Weaving Through A Tangle of Regulations

IJ Puts Eminent Domain Abuse On Trial in Ohio

Hands Off My Home Campaign in Full Swing

The State Of IJ's State Chapters

Inside This Issue

February 2006

Published Bimonthly by the Institute for Justice

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Overcoming New York’s Stacked Deck

Victory and Vindication for Property Owner

By Dana Berliner

New York’s eminent domain procedures are wildly biased in favor of the government. Five years ago, they were even worse. But thanks to IJ client Bill Brody, a federal appeals court has finally ruled that there are limits to just how much government can stack the deck in its favor.

In 2000, I got a call from Bill Brody of Rye, N.Y. His commercial building in Port Chester was being condemned for a Stop & Shop parking lot and he hoped IJ would help him challenge the taking.

IJ Senior Attorney Scott Bullock, paralegal extraordinaire Gretchen Embrey and I traveled to Port Chester and saw a thriving Main Street, with a mix of Hispanic restaurants, home furnishing stores and small apartment buildings. A family operated a small private marina and fresh lobster business on the waterfront. Brody’s building had eleven small businesses, including a laundromat, an electrical supply business, and a dance studio. The whole area was slated to be taken for a private developer who planned to bring in a Costco, Stop & Shop, and other large chain businesses.

The Port Chester situation raised a number of important legal issues. The supposed basis for the taking was that the area was “blighted,” but Port Chester’s study showing “blight” was decades old and not reflective of the tremendous improvements Brody and others had created. The contract

Brody continued on page 10
By Valerie Bayham

For more than a decade, African hair-braiders have been handcuffed, arrested, thrown in jail or fined thousands of dollars merely for practicing their cultural art form for compensation. But thanks to the advocacy of the Institute for Justice and its clients, a growing number of states are finally setting braiders free. In December, the Institute for Justice released the first-ever nationwide study (“A Dream Deferred: Legal Barriers to African Hairbraiding Nationwide”) outlining how far we’ve come on the regulation of braiding and documenting the work still ahead.

Almost 15 years ago, D.C. hairbraid-er Taalib-Din Uqdah walked through IJ’s doors. Uqdah had a classic economic lib-erty problem: the Washington, D.C. Board of Cosmetology was trying to shut down his successful braiding establishment because he refused to send his braiders to 1,500 hours of cosmetology school so they could learn absolutely nothing about African hairbraiding. IJ took this simple case of irrational laws and scored an important victory not only for Uqdah, but for small business owners nationwide who face oppressive government regulation.

The Institute followed up the D.C. litigation with a federal court victory on behalf of braiders in California, legislative triumphs in Arizona and Mississippi, and administrative successes in Minnesota and Washington—all getting the govern-ment out of the way of these would-be entrepreneurs. Along the way, IJ earned a national reputation on the issue that continues to prompt calls from braiders across the country asking about the laws in their state. In response, IJ created “A Dream Deferred,” summarizing the state of cosmetology laws and their relationship to hairbraiding.

IJ’s litigation continues to spark an emancipation movement that is gaining speed. Today, 10 states have untangled braiders from cosmetology regimes. When states eliminate entry-level barriers, the natural hair care business booms. For example, Mississippi legislators exempted braiders from the state’s cosmetology laws only this past April, and IJ client Melony Armstrong, owner of Naturally Speaking in Tupelo, Miss., has already hired three new braiders and is thinking about expanding her braiding salon and academy.

Unfortunately, however, far too many braiders remain twisting in red tape. In 22 other states, boards of cosmetology can arbitrarily determine whether to prosecute braiders or leave them in peace. The final nine states developed hairbraiding specialty licenses that—while imposing fewer hours of training to receive a license—still create a significant and unnecessary barrier to pursuing this honest enterprise.

“A Dream Deferred” encourages states to change their laws or, for those that have informally adopted a hands-off policy, to formalize their position. It also gives braiders ammunition to bring this issue to the attention of legislators and make their case to the public.

“First-Ever National Study on African Hairbraiders Finds Tangle of Cosmetology Laws”

Valerie Bayham is an IJ staff attorney.

Read IJ’s First-Ever National Study on African Hairbraiders “A Dream Deferred”
www.ij.org/hairbraiding

Valerie Bayham
Eminent Domain Abuse on Trial

By Bert Gall

When the abuse of eminent domain is finally stopped, historians may look back on January 11 as the day that turned the tide in favor of American homeowners. Dozens of Castle Coalition members and other Ohioans converged in Columbus to rally against eminent domain for private gain and to see Carl and Joy Gamble and Joe Horney have their day before the Ohio Supreme Court. The City of Norwood condemned the Gambles’ home, Joe’s rental home and other properties so that a private developer could build a complex of chain stores, condos and office space. Although lower courts had mostly rubber-stamped the City’s actions, the Gambles and Joe persevered, knowing that they weren’t fighting only for their rights, but for the rights of every person who’s ever been a victim of eminent domain abuse or could be in the future.

IJ Senior Attorney Dana Berliner argued the case—the first on eminent domain abuse to be argued before a state supreme court since the U.S. Supreme Court’s infamous Kelo decision. She reminded the Court that the Ohio Constitution, like other state constitutions, recognizes more protection for private property than the U.S. Supreme Court said the federal Constitution provides. She also made it clear that if the Ohio Supreme Court follows Kelo, there will be absolutely no protections for Ohio property owners against eminent domain abuse.

After the argument, the crowd that packed the courtroom gathered in a large meeting room in a nearby hotel to congratulate Dana and other Norwood team members on a job well done and to thank the Gambles and Joe for the courage they’ve displayed in the midst of enormous adversity. The Court will make its decision in the next few months. Win or lose, these homeowners are true American heroes.

IJ Senior Attorney Dana Berliner’s closing remarks to the Ohio Supreme Court

“As the members of this court drive home today, I ask you to think about which of the dozens of neighborhoods you pass would not be ‘deteriorating’ under Norwood’s definition. Which of them have no diversity of ownership, no older buildings, no cul-de-sacs, no driveways people have to back out of. Those neighborhoods are full of people like Carl and Joy Gamble and unless this court rules in their favor today, all of those neighborhoods will be subject to condemnation for private development under Ohio’s Constitution.”

Bert Gall is an IJ staff attorney.
The Castle Coalition: TARGETING STATE-LEVEL REFORM

By Steven Anderson

Because most eminent domain abuse occurs as a result of bad state laws, one goal of the Castle Coalition’s “Hands Off My Home” campaign is to effect change at the state legislative level, which we’ve aggressively pursued since the U.S. Supreme Court’s decision in *Kelo v. City of New London*. IJ continues to do the unthinkable: turn a legal setback into a major inspiration for reform across the nation at the state and federal levels.

In Pennsylvania, for example, we counseled legislators on S.B. 881, a sweeping reform of the state’s eminent domain laws. The bill, which is expected to pass the House early this year, prohibits condemnations for private commercial development and tightens the definition of blight. (The latter is necessary for real eminent domain reform and was missing from laws passed in Texas and Alabama.) The Castle Coalition continues to successfully mobilize the grassroots in the Keystone State, having already generated a well-received Pennsylvania white paper outlining the need for (and path to) reform, provided continual email updates and alerts, delivered legislative statements and a primer for lawmakers, and organized a day in Harrisburg for Castle Coalition members to lobby their legislators.

And the call for reform is spreading nationwide.

Thanks in part to the efforts of Institute for Justice Senior Attorney Scott Bullock, Michigan voters will be considering an amendment to their constitution that will codify the Michigan Supreme Court’s *Hatfield* decision (which overruled the infamous *Poletown* case) and will make it tougher to condemn and acquire so-called blighted property. The amendment will be on the November ballot.

IJ chapters have also been busy. IJ Minnesota Chapter Executive Director Lee McGrath announced the formation of Minnesotans for Eminent Domain Reform in early January. This broad and diverse coalition, which includes the NAACP, Farm Bureau, Automobile Dealers Association, Hispanic and Hmong Chambers of Commerce, National Federation of Independent Business and the Teamsters, is already working toward a legislative solution to Minnesota’s troubling eminent domain laws.

Institute for Justice Arizona Chapter Executive Director Tim Keller is similarly working with local citizens and legislators on reforming the state’s eminent domain laws, with particular attention to slum clearance and redevelopment statutes, and co-authored a white paper on eminent domain reform with the Goldwater Institute. Thanks to IJ-AZ’s advocacy in court and in the court of public opinion, Arizona’s case law on private-to-private transfers is firm, particularly after the Arizona Supreme Court’s recent rejection of the city of Tempe’s request to overturn IJ’s victory in *Bailey v. City of Mesa*.

With most legislatures returning to capitals early this year, our legislative work continues at full speed. As legislators in more than 40 states consider, pass, or will soon introduce legislation reforming government’s power of
eminent domain, we have our work cut out for us assisting those who want to achieve real reform. Given the awareness we are generating and the momentum of our campaign, we're confident significant reforms will pass.

Another key component of the Hands Off My Home campaign is activist education. In December, we held our first regional conference for eminent domain activists in Newark, N.J. The one-day conference, modeled on our annual national conference in Washington, D.C., was attended by almost four dozen activists from Connecticut, Pennsylvania, New Jersey and New York who learned the history of eminent domain, how to prepare for legal action and work with the media, and the basics of legislative reform. We will be in other states in the coming months, teaching home and small business owners how to fight for what is rightfully theirs.

Finally, on the day of the Institute for Justice’s recent oral argument against eminent domain abuse before the Ohio Supreme Court, the Castle Coalition organized a rally at the State Capitol, calling on the Court to protect home and small business owners from eminent domain abuse. Citizens from across the state, including large groups from Cincinnati and Cleveland, gathered to hear IJ attorneys and local property owners speak about their experiences and the urgent need for a constitutional restriction on the ability of government to transfer land from one private individual to another. The event was a resounding success and underscores the importance of this issue to people everywhere.

Through each victory—whether in the legislature, the court, the ballot box or the court of public opinion—we get closer to restoring the vision of our Founding Fathers: that property rights are an essential part of a free society, and that they are worthy of our respect and protection.

Steven Anderson is IJ’s Castle Coalition coordinator.
By Chip Mellor

Five years ago, IJ literally opened a new chapter in our nation’s fight for individual rights—we created our first-ever state chapter. Since the launch of the Institute for Justice Arizona Chapter, IJ has gone on to open up other state chapters in Washington State and Minnesota, all of which capitalize on our recognition that state constitutions offer untapped opportunities to secure greater protection for individual rights.

In just five years, these satellite offices of the Institute for Justice have protected private property, promoted school choice, advanced economic liberty and secured free speech protections at the state level. Through our carefully considered, action-oriented approach, IJ chapters continue to add a truly exceptional dimension to our effectiveness. The story of our state chapters illustrates how the Institute for Justice’s entrepreneurial approach produces dramatic results.

A vital part of our chapters’ success is that, from the outset, each quickly made an impact on the law in their states and, in so doing, established themselves as forces for liberty. IJ-AZ secured a legal victory against eminent domain abuse in Arizona on behalf of client Randy Bailey, whose fight was heralded in such news outlets as 60 Minutes. IJ-WA’s victory on behalf of bagel shop owner Dennis Ballen set important protection for commercial speech, earning the recognition of “lawsuit of the year” by Washington Law & Politics. And the Institute for Justice Minnesota Chapter promptly deregulated African hairbraiding, also earning recognition as a “lawsuit of the year” by Minnesota Law & Politics.

As gratifying as these legal victories have been, we have been very excited about other aspects of the chapter experience as well. First and foremost has been the potent partnerships we have formed with the state-based think tanks in each state—the Goldwater Institute, Evergreen Freedom Foundation, Washington Policy Center, and Center for the American Experiment. These think tanks have well-deserved reputations for first-rate research on the most pressing public policy issues. In policy briefings, op-eds, conferences and amicus briefs, they have weighed in powerfully on issues IJ chapters champion. As co-producers of Barriers to
Entrepreneurship studies authored by IJ chapter attorneys, the think tanks and the chapters send a strong message to state bureaucracies: you are under the microscope and your actions will be exposed and challenged when they violate individual rights.

Of course, we have learned important lessons along the way and applied them to make the chapter program stronger. Most notably, we found that focusing chapters solely on state-based litigation was too narrow, unnecessarily limiting the talent we’ve attracted to the freedom movement. Today, our chapter lawyers litigate some cases under their state constitutions, but also find themselves involved in federal court cases filed by headquarters or even other chapters. In other words, we maintain a fluid relationship that moves the talent to where the opportunity is greatest. This approach has proved its worth numerous times, most notably during the massive resource crunch surrounding the Kelo case. It also provides a national foundation upon which IJ can launch coordinated efforts simultaneously across the country to bring nationwide attention and focus to important issues and maximize the impact of IJ’s work.

As the chapters have evolved to take on federal cases, the Institute for Justice’s headquarters has in turn recognized new opportunities in state constitutions. This strategic blend of litigation based in some instances on state constitutions and in others on federal constitutions is especially important today. Securing federal precedent remains an overriding goal because the U.S. Constitution must serve as the bedrock of liberty in America. Yet too often, federal courts defer to legislative or executive authority and permit abuse of basic rights, particularly property rights and economic liberty. This requires us to look to state constitutional provisions that offer greater protections.

In all of our cases, federal or state, we will continue to pursue the unique approach to public interest law that has made IJ’s success possible. Only now, we have the advantage of state chapters working together seamlessly with our headquarters office. As we add new chapters in the coming years, just imagine the impact we will have.

Chip Mellor is IJ’s president and general counsel.
Oregon: Where Property Rights Are Gone

By Jeff Rowes

Oregonians, like Americans everywhere, take it for granted that their government is “of the people, by the people, and for the people.” Imagine their shock then when a successful ballot measure reforming property rights was struck down on the outrageous ground that it’s unconstitutional for Oregonians to limit their government’s authority to regulate.

The story begins in 1971 when Oregonians passed the most restrictive land-use law in the nation. Basically, they froze the zoning map, decreeing that the two percent of Oregon then zoned for residential, commercial and industrial development could never be expanded. Predictably, the price of land within this two percent exploded while rural property owners saw the value of their land plummet. No other state has been foolish enough to do what Oregon did.

After years of trying unsuccessfully to reform the law through conventional means, fed-up Oregonians turned to the ballot initiative and in 2000 passed Measure 7. Measure 7 required “just compensation” whenever regulation diminished the value of land, unless the regulation was directly related to public health and safety.

This victory for property owners was short-lived, however. Measure 7 was promptly challenged by a coalition of these citizens and struck down on a dubious constitutional technicality. Undaunted, Oregonians put the issue on the ballot again in 2004 as Measure 37. Despite being outspent four-to-one and facing opposition from the state’s major newspapers, Measure 37’s supporters were vindicated when it passed by the widest margin of any initiative in Oregon history.

Great news, right?

Not so fast. Measure 37 was also promptly struck down by a state court judge who held, unbelievably, that the people aren’t allowed to tell their government to respect property rights and regulate more fairly. So much for government by the people! When the case went up to the Oregon Supreme Court, IJ submitted an amicus brief explaining the nature and history of property rights.

Measure 37 is vital not only to Oregonians, but to all of us because it is at the forefront of a nationwide grassroots movement to restore traditional notions of property ownership. IJ is committed to helping win this important fight and reminding the courts that the source of all governmental authority comes from the people.

Jeff Rowes is an IJ staff attorney.

Florida Supreme Court Strikes Down Choice

By Clark Neily

Turning its back on thousands of low-income Florida schoolchildren, on January 5 the Florida Supreme Court struck down the state’s Opportunity Scholarship program on the grounds that it violates Florida’s constitutional obligation to establish a “uniform, efficient, safe, secure, and high quality system of free public schools.” Even as it dismantled the nation’s first statewide voucher program, the Court disingenuously claimed it was not questioning the basic right of parents to educate their children as they see fit or seek alternatives to failing public schools—it was simply saying the State could not help them do so. Translation: All people in Florida have a right to send their children to high-quality schools, except poor people.

The two dissenting justices demolished the majority’s “analysis,” documenting the history of the so-called “uniformity clause” and establishing beyond question that it was never intended to prevent the State from improving public schools by exposing them to competition instead of complacency.

The Court noted that its decision had no impact on Florida’s much larger school choice programs—McKay Scholarships for Students with Disabilities and Corporate Tax Credit scholarships for low-income students—which have not been challenged in court . . . yet.

The Institute for Justice is working with Governor Jeb Bush and other school choice advocates to expand those remaining programs to include Opportunity Scholarship students and to strengthen them against possible future court challenges by enemies of choice.

Despite this setback, two things remain certain: school choice lives in Florida and the fight for equal educational opportunity will go on.

Clark Neily is an IJ senior attorney.
By Don Wilson

If a picture is worth a thousand words, the eye-popping motion graphics, video production and state-of-the-art websites created by IJ Production and Design Assistant Isaac Reese have provided an encyclopedia of inspiration for the freedom movement. Isaac’s inspirations continue to captivate the many visitors who view the Institute for Justice’s websites and publications.

Isaac joined IJ in the fall of 2001 as a design intern. From the very beginning, Isaac transformed the organization’s publications and websites with cutting-edge graphic design and technology. It is no surprise to any of us at IJ that whenever new web technology is made available, Isaac is the office innovator, examining it and seeing how the Institute and its supporters can benefit from its use.

From his first major project—the “IJ 360°” online office tour (which introduced www.ij.org visitors to each of our senior staff and utilized Flash, QuickTime VR and motion video)—to IJ’s latest big project (an interactive nationwide map that tracks eminent domain abuse for private use)—Isaac continually challenges himself to find innovative ways of communicating IJ’s message and making each publication and website an example of excellence. This includes the integral production role he plays in creating reader-friendly publications that keep IJ supporters current in our nationwide battle for liberty.

It is this quest for innovation that led IJ President and General Counsel Chip Mellor to say, “With creative talent, boundless energy and an unflappably congenial demeanor, Isaac always delivers the best.”

Isaac’s interest in web technology and design are perfectly complemented by his hobby. Isaac is an avid amateur photographer and during his time at IJ, he has been on photo and video shoots in and around Washington, D.C., at the U.S. Senate and the U.S. Supreme Court, and in Chicago and New London, Conn. Regardless of the setting, Isaac is able to capture the moment with his camera. His eye for detail and ability to capture the essence of an event have enabled IJ to incorporate unforgettable images of our clients and victories into all of our work.

Isaac’s dedication and creative flair have resulted in numerous awards and recognitions for the Institute for Justice. In 2005 alone, IJ’s website received both a Gold MarCom creative award and was nominated for a Webby—the “Oscar” of the Internet. Isaac has made his work integral not only to the success of the Institute’s production department, but to the entire organization.

Don Wilson is IJ’s production and design director.
Brody continued from page 1

between Port Chester and the developer gave
the developer an extraordinary amount of
power to choose the properties it wanted and
to decide whether or not they would be taken
by eminent domain. New York’s highest court,
the Court of Appeals, hadn’t heard a case
about the use of eminent domain for private
development in decades, and Bill Brody’s case
presented a clear example of abuse of power.

There was just one problem. Under New
York law, Brody had already lost the opportunity
to challenge the taking of his property for pri
cate use. New York has the most bizarre, illogi-
cal condemnation process I have ever seen. In
New York, condemnees have one 30-day win-
dow in which to object to the government taking
their homes and businesses. The window clos-
es, however, before the actual taking and before
the owner even knows for sure that his property
will be taken at all. Worse still, municipalities
didn’t have to tell owners about this single,
short-lived opportunity. After a public hearing,
they published an announcement—essentially a
classified ad—in the legal notices section of
the paper that said the project had been approved
but neglected to mention anything about a legal
challenge. They didn’t even have to publish the
actual address of the properties under threat.
Owners had 30 days to challenge the possible
taking of their property sometime (up to ten
years) in the future. That’s it.

By the time he called us, Brody had
already missed his chance to mount a constitu-
tional defense of his property.

New York’s system struck all of us at IJ as,
well, ludicrous. The most basic requirement
of the Fourteenth Amendment’s due process
clause is notice and opportunity to be heard
when the government takes something away
from you. Depriving someone of the right to
challenge the taking of his property based on
a newspaper notice that says nothing about
legal challenges would be a joke if it didn’t
result in people actually losing their homes
and businesses without any recourse to the
courts. New York’s law obviously violated due
process, and so in late 2000, the Institute for
Justice brought a lawsuit in federal court chal-
lenging New York’s law on behalf of Brody and
two other owners.

Amazingly, it’s taken three trips to the
appeals court to finally get a ruling that
New York’s law was in fact unconstitutional.
First, we got an injunction that prevented
Port Chester from moving forward on the
condemnation. The 2nd Circuit reversed
that, and Brody’s buildings were immediately
transferred to the developer, who tore them
down. Then the trial court ruled that Brody
should have brought his case in state court
and thus couldn’t bring it in federal court. The
2nd Circuit reversed again. Then, the trial
court ruled that Port Chester’s meaningless
newspaper notice was good enough. And the
2nd Circuit reversed again. The court finally
concluded, as it should have in the first place,
that cities may not take people’s property with-
out telling them about their one opportunity
to defend themselves. Brody never should have
lost his building in this ridiculous process.

Now, back in the trial court for the fourth
time, it’s too late for Brody to get his building
back. Instead, he will ask for a return of the
land and/or compensation for the violation of
his rights.

In response to the lawsuit, the New York
legislature finally changed the law to at least
require better notice; now a letter is mailed
to owners and actually tells them what is
going on. But the 2nd Circuit’s decision has
a wider impact. It says that there are limits
to just how much a State can stack the deck
against property owners in eminent domain
actions. The decision will help owners in the
future when other states or cities try to rig
the process to prevent owners from defending
themselves.

Bill Brody has gone through five years
of eminent domain hell. He has been up
to the federal appeals court and back down
to the trial court three times. At the same
time, he has had to go to state court to try to
receive compensation for his destroyed build-
ings—buildings Brody had refurbished in hopes
of providing a secure future for his wife and
three young daughters. It took more than a
year after the developer kicked him out of his
property to receive any money at all.

Governments try to maximize their power
and make it as difficult as possible for indi-
viduals to prevent the loss of their home or
small business. Fighting back takes courage,
patience and incredible perseverance. It is the
few owners like Bill, who stand up and fight,
that set the precedents that pro-
tect us all.

Dana Berliner is an IJ senior
attorney.
Quotable Quotes

FOX
Hannity & Colmes

IJ Client Joy Gamble: “We didn’t want to sell [our home]. They stole it. They took it away from us. That’s what happened. The government that’s supposed to protect us, they didn’t protect us. They threw us to the predators.”

PBS
The Wall Street Journal Editorial Report

IJ President Chip Mellor: “There’s been a very strong emotional response that cuts across political spectrum and economic class. . . . Cities will always have available to them too many opportunities and powers to create incentives and promote economic development. They do not need to resort to eminent domain and I don’t think there is any danger at all of the legislation that is being considered handcuffing the cities [in a way] that is counter-productive to their future.”

Chicago Tribune

“‘Blight removal was meant to take away property that was dilapidated and falling down, with high rates of communicable disease and infested with vermin,’ said Steven Anderson, coordinator of the Castle Coalition, which has led a national campaign against what critics call eminent domain abuse. ‘Now it means taking a perfectly fine house that happens to be in a nice location.’”

Cincinnati Enquirer

“I have some pretty clear thoughts about the case: The Gambles should keep their home and the developer should either build around it or cancel the development plans altogether. . . . Quite simply, no family should ever risk losing its home because a government wants to help a private developer.”

—Op-ed by U.S. Senate Majority Leader Bill Frist
The State of Washington tried to force African hairbraiders like me to get a license we don’t need.

But I refused to let a wall of red tape keep me from the dream of running my own braiding salon.

I fought for my right to earn an honest living.

And I won.