

Bond Case Briefs

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EMINENT DOMAIN - NORTH CAROLINA

Chappell v. North Carolina Department of Transportation

Supreme Court of North Carolina - May 1, 2020 - S.E.2d - 2020 WL 2108249

Landowners brought inverse condemnation action against North Carolina Department of Transportation (NCDOT) after portions of property were designated as within a roadway corridor pursuant to Roadway Corridor Official Map Act.

After jury trial, the Superior Court entered judgment in favor of landowners and awarded damages.

After grant of NCDOT's petition for discretionary review prior to determination by Court of Appeals, the Supreme Court held that:

- Trial court acted within its discretion in declining to allow NCDOT to pursue exercise of statutory quick-take rights within instant action;
- Trial court acted within its discretion in excluding expert appraiser's opinion proffered by NCDOT;
- Trial court acted within its discretion in excluding, as unreliable and potentially misleading to jury, testimony of expert appraiser basing valuation of property on flood plain property values;
- Trial court acted within its discretion in admitting testimony of landowners' appraiser valuing at zero landowners' rights to property inside roadway corridor;
- Any error in instruction that jury, in awarding damages to landowners for inverse condemnation of portion of property, could consider evidence of damage to landowners' remaining property was harmless error;
- Trial court properly compensated landowners for the actual ad valorem taxes they paid following taking; and
- The prejudgment interest rate available under the "prudent investor" standard for determining the appropriate interest rate to apply to a judgment in an inverse condemnation case must be a rate produced by debt instruments or debt obligations, such as commercial bonds or treasury bills during the relevant time period.

Trial court acted within its discretion in declining to allow North Carolina Department of Transportation (NCDOT) to pursue exercise of statutory quick-take rights, in landowners' inverse condemnation action against NCDOT after portion of property was designated as within roadway corridor under Roadway Corridor Official Map Act; trial court did not deny NCDOT right to assert permissive counterclaim under any and all circumstances but rather only precluded turning action into direct condemnation action, action had been pending for over three years, and trial was imminent.