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EMINENT DOMAIN - MINNESOTA

Vermillion State Bank v. State by Department of Transportation

Court of Appeals of Minnesota - April 17, 2017 - N.W.2d - 2017 WL 1375306

After landowner successfully moved to have state Department of Transportation (DOT) initiate eminent domain proceedings in inverse condemnation action, landowner's prior law firm moved to recover its attorney fees from DOT pursuant to statute.

The District Court granted prior law firm's motion awarding it $52,065 in attorney fees and $368.46 in other costs. DOT appealed.

The Court of Appeals held that:

- Prior law firm lacked statutory standing to make its own claim for attorney fees and costs, and
- As a matter of first impression, only a landowner may petition for attorney fees and costs under inverse condemnation statute.

Landowner's prior law firm in inverse condemnation action lacked statutory standing to make its own claim for attorney fees and costs, even though landowner successfully compelled state Department of Transportation (DOT) to commence eminent domain proceedings. Statute was plain and unambiguous in permitting only landowner to make a claim for attorney fees, plain meaning of statute could not be set aside to pursue spirit of law, purpose of statute was consistent with allowing only landowner to petition for attorney fees, so landowners could decide whether to pursue such an award in settlement negotiations, and permitting only landowners to bring such petitions would not have lead to an absurd or unreasonable result.

A landowner is the only person that may petition for attorney fees and costs under statute providing for such awards to landowners in inverse condemnation actions, and an attorney has no right to seek fees and costs under the statute independently of the landowner.

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