

Bond Case Briefs

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EMINENT DOMAIN - INDIANA

624 Broadway, LLC v. Gary Housing Authority

Supreme Court of Indiana - August 29, 2022 - N.E.3d - 2022 WL 3714283

Condemnee brought action against municipal housing authority, seeking injunctive relief and damages based on allegations that authority unlawfully exercised eminent domain over condemnee's commercial real property and violated condemnee's constitutional and statutory procedural rights.

The Superior Court granted authority's motion for summary judgment and denied condemnee's motion for summary judgment. Condemnee appealed. The Court of Appeals affirmed in part, reversed in part, and remanded with instructions. Petition to transfer was granted.

The Supreme Court held that:

- Notice of condemnation proceedings by publication violated due process;
- Inadequate notice in violation of due process was not harmless; and
- Proper remedy for due process violation was new hearing on just compensation.

Municipal housing authority's use of notice by publication to provide condemnee with notice of hearing regarding authority's exercise of eminent domain on condemnee's property and the valuation of the property, rather than providing actual notice to condemnee's registered agent, violated due process; housing authority knew identity and name of registered agent from condemnee's articles of organization filed with Secretary of State.

Municipal housing authority's due process violation in providing condemnee notice by publication of hearing regarding authority's exercise of eminent domain on condemnee's property and the valuation of the property, rather than providing actual notice to condemnee's registered agent, was not harmless; if condemnee had been given sufficient notice, it could have timely presented its appraisal of the property before the final valuation hearing, and condemnee's appraisal in the amount of \$325,000 was significantly higher than the authority's \$24,000 appraisal and significantly higher than the final award of \$75,000.

Proper remedy for municipal housing authority's due process violation in providing condemnee inadequate notice by publication of hearing regarding authority's exercise of eminent domain on condemnee's property and valuation of the property was new hearing on damages to determine just compensation for taking; authority strictly followed statutory procedures for administrative taking of the property, the taking was not subterfuge to convey private property to another individual for private use, there was no showing that authority acted arbitrarily and capriciously, and adequate legal remedy could be provided through just compensation.