



Supreme Court Rules that States Can't Take More Property Than They Are Owed

Aug 16, 2023

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[*Tyler v. Hennepin County, Minnesota*, 143 S. Ct. 1369 \(May 25, 2023\)](#)

The Fifth Amendment's Takings Clause states that "private property [shall not] be taken for public use, without just compensation."

Suppose a government entity has a right to take property because of unpaid taxes. Can the government keep the excess value of the property beyond what is owed? No, according to a unanimous U.S. Supreme Court decision in *Tyler v. Hennepin County, Minnesota*.

This case involved an elderly Minnesota woman who moved from her condominium into an assisted living facility. She retained title to the condo, but no one paid the property taxes on it for several years. Her unpaid tax bill eventually totaled about \$15,000, most of which reflected interest and penalties. State law vested the taxing authority—Hennepin County—with title to the property in these circumstances. Eventually, the county sold the condominium for \$40,000 and pocketed the extra \$25,000.

The Supreme Court unanimously held that the county had taken the former owner's property—the extra \$25,000—without just compensation. This common-sense result was complicated by existing precedent, which looked mainly to state law to define the property rights protected by the Takings Clause. And Minnesota law allowed taxing authorities to keep the entire value of real property. So, the county argued, the excess valuation over the tax bill wasn't the taxpayer's "property" under state law.

A unanimous Supreme Court dismissed this theory, holding that state law cannot be the exclusive source of property rights protected by the Fifth Amendment. Otherwise, states could whittle away private property rights by defining them however they want. Instead, the Court held, property rights protected by the Takings Clause can arise from "traditional property law principles," historical

practice, *and* state law. The Court summed up its holding this way: “The taxpayer must render unto Caesar what is Caesar’s, but no more.”

Key Takeaways

- State law, tradition, and historical practice all define the scope of “property” protected by the Fifth Amendment’s Takings Clause.
 - Property-forfeiture schemes that allow governments to keep more than what they are legitimately owed may violate the Takings Clause.
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