulations—Originalism, the Nineteenth Century, and Justice Holmes

Strict scrutiny under the Takings Clause is misplaced because judicial arrogance for the legislature was not intended by the framers. When the Bill of Rights was proposed, legislatures, especially in the states, exercised broad powers over the property under their domain. The principle of Just Compensation was veritably unknown to most legislatures. Landowners held their parcels at the will of the sovereign, subject to any regulation the sovereign deemed appropriate. This sacrifice of private property for the advantage of society served as a central tenet of the political ideology in the late eighteenth century. But also central to the American revolutionary struggle and to the foundation of the American constitutional system stood a deep distrust

169. Professor Norman Karlin seems to think Lochner's revival is a step in the right direction to provide "corrective justice." See Karlin, supra note 24, at 671.
170. See supra note 2 and accompanying text.
171. See generally William Michael Treanor, Note, The Origins and Original Significance of the Just Compensation Clause of the Fifth Amendment, 94 YALE L.J. 694 (1985); Sax, supra note 11; and Stoebuck, supra note 11.
172. Treanor, supra note 171, at 695. In fact, none of the states even proposed adding the Takings Clause to the original Bill of Rights. Kmiec, supra note 35, at 367. This lack of concern regarding compensation evinced by the states may be attributed to either an understanding by the states their regulatory power over property was nearly total, or, as Professor Kmiec posits, a belief by the states that natural law provided sufficient protection of property rights. Id.
173. It has been written: The fifth and fourteenth amendments require that a person receive "just compensation" for property that has been taken by the state or federal government. The Supreme Court has said that the constitutional guarantee of just compensation is not a limitation in the power of eminent domain, but only a condition of its exercise. NOWAK & ROTUNDA, supra note 9, § 11.14, at 447 (citing Long Island Water-Supply Co. v. Brooklyn, 166 U.S. 685, 689 (1897)).
174. Treanor, supra note 171, at 797.
175. Id. at 699.
of governmental power and the celebration of the individual.176

The Constitution’s chief architect, James Madison, embodied this desire to protect the individual from the grabbing hands of government.177 Madison authored the Fifth Amendment, and as originally drafted, the Takings Clause applied only to a “direct physical taking [of an individual’s private property] by the federal government.”178 The clause extended only to exercises of the power of eminent domain, in which government formally condemned private property for the greater good of the polity.179 Even with different language as adopted, the Takings Clause did not contemplate less-noticeable appropriations of property rights. In fact, with the history surrounding the adoption of the Fifth Amendment, the framers would have likely balked at the concept of a regulatory taking.180 While the government could not physically appropriate private property without compensation, mere regulation of the use of property could not, in any concrete sense, be termed an appropriation for public use, and thus would require no compensation.181 Such regulation was the cost of living under a government of laws.182

Of course, the framers would have held beyond a cavil the notion that landowners could not have their property rights changed by legislation arbitrarily, nor could landowners be singled out for property regulation arbitrarily.183 To prevent these possibilities of legislative abuse of private property, landowners retained protection from the dual sentinels of the Due Process Clause and, eventually, the Equal Protection Clause.184 Accepting this

---

176. Id. at 701.
177. Id. at 694, 708.
178. Treanor, supra note 171, at 711.
179. Professor Joseph L. Sax would characterize the function of the Takings Clause as “preventing arbitrary government action, rather than preserving the economic status quo.” Sax, supra note 11, at 58.
180. See Boselman et al., supra note 76, at 104 (stating that the framers of the Takings Clause were unconcerned with regulatory takings). See also John M. Walker, Common Law Rules and Land Use Regulations: Lucas and Future Takings Jurisprudence, 3 SETON HALL CONST. L.J. 1, 5 n.9 (1993).
181. Madison believed that “property” was a creature of positive law. As such, proprietary rights depended upon government enactments for their very existence, despite the recognized need for their protection. See Treanor, supra note 171, at 710 n.87, and accompanying text. Presumably, if property rights arose only at the behest of government, the government could change the nature of property rights through regulation without directly altering an individual’s entitlement to compensation for these rights if the government physically appropriated private property. See also Lucas v. South Carolina Coastal Council, 112 S. Ct. 2886, 2915 (1992) (Blackmun, J., dissenting) (“[I]ndividual and consequential injuries to property resulting from regulation were excluded from the definition of a taking.”).
182. Treanor, supra note 171, at 701.
183. See Sax, supra note 11, at 58.
184. See supra note 8.
original understanding of the Takings Clause and the nearly universal acceptance
of land-use regulation by the framers, Justice Scalia’s heightened scrutiny in the
context of regulatory takings seems like a noble gesture in the name of individualism. However, this approach to takings is clearly misguided and violates the separation of powers doctrine inherent in the Constitution.

Case law construing the Fifth Amendment in the nineteenth century applied
a deferential due process standard to review land-use regulation, not the
heightened scrutiny of the current Court’s nexus requirement. In the nineteenth
century, as long as an exercise of the police power comported with due process,
the regulation passed constitutional muster. The police power served as a
mechanism to govern the affairs of citizens toward each other. If in regulating
these affairs, the government adversely affected private property, property
owners had no recourse in compensation.

Much of this broad police power concept derived from the concept of sovereignty; a government had the power to govern its citizens and their property. The police power inhered to the very existence of government. If the government owed compensation for merely exercising its power to govern, the whole idea of organized government would ring very hollow. As recognized by the Supreme Court in Munn v. Illinois:

Rights of property that have been created by the common law cannot be taken away without due process; but the law itself, as a rule of conduct, may be changed at the will, or even at the whim of the

186. The separation of powers doctrine is not expressly stated in the Constitution. Instead, separation of powers is implied by the Vesting Clauses of Articles I, II, and III. See U.S. Const. art. I, § 1; U.S. Const. art. II, § 1; U.S. Const. art. III, § 1.
187. See, e.g., Mugler v. Kansas, 123 U.S. 623 (1887); Munn v. Illinois, 94 U.S. 113 (1877). Even the later Legal Tender Cases, 179 U.S. 457, 551 (1890), held that indirect injury resulting from police power regulations would not trigger the Takings Clause because only direct physical appropriation could become a taking.
189. Munn, 94 U.S. at 113.
190. McGinley, supra note 188, at 10371.
191. Even Justice Holmes recognized this. See Pennsylvania Coal Co. v. Mahon, 260 U.S. 393, 413 (1922) (“Government hardly could go on if to some extent values incident to property could not be diminished without paying for every such change in the general law.”). The only limits Holmes envisioned for the police power were those dictated by the Due Process Clause. Id. See also infra notes 201-17.
legislature . . . . We know that this is a power which may be abused; but that is no argument against its existence. For protection against abuses by legislatures the people must resort to the polls, not the courts.192

Unambiguously, this statement conflicts with the very existence of the regulatory takings doctrine, and weighs even stronger against strict scrutiny for regulatory takings.

Until Pennsylvania Coal, Mugler v. Kansas193 was regularly cited for the proposition that the government need not compensate landowners for exercises of the police power that adversely affected property value.194 Regulating property in the public interest did not entail any of the risks of arbitrary seizure of private property from innocent landowners, and thus did not implicate the Takings Clause. The power of legislatures to guard the public interest gave the public no recourse to the courts when this power affected individual property rights. Part of living under the American governmental system entailed encumbrances on the use of public property195 for the common good.

Eventually, the Court found this view of the police power incompatible with the development of the burgeoning American corporate economy.196 Instead

194. In invalidating a state statute that prohibited the sale of liquor and enjoined the operation of businesses manufacturing liquor, the Court held that
[a] prohibition simply upon the use of property for purposes that are declared, by valid legislation, to be injurious to the health, morals, or safety of the community, cannot, in any just sense, be deemed an appropriation of property for the public benefit. . . . The power which states have of prohibiting such use by individuals of their property as will be prejudicial to the health, the morals, or the safety of the public, is not—and, consistent with the existence and safety of organized society, cannot be—burdened with the condition that the state must compensate such individual owners for pecuniary losses they may suffer . . . .

Id. at 668-69.
195. Some legal scholars argue that Mugler threatened to read the Takings Clause out of the Constitution. See, e.g., Nathaniel S. Lawrence, Means, Motives, and Takings: The Nexus Test of Nollan v. California Coastal Commission, 12 Harv. Envtl. L. Rev. 231 (1988). This claim exaggerates Mugler. Mugler still recognized the Takings Clause for what it undoubtedly proposed to do—prevent uncompensated physical appropriation by the government. The difference between exercises of the police power and the taking of private property that Mugler recognized was the difference between government as "prohibitor" and government as "proprietor." Sax, supra note 11, at 39.
196. McGinley, supra note 188, at 10373 (1987). See also Sax, supra note 11, at 40 (noting that as the scope of regulation grew, so did the perceived detrimental effects on previously unrestrained productive use of property); Lawrence, supra note 195, at 235 (seeing Mugler as a threat to economic development because landowners were not given sufficient consideration). See
of creating a doctrine of regulatory takings to protect private property, the Court abided by the *Mugler* due process approach to limiting the police power. However, the Court heightened the scrutiny under due process when applied to police power regulations. This new due process scrutiny, intended to protect businesses' proprietary interests, no longer deferred to the will of the legislature. With the veil of presumptive legislative validity for police power regulations pierced, the *Lochner* period began. *Lochner*'s failing was the intense scrutiny applied by the Court to invalidate legislation under which the public interest asserted by the legislature could not reach the level of protection afforded to private economic rights. The return to such scrutiny, albeit in the form of regulatory takings analysis, suffers from the same problems as economic due process analysis: *Lochner* by any other name—even *Nollan* or *Lucas*—still smells as foul.

Even Justice Holmes, in formulating his "too far" test, did not mean to create the regulatory takings doctrine. Rather, Holmes intended to create a deferential due process alternative to economic due process. Well aware of the dangers of economic due process, Holmes was faced with a dilemma in *Pennsylvania Coal*. While he believed in preserving the role of legislatures to enact police power measures, he also felt that on the facts before the Court,

---


197. Lawrence, supra note 195, at 234-35 (stating that vigorous economic due process replaced more relaxed substantive due process).

198. See supra note 3 and cases cited therein.

199. McGinley, supra note 188, at 10373. The problem with *Lochner* rested not in the simple fact that the Court employed due process analysis. Due process was, and still is, the proper measure of the constitutional validity of land-use regulations. *See Duke Power Co. v. Carolina Envtl. Study*, 348 U.S. 59, 84 (1978) (Due Process Clause seeks to limit arbitrary government interference with individual property interests, but reviewing courts should give great degree of deference to legislation). *See generally* Rosalie Berger Levinson, *Protection against Government Abuse of Power: Has the Court Taken the Substance out of Substantive Due Process*, 16 U. DAYTON L. REV. 313 (1991) for a thoughtful examination of current standards under, and a call for the reemergence of, the Due Process Clause.

200. See supra note 3.


203. See supra note 2 and accompanying text.

204. McGinley, supra note 188, at 10375.
the state legislature had overstepped its bounds. To avoid the hypocrisy of criticizing *Lochner*, but nonetheless using due process analysis to invalidate a state law, Holmes phrased the law’s invalidation in terms of a “taking.” But this reference to a taking did not invoke the Takings Clause. Holmes meant that if a regulation went “too far” it would resemble a taking, but would in reality be a violation of the Due Process Clause, not an exercise of the eminent domain power.

This nearly universal misreading of *Pennsylvania Coal* fails to recognize that Holmes used the term “taking” in a metaphorical, not a Fifth Amendment, sense. Legal scholars generally read *Pennsylvania Coal* to propose that the police power and the eminent domain power differ only in degree. Scholars appear to understand *Pennsylvania Coal* to hold that when an exercise of the police power goes “too far,” a compensable taking occurs because the due process violation melds into a taking claim, triggering the just compensation requirement.

206. Id. at 415.
207. See McGinley, supra note 188, at 10374. See also Charles Siemon, *Of Regulatory Takings and Other Myths*, 1 J. LAND USE & ENVTL. L. 105, 110 (1985); Jeffrey T. Haley, Note, *Balancing Private Loss against Public Gain to Test for a Violation of Due Process or a Taking without Just Compensation*, 54 WASH. L. REV. 315, 329 (1979). Contra generally, Frank J. Strong, *On Placing Property Due Process Center Stage in Takings Jurisprudence*, 49 OHIO ST. L.J. 591 (1988). Professor Strong posits that Justice Holmes intended to invoke the Takings Clause, and to use the Due Process Clause as a gauge to determine when the government owed compensation, i.e., taking without due process of law. This characterization confuses the two distinct clauses. The Takings Clause serves to compel government payment for exercises of the eminent domain power, while the Due Process Clause, in its substantive element, serves to circumscribe government power by preventing arbitrary government interference generally with fundamental rights, and specifically with property rights.


True, many cases have equated an invalid exercise of the regulating . . . power, perhaps only metaphorically, with a “taking” or a “confiscation” of property, terminology appropriate to the eminent domain power and the concomitant right to compensation when it is exercised. . . .

The metaphor should not be confused with the reality. Close examination of the cases reveals that in none of them, any more than in the *Pennsylvania Coal* case . . ., was there an actual “taking” under the eminent domain power, despite the use of the terms “taking” or “confiscatory.” Instead, in each the gravamen of the constitutional challenge to the regulatory measure was that it was an invalid exercise of the police power under the due process clause . . . .

Id. at 385.
209. Siemon, supra note 207, at 111.
210. See, e.g., Strong, supra note 207.
Justice Holmes did not intend this understanding to proliferate. Instead, he simply meant that when police power regulations went "too far" and deprived landowners of their property's value, the Due Process Clause was violated. An overly intrusive regulation would make the burden of the regulation on the landowner unfair, and therefore, the legislature could only maintain the legislation by paying the landowner for this unfairness. Tellingly, while engaged in his due process *qua* takings inquiry, Holmes did not engage in the searching scrutiny his brethren employed under economic due process. Holmes used rational scrutiny to invalidate the Kohler Act in *Pennsylvania Coal*.

For such universally cited precedent in the regulatory takings arena, *Pennsylvania Coal* has been misinterpreted by the Court and legal scholars alike. Upon closer scrutiny of Justice Holmes's message, Justice Scalia's takings jurisprudence, developed in *Nollan* and *Lucas*, looks precisely like the Lochnerian analysis of land-use regulations that Justice Holmes had tried to avoid.

**B. The Lessons of Theory: A New Approach to Regulatory Takings from Old Judicial Concepts**

The central issue in the debate over the propriety of the current Court's regulatory takings doctrine is nothing less than the role of property in the American constitutional system. Professor Carol M. Rose characterizes this debate as the fundamental conflict between the two divergent property theories.
that have contributed to American law,\textsuperscript{219} the battle between individual rights in property and civic responsibility through property.\textsuperscript{220} The individual rights theory considers private property as the definition, and acquisition of property as evidence, of individual freedom.\textsuperscript{221} As such, individual-rights-in-property advocates would likely find government regulation of property as unwarranted and even disturbing. If individuals are identified by their property, then regulation of property is regulation of individuals. Government, by prescribing the uses to which private property may be put, essentially defines individuals lives, or at least circumscribes individual rights so severely as to make life little more than what the government dictates.

Further, individual rights adherents would decry the differentiation of personal and proprietary rights\textsuperscript{222} under the Constitution, as construed by the Court.\textsuperscript{223} Therefore, they would conclude that personal and property rights should be afforded at least similar constitutional protections through heightened judicial review standards in the Supreme Court. If strict scrutiny guards against infringements upon personal liberties, property regulations should be afforded similar judicial attention.

By setting property on a pedestal free from governmental regulation, the individual rights ideology can be characterized as anti-redistributive. The government should rarely address problems of the property-less, and of the public in general. When absolutely necessary to face these problems, the government should employ revenue legislation, under which the members of the


\textsuperscript{220} The discussion here uses Rose’s article as merely a springboard. Though Rose would characterize the conflict as between the Benthamite and the Aristotelian property traditions, between virtue and wealth, see Rose, supra note 219, at 587-88, this note will label the conflict as between the role of government in private property as envisaged by two schools of thought prevalent in the early years of the American Constitution: Liberalism—rights in property exist prior to the establishment of the sovereign power and individuals have the right to dispense with their property to advance their own self-interests, and Republicanism—rights in property are held of the sovereign’s will by individuals for the benefit of the polity. See generally, Morton J. Horwitz, Republicanism and Liberalism in American Constitutional Thought, 29 WM. & MARY L. REV. 57 (1987). These stereotypes as described are exaggerated. Most Americans would accept some ideas from both extremes. The discussion of these stereotypes and their application to the Takings Clause is speculative and serves only pedagogical purposes.

\textsuperscript{221} See Karlin, supra note 24, at 637; Levitt, supra note 13, at 199 (stating that property defines the individual’s sphere of sovereignty). See also Charles A. Reich, The New Property, 73 YALE L.J. 733, 737 (1964)

\textsuperscript{222} For example, an individual rights supporter might conclude that the right to privacy is relatively worthless without property in which to enjoy this right.

\textsuperscript{223} This differentiation is generally attributed to United States v. Carolene Products, 304 U.S. 144 (1938). See supra note 24 and accompanying text.
polity shoulder the burden relatively equally. Individuals should be secure in their property ownership. After all, individuals have individually acquired their property; fairness only dictates that any deprivation of the bounties of the individual effort should be roughly equal among individuals. Simply put, under the individual rights theory, seeing property go to the “taxman,” along with the property of everyone else, does not raise the same concerns as seeing property go to the “Congressman” through a regulatory taking in debatably less equitable circumstances.

The individual rights ideology forms the central tenet of Lochner’s assault on government regulation: Individuals, or corporations, should not be forced to single-handedly bear the costs imposed by overly ambitious legislatures. This discussion of individual rights should start to sound familiar, or at least applicable, to the current Court’s regulatory takings jurisprudence. What Justice Scalia is attempting to do with the Takings Clause is exactly what his predecessors on the Lochner Court were trying to do with the Due Process Clause. Initially, this approach is appealing, familiar, and perhaps strongly supported by the constitutional doctrine that American government is limited government.


By contrast, the function of the eminent domain power—government seizure of private property for public use—has a distinctly redistributive quality to it. Government acquires, after compensation, private property for the use of both rich and poor. But the benefits of such acquisition flow proportionately greater to the poor who could not afford to buy the condemned property themselves. Additionally, the compensation paid for the property comes from government-imposed revenue measures, the burden of which is borne most heavily by the rich. Treanor, supra note 171, at 711 (citing Madison biographer Irving Brant). Yet, although government “adjust[s] the benefits and burdens of economic life,” Penn Cent. Transp. Co. v. New York City, 438 U.S. 104, 124 (1978), through eminent domain, fairness also dictates that compensation should be paid to those who directly transfer property to the government for public use. See Michelman, supra note 21, at 1184 (“The one incontestable case for compensation . . . seems to occur when the government deliberately brings it about that its agents, or the public at large, ‘regularly’ use, or ‘permanently’ occupy, space . . . understood to be under private ownership.”); see also supra notes 53-66. Even the rich as a class is still comprised of individuals, with individual rights—namely, title—in private property that had been lost to the government, and thus deserve compensation.

225. Though the underlying issue in Lochner and its progeny was the ability of corporate interests to maintain wealth in the face of government labor regulation, wealth translates here to property rights.

226. See also Richard A. Epstein, Takings: Descent and Resurrection, 1987 SUP. CT. REV. 1, 2-3 (stating that the Takings Clause constrains government in a system of limited powers). This assertion is particularly true of the federal government. The Court has held that federal legislation must be based upon specific powers granted to Congress in the Constitution. See McCulloch v. Maryland, 17 U.S. (4 Wheat.) 316 (1819). Cf. U.S. CONST. amend. X: “The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or the people.” A similar limitation on state power, though admittedly not as explicit due to the fact that state government has broader regulatory powers under the police power, appears
The alternative theory that has contributed to American property law is that of civic responsibility through property. Civic responsibility advocates do not equate individuals with their property; rather, individuals equate with their government. As contributors to government, individuals have a duty and an interest in promoting the government's function of providing for the public weal. Under this theory, an individual contributes property for the welfare of others; in exchange for this sacrifice, individuals receive the largesse of the government to which they contributed.

Additionally, as contributors to government, individuals can dictate, through their surrogates inside government, what really promotes the public interest and what interests the government should pursue. To civic-responsibility-through-property advocates, the will of the majority through the legislature is paramount in determining whether a regulation is acceptable; if the regulation is rational, burdened landowners should resort to the legislature, not the courts, for change. The civic responsibility theory would find deference to the will of the polity proper for courts reviewing the constitutionality of legislative enactments because the common good is determined by majority will. This discussion should also sound familiar; the American government is partially founded upon such an ideology—the separation of powers.

When such historically respected political doctrines as limited government and separation of powers conflict, as a rhetorical matter, can a "winner" be declared? At first glance, this would seem impossible; after all, a qualified referee in constitutional calculus does not exist. Also, the framers of the Constitution obviously thought no reconciliation was necessary because both theories of individual rights in property and civic responsibility through property—of wealth and virtue—are found in the American governmental system. More importantly, both theories have instructively shaped American property law and takings jurisprudence.

In the Fourteenth Amendment's Due Process and Equal Protection Clauses. See supra note 8.


229. This view comports with the original understanding of the Takings Clause. Property was assumed to be subject to the implied obligation to benefit the community. Harness, supra note 202, at 8; Treanor, supra note 171, at 699.


However, on a fundamental level, the underlying conflict between these two theories must be resolved with constitutional rights at stake. The test applied in regulatory takings cases requires reformulation if the Court is to faithfully apply the correct law and give the underlying constitutional principles of both individual rights and civic responsibility, and their concomitant liberties, lasting power. A takings doctrine that in alternate cases supports one or the other of these theories would distress both camps: a profound victory in one case would mean little, if the next decision could yield an equally profound loss. The current Court has been leaning increasingly toward the individual rights model, but this shift alone does not bear the imprimatur of constitutional validity if it advances individual rights to the neglect of civic responsibility.

The civic responsibility model occupies the higher constitutional ground. The balance struck between individual rights and civic responsibility by the framers of the Takings Clause weighs in favor of civic responsibility. The framers intended individuals to receive compensation only for physical invasions of private property by the government, not for regulatory limitations of private property's use. Individuals expected that the state would occasionally burden their property by regulation; these burdens were intended to be the cost of organized government to all individuals under the Constitution.

Questioning the viability and correctness of seventy years of Supreme Court precedent in regulatory takings is serious business, but questioning its very existence is quite another matter. Though the regulatory takings doctrine may rely on a misinterpretation of precedent, the plethora of cases decided

232. This implication arises from the Nollan and Lucas decisions. See supra notes 84-104 for a discussion of Nollan and supra notes 118-65 for a discussion of Lucas.

233. See supra notes 171-86 and accompanying text for a discussion of the framers' intent. See also Treanor, supra note 171, at 699.

234. See supra notes 171-86 and accompanying text.

235. Structurally, the civic duty model allows the government to regulate property to make the polity normatively better by instilling duty and virtue owed to the state in the minds of citizens, but still gives the Court power to enforce fundamental rights in property when they are denied arbitrarily. This approach helps avoid the necessarily consequent injuries done to property and perhaps the economy generally by many individuals simultaneously exercising their rights. See Nebbia v. New York, 291 U.S. 502 (1934) (upholding ceiling on milk prices to prevent individual producers from flooding the market at lower prices). Cf. Wickard v. Filburn, 317 U.S. 111 (1942) (holding that Commerce Clause allows regulation of individual agriculture producer when Congress attempts to control aggregate demand for product).

236. See supra notes 201-17 and accompanying text for a discussion of Pennsylvania Coal. If this reading of Pennsylvania Coal is correct, the regulatory takings doctrine should not exist to the extent that Holmes's decision of the Court is considered controlling precedent.

237. See supra note 77 and accompanying text.
under it need not be discarded in toto. Rather, the application of this doctrine by the current Court should be reevaluated.

The Supreme Court should modify its takings test so that only permanent physical invasions sanctioned by the government are compensable under the Takings Clause, and that regulatory takings are analyzed under the minimum rationality standard of the Due Process Clause. In other words, takings clause jurisprudence should be denuded of all but the Loretto per se rule.9

The incursion of Lochner into the current Court’s takings doctrine in Nollan and Lucas suggests policy justifications for this new rule. This new rule would provide much-needed certainty in such a convoluted area of constitutional law. A constitutional law doctrine like takings, in which the Court has no viable standards and issues decisions only after case-by-case inquiry, cannot effectively safeguard constitutional rights, nor will it provide sufficient notice to legislatures of which regulations will pass constitutional muster.

A related policy justification lies in the fact that this new rule will afford legislatures flexibility to fashion regulations that meet society’s new problems. Without this flexibility, legislatures may refrain from

238. The assertion that the regulatory takings doctrine should not exist does not mean that the Court would necessarily have to discard all cases already decided under the regulatory takings doctrine. If a regulatory taking was not found in any given case, in all likelihood the regulation at issue would also not offend the Due Process Clause. Only in cases where the Court had found a taking would the proposed due process analysis demand a reexamination of result. Correctly decided, but incorrectly reasoned cases would stand, while incorrectly decided, and incorrectly reasoned, cases would become disfavored. This approach of overhauling a doctrine very dear to the Court, while not overhauling all cases decided under that doctrine, is exactly the approach advocated by Justice Scalia in the dormant commerce clause context. See Bendix Autolite Corp. v. Midwesco Enter., Inc., 486 U.S. 888 (1988) (Scalia, J., concurring) (stating that the Court should abandon its current approach and leave essentially legislative decisions to the legislature, adopting a future analysis more appropriate to the Court’s role).

239. See supra notes 53-66 and accompanying text. The rule proposed here would have substantially the same effect as those proposed in Sax, supra note 11; Stoebuck, supra note 11. Unlike those rules, the rule proposed in this note has the advantage of clarity in the due process clause doctrine that would not allow extensive tampering by the Court.


Such flexibility is particularly necessary in light of the remedy of compensation currently imposed on all takings clause violations. After First English Evangelical Lutheran Church v. County of Los Angeles, California, 482 U.S. 304 (1987), the government owes compensation for even temporary takings. For instance, during the pendency of litigation of a successful takings challenge,
promulgating valuable land-use regulations—especially in the urban planning and environmental protection contexts—for fear of unduly straining already strained public coffers if a takings challenge succeeds. Finally, this new rule will avoid Justice Scalia's flirtation with, and precedential proliferation of, the principles behind Lochnerian scrutiny of land use regulation. Land use regulation comports with a long tradition of burdening private property. With the new challenges facing federal, state, and local governments, and the property under their domain, majority rule and presumptive legislative validity under the Due Process Clause is more realistic than judicial superlegislation.  

V. CONCLUSION

"[T]he great office of statutes is to remedy defects in the common law." Land use regulation offers government an effective method for addressing problems not contemplated at common law. By examining land use regulations under heightened scrutiny and limiting the scope of these regulations to restrictions contemplated at common law, the Court has returned to the excesses of the Lochner period under the guise of the regulatory takings doctrine. The United States Supreme Court should drastically alter its Fifth Amendment analysis of land-use regulations to provide that compensation under the Takings Clause is due only for permanent physical occupation authorized by the government. What are currently termed regulatory takings challenges should be analyzed under the deference afforded to property restrictions under the Due Process Clause. This rule would vindicate once again majority rule and end once again the spread of Lochner by Justice Scalia's takings jurisprudence.

J. Freitag*

the government may owe the landowner money for the period during which the landowner was burdened by the regulation, even if the government retracts the invalid regulation. Under a due process analysis, subsequent repeal by the government serves as a sufficient remedy if the regulation is found unconstitutional.

244. This term the United States Supreme Court granted certiorari on a regulatory takings case. Dolan v. City of Tigard, 854 P.2d 437 (Or. 1993), cert. granted, 62 U.S.L.W. 3368 (U.S. Nov. 30, 1993). A decision is expected before the Court's summer recess.

* The author wishes to thank the following scholars for their constructive criticism that helped to pave the way to publication: Professor Laura Gaston Dooley, Professor Rosalie Berger Levinson, and Professor David A. Myers.