SCOTUS Issues Major Ruling on Property Rights and Civil Asset Forfeiture

May 28, 2023 - Late last week the US Supreme Court ruled a Minnesota law that allowed counties to foreclose on homes for unpaid taxes, and then keep the excess proceeds from the sale of those homes is unconstitutional. The case involved a 94-year-old homeowner whose home was seized by Hennepin County for unpaid property taxes. The homeowner owed $15,000 in back taxes. The county sold her home for $40,000 but refused to return the excess $25,000 to the former owner.

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The ruling by the court overturned rulings in a number of appellate courts, and overturns laws in twelve states and the District of Columbia which specifically allow counties to seize property for unpaid taxes, sell it, and keep any excess profits for themselves. The court ruled that this practice violates the Takings Clause of the Constitution's Fifth Amendment, which reads in part; "Nor shall private property be taken for public use, without just compensation."

SCOTUS finding in the case is a major victory for property rights. Cash strapped property owners who are obviously facing financial difficulty when they have to forego property tax payments, have been the people who were hurt the most by laws like Minnesota's. And they will be the greatest beneficiaries of this new ruling.

The plaintiff in the case was represented by the Pacific Legal Foundation. They are a non-profit law firm that focusses on property rights issues. The case is known as Tyler v. Hennepin County, Minnesota.
by Jim Malmberg
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