Wild Dunes and Serbonian Bogs: The Impact of the Lucas Decision on Shoreline Protection Programs

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INTRODUCTION.

In *Lucas v. South Carolina Coastal Council*, the United Supreme Court was forced once again to delve into the law of regulatory takings. This experience is seldom a pleasant one. Echoing the poet John Milton, an exasperated state court judge once described takings law as a "Serbonian Bog." Unfortunately, the takings doctrine is only slightly more comprehensible after the *Lucas* decision than it was before. Nevertheless, progress in this area, however modest, deserves praise, and the Court is to be commended for clarifying one aspect of takings jurisprudence. As a result of *Lucas* a "categorical rule" has been announced that provides for compensation when a state regulation deprives a landowner of all economically valuable property use.

The claimant in *Lucas* owned two unimproved beachfront lots in the Wild Dunes Resort on the Isle of Palms, a barrier island located near Charleston, South Carolina. In 1988, the state legislature enacted a law that authorized the South Carolina Coastal Council to establish construction setback lines. The purpose of these setback lines was to mitigate the effects of erosion in coastal areas. The Coastal Council established a setback line landward of Lucas' back property line, effectively preventing him from building on either of his lots. Lucas brought suit, arguing that the regulation constituted a taking of his

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2. The takings or just compensation clause of the fifth amendment provides that private property may not be taken for public use without payment of just compensation. U.S. Const. amend. V. Governmental actions that do not physically appropriate private property, but instead unduly restrict its use, are known as regulatory takings. See Nathaniel S. Lawrence, *Regulatory Takings: Beyond the Balancing Test*, 20 Urb. Law. 389, 390 (1988).
3. City of Austin v. Teague, 570 S.W.2d 389, 391 (Tex. 1978) ("arguing that regulatory taking law is a sophistic Miltonian Serbonian Bog") (quoting Brazos River Auth. v. City of Graham, 354 S.W.2d 99, 105 (Tex. 1962)). The reference is to a description of Hell from Milton's *Paradise Lost*:
   A gulf profound as that Serbonian bog
   Betwixt Damiata and Mount Casius old,
   Where armies whole have sunk: the parching air
   Burns frore, and cold performs the effects of fire.
property without just compensation. The state trial court, in ruling for the claimant, concluded that the regulation left the property with virtually no market value. The South Carolina Supreme Court overturned the trial court decision by concluding that the state may pass regulations to prevent harm to the public without having to pay compensation.

Having granted certiorari, the Court held that compensation must be paid if a police power regulation deprives a landowner of all economically valuable use of his or her property. This decision produced a bitter division within the Court. This Article argues that the categorical takings rule set forth by the majority in Lucas is analytically sound and fully consistent with the true meaning of the Takings Clause. Furthermore, the Article concludes that Lucas reflects a long overdue reorientation of the Court's takings jurisprudence in favor of private property rights. At the same time, however, the categorical takings rule of Lucas is fairly narrow and should not threaten most state shoreline protection programs.

The Article is divided into four parts. Part I reviews the property regime of coastal areas as well as some representative shoreline management schemes. Part II explores the "Serbonian Bog"—the law of regulatory takings. Part III examines South Carolina's Beachfront Management Act and analyzes the Lucas decision in some detail. Finally, Part IV evaluates the significance of Lucas and discusses its potential impact on various aspects of shoreline management and environmental protection.

I. THE LEGAL REGIME OF COASTAL AREAS.

A. Private and Public Rights Along the Shoreline.

In most states, the mean high water line marks the boundary between public and private ownership in the shoreline. Although land above the mean high water line is subject to private ownership, public rights are paramount in the area below (or seaward of) this line. Id. at 900-02. Lucas v. South Carolina Coastal Council, 404 S.E.2d 895, 907 (S.C. 1991) (Harwell, J., dissenting). Id. at 900-02. Lucas v. South Carolina Coastal Council, 112 S. Ct. 436 (1991).

Frank E. Maloney & Richard C. Ausness, The Use and Legal Significance of the Mean High Water Line in Coastal Boundary Mapping, 53 N.C. L. REV. 185, 200-201 (1974). The mean high water line represents the intersection of a vertical tidal datum with the shoreline. Id. at 195. Tidal datums are elevations based on the average rise and fall of the tide. See Peter K. Nunez, Comment, Fluctuating Shoreline and Tidal Boundaries: An Unresolved Problem, 6 SAN DIEGO L. REV. 447, 451-52 (1969). These datums are generally calculated on the basis of a nineteen year period of observations. This period is used to determine tidal datums because all of the cycles related to the phases, declinations, and distance of the moon occur within this time frame. Maloney & Ausness, supra, at 198.

Both Roman law\textsuperscript{14} and English common law,\textsuperscript{15} acknowledged that members of the public could use the foreshore and adjacent tidal waters for purposes of navigation, fishing and commerce.\textsuperscript{16} This right was known as the \textit{jus publicum}.\textsuperscript{17} In the United States, the \textit{jus publicum}, which includes recreation as well as more traditional public uses,\textsuperscript{18} is protected by a concept known as the public trust doctrine. According to this doctrine, the state holds title to the foreshore and the land beneath navigable waters in trust for the benefit of the public.\textsuperscript{19} Even when the state transfers such property into private ownership, public rights are not entirely lost as long as the property remains physically capable of being used for trust purposes.\textsuperscript{20}

Most of the shoreline above the mean high water line is now privately owned and those who own such property typically possess certain littoral rights. The most important of these littoral rights is access to the water.\textsuperscript{21} Littoral owners also possess the right to navigate, fish, swim and bathe in the sea and its surrounding tidal waters.\textsuperscript{22} Finally, these owners get the benefit of any increase in littoral property caused by the deposit of soil on the land by currents or other natural forces.\textsuperscript{23} Conversely, they risk losing any land that erodes away when the shoreline recedes.\textsuperscript{24}
In recent years, certain activist courts attempted to redefine property interests to enhance the rights of the public at the expense of private landowners.\(^{25}\) One aspect of this trend is the expansion of such concepts as prescription, implied dedication, customary rights and the public trust doctrine for the purpose of increasing public access to privately-owned portions of shoreline.\(^{26}\)

A number of courts use prescription to extend public access to dry-sand beaches. A prescriptive right requires the claimant to exercise actual, continuous, uninterrupted, adverse use over the property under a claim of right for fixed period of time.\(^{27}\) In *Moody v. White*,\(^{28}\) for example, the court found that the public acquired a prescriptive right since members of the public appropriated the dry-sand beach as their own by using it for hunting, fishing, swimming, boating, sunning, and other recreational purposes.\(^{29}\)

Other courts rely on the doctrine of implied dedication to provide public access to privately-owned beaches.\(^{30}\) A dedication is express when it is made by oral declaration or written instrument.\(^{31}\) A dedication is implied when the intention to dedicate is inferred from the acts of public use.


26. In theory, public rights extend only to the wet-sand beach below the mean high water line. See Frank E. Maloney, et al., *Public Beach Access: A Guaranteed Place to Spread Your Towel*, 29 U. FLA. L. REV. 853, 855 (1977). However, if members of the public are completely excluded from dry-sand areas, they may be prevented from using the wet-sand areas as well because of the existence of natural or manmade barriers. See Steve A. McKeon, *Note, Public Access to Beaches*, 22 STAN. L. REV. 564, 566 (1970).

27. Gilbert L. Finnell, Jr., *Public Access to Coastal Public Property: Judicial Theories and the Taking Issue*, 87 N.C. L. REV. 627, 691 (1989). Because members of the public often share a beach with the littoral owner, the adversity requirement, if strictly enforced, may defeat a claim of prescriptive right. See Maloney, *supra* note 26, at 859. See also City of Daytona Beach v. Tona-Rama, Inc., 294 So. 2d 73, 76-77 (Fla. 1974) (public's use was permissive because littoral owner allowed members of the public onto beach to induce them to use its commercial pier facilities).


29. Id. at 374.


and conduct of the landowner. Thus, continuous, uninterrupted use of a parcel of land by the members of the public may give rise to an inference that the owner intended to dedicate the land to public use. See *Seaway Company v. Attorney General* illustrates the application of this principle to shoreline areas. In that case, the court found the general public used the beach for more than a hundred years without permission or interference from littoral owners. This was sufficient for the court to conclude that Seaway impliedly dedicated its property to the public for recreational purposes.

Some courts uphold public claims to the dry sand beach based on the ancient doctrine of customary rights. To qualify as a customary use, a public use must be ancient, uninterrupted, peaceful, reasonable, certain of description, obligatory with respect to affected landowners, and not repugnant to or inconsistent with other customs or law. Until recently, state courts overwhelmingly refused to recognize the doctrine of customary rights as a part of American law. However, in *State ex rel.*

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35. *Id.* at 933-34.
36. *Id.* at 940. California has also applied the doctrine of implied dedication to beaches. *Gion v. City of Santa Cruz*, 465 P.2d 50 (Cal. 1970). In *Gion*, the court declared that an intent to dedicate could be implied from adverse use as well as by acquiescence on the part of the littoral owner. *Id.* at 55. According to the *Gion* court, evidence that the beach has been used as if it were a "public recreation area" for the five-year prescriptive period was sufficient to support a finding of adverse use. *Id.* at 56. Furthermore, the court disagreed that public use of the beach was presumptively permissive. Instead the court required the landowner to prove that the use was pursuant to a license or that the landowner had made a bona fide effort to prevent the public from using the property. *Id.* at 57.
Thornton v. Hay, the Oregon Supreme Court approved the doctrine of customary rights and upheld a ban on fences and other barriers across the dry-sand portion of the beach. Finaly, a few courts invoke the public trust doctrine to protect public access to the dry sand beach. Most of these decisions involve nonresident access to municipally-owned beaches. New Jersey, however, extends this principle of nondiscrimination to private beaches as well.

As the foregoing discussion demonstrates, both the forces of nature and activist courts threaten the use and enjoyment of private property in coastal areas. Landowners learned to live with the dramatic consequences of floods and hurricanes, as well as the more subtle losses of beach erosion. But now, in addition to the physical alteration of beachfront areas by natural forces, shorefront landowners are increasingly threatened by judicial attacks on property rights. Additionally, as shown in the next section, property owners are also threatened in some states by legislation that greatly restricts the right to build in shoreline areas.

B. Regulation of Shoreline Development.

Due to aesthetic and recreational values, the nation's coastal areas are prime targets for residential and commercial development. How-

41. 462 P.2d 671 (Or. 1969).
42. The court observed the public had peacefully used the dry-sand beaches and foreshore since the beginning of the state's political history and that this use had never been interrupted by littoral landowners. Moreover, the public had always made use of the land in a manner appropriate to the land and to the usages of the community. The scope of this public right was visibly delimited by the physical boundaries of the dry-sand beach and by the character of the land. The evidence also showed that the dry-sand beach in question had been used, as of right, uniformly with similarly situated lands elsewhere. Therefore, allowance of public use of the dry-sand beach was not left to the option of individual landowners. Finally, the court concluded that public use of the dry-sand beaches of the state violated no law and was not inconsistent with any other customs. Accordingly, the court held that the public had acquired a customary right to use the dry-sand beach for recreational purposes. Id. at 676-678. But see McDonald v. Halvorson, 780 P.2d 714 (Or. 1989) (holding that customary rights do not necessarily extend to all beaches in the state).
44. See Matthews v. Bay Head Improvement Ass'n, 471 A.2d 355 (N.J.), cert. denied, 469 U.S. 821 (1984). In Matthews, a group of individuals sought to compel the Bay Head Improvement Association, a private nonprofit organization, to open its beachfront property to the general public. The trial court held in favor of the Association and this decision was affirmed by an intermediate appellate court. Id. at 358. The Association maintained its beachfront property for the benefit of its members during the summer months. Membership was generally restricted to Bay Head. Id. at 359.
ever, uncontrolled development can cause a great deal of harm to the coastal environment. Erosion now occurs in almost every coastal area.46 Although some of the erosion is natural,47 much of it is caused by improper placement of artificial structures.48 Furthermore, development near estuarine areas often threatens delicate marine habitats.49 Finally, development on barrier islands often destroys sand dunes and thereby increases the risk of storm damage.50

Encouraged by grants from the federal government,51 virtually every coastal state enacted legislation to protect the shoreline environment.52 A number of states established construction setback lines in

46. Id. at 626. Over the past 100 years, the Atlantic coast has receded an average of two to three feet per year, while the Gulf shoreline has receded an average of four to five feet per year. Erosion also occurs on a smaller scale on the West Coast. See Dennis J. Hwang, Shoreline Setback Regulations and the Takings Analysis, 15 U. Haw. L. Rev. 1, 2 (1991).

47. The movement of sand and sediment can profoundly affect the shoreline. Under natural conditions, sand and gravel eroding from rocks and soils inland are carried downstream by rivers and streams. These particles ultimately reach the shoreline where they are deposited as beach sand. Michael A. Corfield, Comment, Sand Rights: Using California's Public Trust Doctrine to Protect Against Coastal Erosion, 24 San Diego L. Rev. 727, 731 (1987). Littoral currents remove this sand from where it has been originally deposited and transport it to another beach or out to sea. Frank E. Maloney & Anthony J. O'Donnell, Jr., Drawing the Line at the Oceanfront: The Role of Coastal Construction Setback Lines in Regulating Development of the Coastal Zone, 30 U. Fla. L. Rev. 383, 390 (1978).

48. Artificial structures can interfere with the movement of sand and sediment and cause erosion. For example, structures, such as groins and jetties, that extend out perpendicularly into the water, contribute to beach erosion by interrupting the flow of sand along the shoreline. Zalkin, supra note 6, at 214. In addition, seawalls and other vertical structures change the shoreline's natural slope and absorb the full force of the waves. This causes a turbulent, scouring action at the base of the structure that accelerates the removal of sand from the surrounding area. Maloney & O'Donnell, supra note 47, at 390. Finally, improved inlets increase erosion by causing sand to pile up on the updrift side of the shore and blocking it from the downdrift side. Frank E. Maloney et al., Water Law and Administration—the Florida Experience § 93.1 (1968).


50. Zalkin, supra note 6, at 213-14.


coastal areas in order to control development and protect against coastal erosion.\(^5\) Most of these states require new structures to be placed a certain distance from a fixed line, such as a vegetation line, dune line, or mean high water line.\(^4\) Other states, however, employ a floating setback line.\(^5\) Unlike a fixed setback line that is uniform along the entire coastline, a floating setback line will vary according to the historical rate of erosion in a particular area.\(^6\) The purpose of this regulatory technique is to ensure that buildings are located far enough inland to have a reasonable lifespan before being threatened by erosion.\(^7\) Unfortunately, as Lucas illustrates, floating setback lines often impose excessive burdens on the owners of shorefront property.

II. THE LAW OF REGULATORY TAKINGS.

Perhaps because of its complexity, the takings issue has intrigued generations of legal scholars, inspiring them to write numerous articles on the subject.\(^8\) This Article does not try to improve upon these efforts, but instead merely provides a brief overview, with special emphasis on those aspects of takings law involved in the Lucas case.

A. The Police Power.

States, through the exercise of their police power, may regulate the

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\(^{53}\) Hwang, supra note 46, at 5.


\(^{56}\) The floating setback line is determined by calculating the annual rate of erosion, based on historical data. This figure is then multiplied by a factor of 30 to 100 as determined by the statute. Hwang, supra note 46, at 9.

\(^{57}\) Id. at 3-4.

use of private property in order to promote the health, safety, morals or general welfare of their citizens. These governmental regulations must, however, meet the requirements of substantive due process. The "rational basis" test is the prevailing approach for reviewing due process challenges. This test considers whether the regulation advances any valid governmental interest and whether the means chosen provides a rational method for accomplishing this purpose. Traditionally, the Court accords a great deal of deference to legislative judgments regarding regulatory means and ends. However, even if a regulation satisfies the requirements of the due process clause, it may still violate the takings clause if it takes property without just compensation. If the regulation is deemed to be a taking, the government must either abandon the regulation or compensate the injured party.

B. Traditional Takings Tests.

1. The Physical Invasion Test.

The physical invasion test requires the government to pay compensation when it permanently occupies private property. This rule uses objective criteria and, therefore, is relatively predictable and consistent. However, the physical invasion test only has limited applicability and, therefore, it rarely serves as a deciding test in regulatory taking

60. The due process clause of the fifth amendment provides that no person shall be deprived of property without due process of law. U.S. CONST. amend. V.
64. E. George Rudolph, Let’s Hear It for Due Process—An Up to Date Primer on Regulatory Takings, 23 LAND & WATER L. REV. 355, 374 (1988).
67. See First English Evangelical Lutheran Church, 482 U.S. at 321.
68. See United States v. Dickinson, 331 U.S. 745, 750 (1947) (dam raised water level, causing flooding of plaintiff’s land); United States v. Lynah, 188 U.S. 445, 469 (1903) (overflow from navigation project turned plaintiff’s rice plantation into a bog); Pumpelly v. Green Bay & Miss. Canal Co., 80 U.S. 166, 181 (1872) (state authorized dam on river caused upstream lake to overflow its banks and flood plaintiff’s land).
Furthermore, the test is arguably unfair because it compensates trivial losses, while denying compensation for substantial loses when no physical invasion occurs, even when the landowner's loss is more severe.

2. The "Noxious Use" Test.

The "noxious use" test allows states to regulate, without paying compensation, activities that create a risk of significant harm to the public regardless of the economic effect on the regulated parties. In effect, this rule vindicates the right of the government to protect the public against harmful spillover effects from private activity. The justification usually given for the denial of compensation is that no one can obtain a vested right to injure or endanger the public; therefore, the abatement of a noxious use is not a taking of property. The noxious rule is generally applied to nuisances or "nuisance like" activities. It works tolerably well in these circumstances, but provides little help in resolving conflicts among socially desirable, but incompatible, activities.

3. The Harm/Benefit Test.

The harm/benefit rule was derived from the noxious use rule. Under this approach, no taking occurs if the government regulates to prevent a landowner from causing harm to others. However, a taking occurs if the purpose of the regulation is to force the landowner to con-

70. Binder, supra note 61, at 3.
73. See, e.g., Miller v. Schoene, 276 U.S. 272, 279 (1928) (upholding law that required destruction of cedar trees infected with cedar rust parasites); Samuels v. McCurdy, 267 U.S. 188, 195-96 (1925) (upholding law prohibiting possession in plaintiff's home of alcoholic beverages purchased before passage of state prohibition law); Pierce Oil Corp. v. City of Hope, 248 U.S. 498, 499 (1919) (upholding ban on oil and gasoline storage tanks near residential dwellings); Hadacheck v. Sebastian, 239 U.S. 394, 410 (1915) (upholding prohibition of brickyard in residential area); Reinman v. City of Little Rock, 237 U.S. 171, 177 (1915) (upholding ban on livery stables in residential area); Murphy v. California, 225 U.S. 623, 629 (1912) (upholding ordinance against pool halls); L'Hote v. New Orleans, 177 U.S. 587, 598 (1900) (upholding ban on houses of prostitution in certain areas); Mugler v. Kansas, 123 U.S. 623, 668-69 (1887) (upholding closure of plaintiff's brewery).
76. See Andrea L. Peterson, The Taking Clause: In Search of Underlying Principles, Part II—Takings as Intentional Deprivations of Property Without Moral Justification, 78 Cal. L. Rev. 55, 86 (1990) (suggesting that the noxious use rule allows confiscatory regulation without compensation only if the public would regard the regulated activity as "wrongful").
77. Sax, supra note 58, at 48-50. In addition, the noxious use rule is arguably unfair in cases where the landowner could not reasonably foresee that a particular use might subsequently become harmful to the public. Berger, supra note 58, at 174-75.
fer a benefit on the public.\textsuperscript{79} The Supreme Court does not treat the harm/benefit approach as a distinct test.\textsuperscript{80} However, state courts frequently rely on this test to uphold land-use controls in environmentally sensitive areas.\textsuperscript{81}

In theory, there is a significant difference between preventing a harm and securing a benefit.\textsuperscript{82} However, in practice, it is often difficult to maintain this distinction on a principled basis.\textsuperscript{83} In addition, critics of the rule charge that the concept of harm can be expanded to cover just about anything.\textsuperscript{84}

4. The Diminution-in-Value Test.

Under the diminution-in-value test, a regulation that reduces the value of property beyond a certain point is treated as a taking.\textsuperscript{85} \textit{Pennsylvania Coal Co. v. Mahon}\textsuperscript{86} is commonly thought to be the original source of this doctrine.\textsuperscript{87} In that case, a coal company challenged the validity of a statute prohibiting the mining of anthracite coal if the mining caused subsidence of overlying residential property. Writing for the Court, Justice Holmes declared that while some diminution in value is permissible, "[w]hen it reaches a certain magnitude, in most if not in all cases there must be an exercise of eminent domain and compensation to sustain the act."\textsuperscript{88}

\textsuperscript{79} Allison Dunham, \textit{A Legal and Economic Basis for City Planning}, 58 COLUM. L. REV. 650, 665-66 (1958); Lipsker & Heldt, supra note 74, at 211. According to Professor Michelman, the rationale of the harm/benefit rule "is that compensation is required when the public helps itself to good at private expense, but not when the public simply requires one of its members to stop making a nuisance of himself." Michelman, supra note 58, at 1196.


\textsuperscript{82} Dunham, supra note 79, at 664-65.

\textsuperscript{83} Catherine R. Connors, \textit{Back to the Future: The "Nuisance Exception" to the Just Compensation Clause}, 19 CAP. U. L. REV. 139, 184 (1990). In the majority opinion of \textit{Lucas}, Justice Scalia also recognizes that the difference between benefit and harm may be only a matter of perception. \textit{Lucas v. South Carolina Coastal Council}, 112 S. Ct. 2886, 2897-98 (1992).

\textsuperscript{84} Sondra E. Berchin, Comment, \textit{Regulation of Land Use: From Magna Carta to a Just Formulation}, 23 UCLA L. REV. 904, 911 (1976).


\textsuperscript{86} 260 U.S. 393 (1922).

\textsuperscript{87} Peterson, supra note 58, at 1325. It appears that Justice Holmes mentioned diminution-in-value on several occasions prior to the decision in \textit{Pennsylvania Coal}. See, e.g., Hudson County Water Co. v. McCarter, 209 U.S. 349, 355 (1908) (if an exercise of police power renders property "wholly useless, the rights of property would prevail over the other public interest, and the police power would fail"); Interstate Consol. St. Ry. Co. v. Massachusetts, 207 U.S. 79, 87 (1907) ("the question narrows itself to the magnitude of the burden imposed").

\textsuperscript{88} 260 U.S. at 413. Applying this principle, Holmes concluded that the statute made
In applying the diminution-in-value test to determine whether compensation must be paid, the Court looks to the extent of economic loss suffered by the property owner. This involves determination of a numerator and a denominator — that is, the value to the property before and the value after the regulation is applied. The Court must then calculate the percentage of the decline in value and decide whether the decline is sufficient to constitute a taking.

There are a number of difficulties with the diminution-in-value test. In the first place, it is not clear whether excessive diminution in value alone constitutes a taking or whether it is merely one factor for the Court to consider in deciding takings controversies. Moreover, the diminution-in-value test provides no standard by which to determine how much of a diminution is a taking. Finally, the rule does not identify which property interests must be taken into account when calculating a regulation's economic effect.

C. Modern Takings Tests.

Each of the traditional takings tests focuses on a single factor, such as the physical consequences of the government's action, the motivation behind the challenged regulation, or its economic impact on the claimant's property. In the last decade or so, the Court has tended to employ takings tests that require more than one factor to be considered. The two most popular approaches are the Penn Central balancing test and the Agins two-factor test.

1. The Penn Central Balancing Test.

This test made its debut in Penn Central Transp. Co. v. New York City. The Penn Central case arose out of the refusal of the New York City Landmarks Preservation Commission to allow Penn Central to construct a multi-story office building over Grand Central Station Terminal (the Terminal). Penn Central claimed that the New York Landmarks Preservation Law deprived it of all gainful use of the airspace above the Terminal. The Court considered the following factors to determine it unprofitable to remove coal from the land in question, and thus destroyed the value of the company's mineral estate. This, in his view, constituted a taking.  

90. Donald W. Large, The Supreme Court and the Takings Clause: The Search for a Better Rule, 18 ENVTL. L. 3, 19 (1987); Michelman, supra note 58, at 1229-34.
91. Id. at 19-20.
92. Peterson, supra note 58, at 1327.
93. Craig A. Peterson, Land Use Regulatory "Takings" Revisited: The New Supreme Court Approaches, 39 HASTINGS L.J. 335, 339 (1988); Rose, supra note 58, at 566.
96. Under this law, any change in the exterior structure of a building designated as a historic landmark required a permit from the Landmarks Preservation Commission. In 1967, the Commission classified Grand Central Station Terminal, which was owned by Penn Central, as a historic landmark. Id. at 115-17.
whether a taking occurred: (1) the character of the governmental action involved; (2) the extent to which the regulation has interfered with distinct investment-backed expectations; and (3) the economic impact of the regulation upon the property owner. Applying these factors to the facts of the case, the Court upheld the New York law.

a. Character of Governmental Action.

This factor involves both the “type of taking” alleged and the “nature of the state action.” The “type of taking” inquiry looks to whether the government action is a physical invasion or whether it is an accepted form of economic regulation. The “nature of state action” analysis focuses on the justification for the government’s action, and in particular, on whether it is attempting to prevent harm to the public.

i. The “Type of Taking.”

The Court focused almost entirely on the “type of taking” in Loretto v. Teleprompter Manhattan CATV Corp. The Court struck down a New York statute that required landlords to permit cable television companies to install cable facilities on their property upon payment of a nominal fee. The Court characterized this relatively trivial intrusion as a property restriction of unusually serious character.

The “type of taking” also influenced the Court’s decision in Kaiser Aetna v. United States, a case which involved public access to a nonnavigable pond. The landowner, with the permission of the United States Army Corps of Engineers (the Corps of Engineers), connected one end of the pond with the ocean and constructed a marina at the other end. Later, the Corps of Engineers sought to compel the landowner to allow members of the public to use the pond and marina. Although the Court acknowledged that the pond had become navigable for purposes of federal regulation, it refused to rule that the federal navigation servitude requires public access to private property without payment of compensation.

97. Id. at 124.
98. Id. at 138.
100. Peterson, supra note 58, at 1318-19.
102. Id. at 411.
103. Id. at 426.
105. Id. at 168.
106. Id. at 179-80. The navigation servitude doctrine provides that the federal government does not have to compensate landowners who are injured when it exercises its power over navigable waters under the Commerce Clause. See, e.g., United States v. Grand River Dam Auth., 363 U.S. 229, 233 (1960) (federal government not required to pay owner of condemned property for water power rights); United States v. Twin City Power Co., 350 U.S. 222, 228 (1956) (same); United States v. Willow River Power Co., 324 U.S. 499, 510 (1945) (federal government not required to pay owner of hydroelectric dam for reduction
ii. The "Nature of State Action."

In *Keystone Bituminous Coal Ass'n v. DeBenedictis* the Court looked at "the nature of state action" to determine if a taking occurred. *Keystone* involved a state statute that prohibited mining which might cause subsidence to certain buildings. Regulations adopted pursuant to this statute required fifty percent of the coal beneath these structures to be kept in place to provide surface support. The plaintiffs sought to enjoin state officials from enforcing the statute or its regulations. On appeal, the Court declared that the government had a substantial interest in preventing harm from nuisance-like activities and, therefore, the Court did not require compensation. The Court upheld the statute in part by suggesting that mining operations that harmed the property of third parties were similar to noxious uses. This case effectively incorporated the noxious use rule into the *Penn Central* balancing test.

b. Investment-Backed Expectations.

Deprivation of "investment-backed expectations" may also constitute a regulatory taking. The rationale behind the protection of investment-backed expectations is similar to the reliance rationale that underlies the doctrines of estoppel and vested rights in zoning law. However, to claim interference with investment-backed expectations, the property owner must be able to point to specific facts and circumstances that make such expectations reasonable.

The burden of proving the existence of investment-backed expectations is often a difficult one for property owners to meet. For example, the Court rejected the landowner's investment-backed expectations in water flow caused by construction of flood control project); United States v. Chandler-Dunbar Water Power Co., 229 U.S. 53, 65-66 (1913) (federal government not required to pay owner of condemned dam for water power rights).

107. 480 U.S. 470 (1987). The Court seems to have also used the *Agins* two-factor test in *Keystone*. See Peterson, supra note 58, at 1329.

108. 480 U.S. at 488-90.

109. Id. at 476-77.


111. 480 U.S. at 492.

112. Id.


claim in the *Penn Central* case, concluding that its expectations largely focused around the Terminal’s traditional use as a railroad station. Since the law only restricted a use of the airspace, the Court felt that it did not frustrate Penn Central’s expectations with respect to use of the Terminal.\(^\text{117}\) Conversely, the landowner in *Kaiser Aetna* persuaded the Court that by allowing the landowner to improve the pond, the Corps of Engineers created certain expectancies, including the expectancy that the landowner could continue to exclude the public from the pond and the marina.\(^\text{118}\)

c. Economic Impact.

Obviously, the size of the burden imposed on a property owner by a regulation is relevant to the taking issue.\(^\text{119}\) At the same time, even a severe economic impact does not necessarily constitute a taking.\(^\text{120}\) Moreover, the Court developed several techniques that undercut claims of adverse economic impact in taking issue cases. One concept is the doctrine of average reciprocity of advantage. The other is that the entire “bundle of rights” in a piece of property should be considered when measuring the economic impact in a takings analysis.

i. Average Reciprocity of Advantage.

“Average reciprocity of advantage” originally meant that the state was not required to pay just compensation when a party giving up property received a new benefit not shared by the general public.\(^\text{121}\) This rule implicitly assumed the regulation standing alone might be a taking, but the new benefit was payment in kind, rather than in cash, which satisfied the compensation requirement.\(^\text{122}\) This appears to be what happened in *Penn Central*, where the plaintiff claimed the Landmark Preservation Law only benefitted the general public. The Court acknowledged that the burden fell disproportionately on Penn Central, but nevertheless concluded that the fact that some benefit accrued to Penn Central was sufficient to compensate the landowner.\(^\text{123}\) The current approach is to regard any general benefits that arise from the regu-
lation as mitigating the economic harm it imposes on a particular property owner.\textsuperscript{124}

ii. Effect of the Regulation on the Entire Property Interest.

The Court generally insists that economic impact be assessed in terms of the entire property interest of the regulated party.\textsuperscript{125} Nevertheless, property owners occasionally utilize a tactic known as "conceptual severance" to defeat this policy. This involves "severing" from the whole bundle of rights just those aspects of property use that are impaired by the regulation and then treating them as a separate property interest.\textsuperscript{126}

In \textit{Penn Central}, for example, the landowner claimed that the Landmark Preservation Law deprived it of all gainful use of the airspace above the Terminal. Rejecting this attempt at conceptual separation, the Court declared that it must consider the economic impact of the law on Penn Central's entire "bundle of rights" in the Terminal and not restrict its inquiry to one particular aspect of these rights.\textsuperscript{127}

The plaintiffs in \textit{Keystone} also employed a conceptual separation strategy. They contended that the coal that would have to be left in the ground was a separate property interest being taken by the state.\textsuperscript{128} However, the Court rejected this argument by concluding that this coal did not constitute a separate property interest distinct from the plaintiffs' coal reserves as a whole.\textsuperscript{129}

2. The \textit{Agins} Two Factor Test.

In \textit{Agins v. City of Tiburon},\textsuperscript{130} the plaintiffs challenged the validity of


\textsuperscript{125} See, e.g., \textit{Andrus v. Allard}, 444 U.S. 51, 65-66 (1979) ("where an owner possesses a full 'bundle' of property rights, the destruction of one 'strand' of the bundle is not a taking, because the aggregate must be viewed in its entirety").

\textsuperscript{126} Margaret J. Radin, The Liberal Conception of Property: Cross Currents in the Jurisprudence of Takings, 88 COLUM. L. REV. 1667, 1676 (1988).

\textsuperscript{127} \textit{Penn Central}, 438 U.S. at 130-31. Furthermore, the Court observed, the Landmarks Preservation Law did not completely destroy the value of the airspace above the Terminal because it allowed Penn Central to transfer its "development rights" in the airspace to other nearby property that it owned. In the Court's view, this mitigated any loss that Penn Central might suffer if were denied all use of the airspace above the Terminal. \textit{Id.} at 137.

\textsuperscript{128} \textit{Keystone}, 480 U.S. at 496-97.

\textsuperscript{129} \textit{Id.} at 498. Although, the plaintiffs would be required to leave 27 million tons of coal in place, this only amounted to about two percent of the their total coal reserves of 1.46 billion tons. Furthermore, the plaintiffs conceded that no individual mine would be rendered unprofitable by the regulation. \textit{Id.} at 496. The plaintiffs also argued that the statute destroyed a separate legal interest known as the "support estate." \textit{Id.} at 496-97. However, the Court denied that the support estate was really a distinct property interest. According to the Court, the support estate had value only when it was used in connection with either the mineral estate or the surface estate. Therefore, the Court refused to conclude that the statute completely destroyed the support estate. \textit{Id.} at 500-01.

\textsuperscript{130} 447 U.S. 255 (1980).
two local ordinances that limited the number of residential dwellings that could be constructed on their five-acre tract of land. The plaintiffs maintained that the city’s density restrictions would make it economically impossible for them to develop their property. On appeal, the Court applied a two-part test to facial challenges to the land use control regulations. Under this approach, a taking would occur if either: (1) the regulation failed to substantially advance a legitimate state interest; or (2) if it deprived the landowner of all economically viable use of his or her property.

a. Substantially Advance Legitimate Governmental Goals.

The requirement that a regulation “substantially advance legitimate governmental goals” is traditionally associated with substantive due process. In Agins, however, the Court incorporated this principle into its takings analysis. The Court concluded that Tiburon’s ordinance substantially advanced legitimate governmental goals by protecting the public against the adverse effects of uncontrolled urbanization. In Nollan v. California Coastal Comm’n, however, the Court ruled that to “substantially advance” a legitimate state interest, a “reasonable nexus” must be established between the regulation and the public need it seeks to address. Furthermore, satisfying this test requires close scrutiny of both the ends served by governmental action, as well as the means used to achieve them.

Some commentators suggest that “substantially advance” aspect of Agins is not only a “means-ends” test, but that it is also concerned with the nature of the state’s interest. Thus, the central consideration of this test is whether the state is attempting to prevent a substantial harm to the public. For example, in Keystone, the Court first asked if the statute served a legitimate public purpose, and then considered whether the government was seeking to prevent a noxious use of the plaintiffs’

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132. 447 U.S. at 260.
134. 447 U.S. at 261.
136. The plaintiffs in Nollan sought permission from the California Coastal Commi- sion to build a house on a parcel of beachfront property. However, the Commission refused to issue the necessary permit unless the plaintiffs agreed to grant an public easement along the beach. The Commission claimed that an easement was necessary to protect the public’s ability to see the beach, to overcome the “psychological barrier” created by a developed shorefront, and to prevent congestion on public beaches. The Court failed to see how the permit condition would achieve any of these objectives. Id. at 836.
138. See, e.g., Burling, supra note 113, at 343; Peterson, supra note 58, at 1328.
It is not clear, however, whether compensation would be required under this approach if the Court concluded the state was seeking to prevent a nuisance.

b. Deprivation of All Economically Viable Use.

Under the Agins formula, a regulation that substantially advances a legitimate state interest can still result in a taking if it deprives the claimant of all economically viable use of his property.¹⁴¹ It is not clear whether this language is to be taken literally or whether it is merely a restatement of the diminution-in-value principle. The Court never answered this question in Agins because it could not determine whether the plaintiffs had suffered any loss as a result of the ordinances.¹⁴² In subsequent cases where the issue has arisen, the Court never found that a regulation deprived a claimant of all economically viable use of his or her property.¹⁴³


As many legal commentators observe, the Supreme Court's current takings jurisprudence leaves much to be desired.¹⁴⁴ First, the Court uses inconsistent approaches in takings cases. The Penn Central test balances various factors without (except perhaps in the case of a physical invasion) according preeminence to any one factor.¹⁴⁵ The Agins test, on the other hand, is an "all or nothing" approach where a taking exists if either element of the test is satisfied.¹⁴⁶ It has been suggested that the Agins approach is applicable to facial challenges, while the Penn Central

¹⁴⁰ Id. at 488-90.
¹⁴² Agins, 447 U.S. at 262-63.
¹⁴⁴ See, e.g., Arvo Van Alstyne, Taking or Damaging by Police Power: The Search for Inverse Condemnation Criteria, 44 S. Cal. L. Rev. 1, 2 (1971) ("With some exceptions, the decisional law [on the takings issue] is largely characterized by confusing and incompatible results, often explained in conclusionary terminology, circular reasoning, and empty rhetoric."); Epstein, supra note 122, at 4 ("the cases continue to mount up, and the pressures to distinguish and to reconcile them increase, until this array of ad hoc decisions becomes wholly incomprehensible to legal and lay observer alike"); Humbach, supra note 72, at 244 ("the law of police-power takings is a widely acknowledged hodgepodge, its doctrines a farrago of fumblings which have suffered too long from a surfeit of deficient theories."); Peterson, supra note 58, at 1303-04 ("the Court's takings doctrine is in far worse shape than has generally been recognized—indeed, . . . it is difficult to imagine a body of case law in greater doctrinal and conceptual disarray"); Rose, supra note 58, at 562 ("commentators propose test after test to define 'takings,' while courts continue to reach ad hoc determinations rather than principled resolutions"); William B. Stoebuck, Police Power, Takings, and Due Process, 37 Wash. & Lee L. Rev. 1057, 1059 n.11 (1980) ("in truth, the collected decisions of the Supreme Court, and all other courts [on the takings issue], leave the subject as disheveled as a ragpicker's coat").
¹⁴⁵ Peterson, supra note 58, at 1317.
¹⁴⁶ Id. at 1319 n.152.
test is used where "as applied" challenges are involved. However, the Court does not apply this distinction with any great degree of consistency. Consequently, it is difficult to predict what test the Court will apply in any given situation.

The Penn Central and Agins tests have also been criticized on indeterminacy grounds. Thus, it is claimed that the three factors in Penn Central provide little structure to the Court's taking analysis. First, the Court defines each factor in a variety of ways without acknowledging shifts in definition. Second, the weight assigned to each factor varies from case to case. The Agins test is subject to similar criticism. Both the "substantially advance" requirement and the "no economically viable use" concept have been criticized for lack of clarity.

To its credit, the Court appears to be gradually reducing the areas of ambiguity in its takings issue jurisprudence. Thus, for example, Loretto established a clear position with respect to permanent physical invasions of real property and Nollan apparently tightened up the "means-ends" test. In Lucas, the Court turned its attention to another area of ambiguity, the "no economically viable use" concept of the Agins test. What has emerged is a bright-line rule against government regulation that totally deprives landowners of any productive use of their property.

III. THE LUCAS DECISION.

A. The South Carolina Beachfront Management Act.

South Carolina's original shoreline regulation statute, enacted in 1977, required landowners to obtain permits from the Coastal Council before building homes or other structures in "critical areas." This included beaches and primary sand dunes. However, the 1977 Act gave the Coastal Council no control over residential development landward of existing beaches. In 1987, a Blue Ribbon Committee estab-

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148. Peterson, supra note 76, at 57.
150. Petersen, supra note 58, at 1317.
151. Id.
153. Lake Nacimiento Ranch Co. v. County of San Luis Obispo, 841 F.2d 872, 877 (9th Cir. 1987) ("the precise meaning of 'economically viable use' of land is elusive and has not been clarified by the Supreme Court").
155. See Krueger, supra note 89, at 905 ("The [Nollan] Court's description of the degree of fit required between the ends and means of land-use regulations seems to signal a much stronger examination of legislative purpose.").
157. Id. § 48-39-10(f).
158. Zalkin, supra note 6, at 79.
lished by the Coastal Council to study erosion control, recommended a setback program that would move development sufficiently inland so that residential structures would not be threatened by the natural erosion cycle.\(^{159}\) This suggestion led to the enactment of the 1988 Beachfront Management Act (the Act).\(^{160}\)

The Act provided for the establishment of “baselines” and construction setback lines in coastal regions.\(^{161}\) The Act also distinguished between standard erosion zones and inlet erosion zones. A standard erosion zone was defined as a segment of shoreline that was subject to the same set of coastal processes, had a fairly constant range of profiles and sediment characteristics, and was not influenced directly by tidal inlets or associated inlet shoals.\(^{162}\) The Act defined an inlet erosion zone as a segment of shoreline along or adjacent to a tidal inlet that was directly influenced by the inlet and the inlet’s associated shoals.\(^{163}\)

Ordinarily, the baseline in the standard erosion zone would be located along the crest of the primary oceanfront sand dunes in that area.\(^{164}\) However, if the shoreline was altered, either naturally or because of artificial structures, the baseline was to be placed where the crest of the primary oceanfront sand dunes would have been if the shoreline had not been altered.\(^{165}\) Where inlets had not been stabilized by jetties, groins, or other structures, the baseline was to be located at the most landward point of any erosion in the last forty years unless the best available scientific and historical data indicated that the shoreline was unlikely to return to its former location.\(^{166}\)

Once a baseline was established in a coastal area, the Act directed the Coastal Council to establish a setback line landward of the baseline. This setback line would be either forty times the annual erosion rate or twenty feet, which ever was greater.\(^{167}\) The Act generally prohibited the construction of habitable structures seaward of the setback line.\(^{168}\) Normal repairs were allowed,\(^{169}\) but a structure that had been completely destroyed could only be replaced if certain conditions were met.\(^{170}\)

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161. The Act required the Coastal Council to establish “interim” baseline and setback lines by the Act’s effective date. Id. § 48-39-280(C). The 1990 amendments required the Council to establish final baselines and setback lines prior to July 3, 1991. Id.
162. Id. § 48-39-270(A)(6).
163. Id. § 48-39-270(A)(7). The property in Lucas was located in an inlet erosion zone.
164. Lucas, 112 S. Ct. at 2889 n.1.
165. Id. § 48-39-280(A)(1).
166. Id. § 48-39-280(A)(2). Baselines within inlet erosion zones were to be calculated in the same manner as baselines in standard erosion zones. Id. § 48-39-280(A)(3).
167. Id. § 48-39-280(B).
168. Id. § 48-39-290.
170. The new structure must not be larger, longer along the coastline, or closer to the sea than the original structure. Furthermore, the new structure must be moved as far landward as possible. Id. § 48-39-290(B)(1)(b)(iv).
thermore, no damaged structure could be reconstructed seaward of the baseline.\textsuperscript{171} Finally, new erosion control structures were banned outright by the Act\textsuperscript{172} and replacement of damaged structures was severely restricted.\textsuperscript{173}

Some of the restrictions in the Act were later relaxed by the Legislature in 1990 to alleviate some of the hardships caused by Hurricane Hugo.\textsuperscript{174} For example, limited construction was allowed between the baseline and the setback line.\textsuperscript{175} In addition, the 1990 amendments authorized the Coastal Council to permit construction seaward of the baseline in certain situations.\textsuperscript{176} Finally, the amendments repealed a provision that required landowners to replace, on an annual basis, all sand in front of their property lost through erosion if they replaced habitable structures or erosion control devices.\textsuperscript{177}

B. The State Court Opinion.

Lucas v. South Carolina Coastal Council\textsuperscript{178} was one of several challenges to the validity of South Carolina’s 1988 Beachfront Management Act.\textsuperscript{179} In 1986, the plaintiff in Lucas purchased two unimproved beachfront properties. Id. § 48-39-290(B)(1)(b)(iv)(d).

In 1988, the plaintiff in Lucas purchased two unimproved beachfront properties. Id. § 48-39-290(B)(2)(a).

The Act provides that an existing erosion control structure may not be replaced if more than 80% of the “above grade” portion is destroyed. Id. § 48-39-290(B)(2)(b)(i). That percentage drops to 67% in 1995 and 50% in the year 2005. Id. §§ 48-39-290(B)(2)(b)(ii), 48-39-290(B)(2)(b)(iii).

Zalkin, supra note 6, at 221.

Houses of less than 5000 square feet were allowed within this area if no portion was constructed on a primary oceanfront sand dune and if the structure was moved as far landward as possible.

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Beard v. South Carolina Coastal Council, 403 S.E.2d 620 (S.C. 1991), decided by the

See Esposito v. South Carolina Coastal Council, 939 F.2d 165 (4th Cir. 1991); Chavous v. South Carolina Coastal Council, 745 F. Supp. 1168 (D.S.C. 1990), rev’d sub nom. Esposito v. South Carolina Coastal Council, 939 F.2d 165 (4th Cir. 1991). Esposito and Chavous involved property in Hilton Head, South Carolina. The parties in Esposito owned improved property located partially seaward of a baseline established by the Coastal Council pursuant to the 1988 Act. The act prohibited repair or additions to structures located in this “dead zone.” 939 F.2d at 167. The landowners brought a facial challenge to the Act, claiming that it constituted a taking of their property. The trial court, however, ruled in favor of the Coastal Council. On appeal, the Circuit Court applied the Agins test. First, it held that the state had an important interest in protecting its beaches and that the Act was substantially related to the achievement of this goal. Id. at 169. Then the court found that the Act did not deprive the landowners of all viable use of their property because it permitted them to use it in the same manner as they did before the statute’s enactment. Id. at 170. Therefore, the court upheld the validity of the 1988 Act.

In Chavous, two landowners were denied permission to construct a house on a vacant parcel of beachfront property. The landowners sued for money damages and injunctive relief. The trial court ruled that the Eleventh Amendment prohibited a federal court from awarding damages against the state. However, the court did find that the 1988 Act amounted to a taking of the landowners’ property and enjoined the Coastal Council from enforcing the setback restriction against them. 745 F. Supp. at 1172. The case was consolidated with Esposito on appeal and the circuit court ruled that the 1990 amendments obviated the need for an injunction. See Esposito, 939 F.2d at 171. The court expressed no opinion on whether the 1988 Act constituted a temporary taking of the landowners’ property between 1988 and 1990.
front lots on the Isle of Palms near Charleston, South Carolina for $975,000. The owners of all of the adjacent tracts constructed single-family homes on their property and Lucas intended to do the same. At the time Lucas purchased the property, neither lot was subject to regulation under the existing Coastal Management Act and, therefore, the lots were not subject to regulation by the Coastal Council. However, the Act mandated the baseline be fixed some distance landward of the Lucas property because the shoreline along this property had fluctuated significantly over the past forty years. The construction setback line was located even further inland. Consequently, Lucas was prohibited by the Act from building a structure on either lot except for a small deck or walkway.

Lucas brought suit against the Coastal Council, alleging that the building restriction constituted a taking of his property without just compensation. The trial court found in his favor and awarded Lucas more than $1.2 million. This decision, however, was reversed on appeal by a divided South Carolina Supreme Court.

Lucas did not question either the objectives of the Act or the means chosen by the legislature to achieve these objectives. Instead, he claimed that the statute’s provisions, as applied to him, deprived him of “all economically viable use” of his property. The majority opinion acknowledged that economic impact was a relevant factor under the Keystone’s multifactor analysis. However, the opinion preferred to rely on a line of United States Supreme Court cases that upheld regulations without requiring just compensation when the state acted in order to

South Carolina Supreme Court shortly before its ruling in Lucas, involved a challenge to the 1977 Coastal Management Act. In that case, several landowners brought suit to compel the Coastal Council to allow them to construct a bulkhead across their beachfront property. The lower court held that denial of the necessary permit amounted to a taking of the plaintiffs’ property. On appeal, the South Carolina Supreme Court concluded that enforcement of the restriction would have little impact of the property. Accordingly, the court upheld Coastal Council’s decision. Lucas, 112 S. Ct. at 2889 n.1.

The area in question was located in an inlet erosion zone that had not been stabilized by jetties, terminal groins or other structures. Lucas, 112 S. Ct. at 2889 n.1. Consequently, as required by the 1988 Act, the baseline was fixed at the most landward point of the shoreline over the past 40 years.

Over the past 40 years, the shoreline had been subjected to both accretion and erosion. For example, the plaintiff’s property was under water between 1957 and 1963. Since 1963, the shoreline had moved seaward. Lucas v. South Carolina Coastal Council, 404 S.E.2d 895, 896 (S.C. 1991).

These factors are: (1) the economic impact of the regulation; (2) the regulation’s interference with investment-backed expectations; (3) the character of the government action; and (4) the nature of the state’s interest in the regulation. See Keystone Bituminous Coal Ass’n v. DeBenedictis, 480 U.S. 470 (1987).
prevent a serious harm to the public. This was, of course, nothing more than the old "noxious use" rule. The majority opinion treated this as a per se rule: if the regulation is aimed at preventing a noxious use, the state is never required to compensate, regardless of how much the landowner is harmed.

The majority opinion then concluded that since the landowner had not challenged the Act's legislative findings that new construction causes serious public harm, he had conceded that his proposed use would be harmful and thus fall within the noxious use no compensation rule. Thus, the majority concluded, Lucas was not entitled to compensation even though the regulation deprived him of all economically viable use of his property.

In a strong dissent, two members of the South Carolina court expressed disagreement with the reasoning of the majority opinion. The dissenting opinion relied on the two-factor test of Agins. According to this approach, a land use regulation would constitute a taking if it did not substantially advance legitimate state interests or if it denied an owner all economically viable use of his land. Thus, according to the dissent, the court must first examine the purpose of the regulation. This inquiry would lead to one of three possible conclusions: (1) the regulation was unconstitutional because the public purpose for which it was enacted was not considered to be sufficient or legitimate; (2) the regulation was designed to prevent a nuisance and, therefore, no compensation was required; or (3) the regulation was not designed to prevent a nuisance, but did substantially advance other legitimate state interests. In this latter situation, a taking would occur if the landowner was deprived of all economically viable use of his land.

Unlike the majority, the dissenters did not regard the legislative findings of fact as conclusive on the issue of whether the regulated activity caused serious harm to the public. The dissent contended that such an approach would allow the state to regulate without paying compensation simply by calling that which it seeks to prevent a nuisance a nuisance. The dissent then determined that the primary purpose of the Act was not nuisance prevention since the activities and effects that the Act sought to

189. Lucas, 404 S.E.2d at 899. The court did not specifically indicate how this no compensation rule fit within the Keystone framework, but presumably it felt that it was an aspect of the nature of the state's interest in regulation.
190. Id. at 900-01. The court cited Carter v. South Carolina Coastal Council, 314 S.E.2d 327 (S.C. 1984), as an example of the application of the noxious use rule in South Carolina.
192. Lucas, 404 S.E.2d at 900.
193. Id. at 902.
195. Id. at 260.
196. Lucas, 404 S.E.2d at 906.
197. Id. at 906.
198. Id. at 905.
prevent were not sufficiently injurious to be considered “noxious.”\textsuperscript{199} Turning to the second factor of the Agins test, the dissent concluded that the restriction on construction effectively destroyed the market value of the plaintiff’s property.\textsuperscript{200}

C. The Supreme Court Opinion.

On the last day of the October 1991 Term, Justice Scalia, joined by Chief Justice Rehnquist and Justices White, O’Connor, and Thomas, issued an opinion reversing the judgment of the South Carolina Supreme Court.\textsuperscript{201} Justice Kennedy concurred in the result, but preferred to decide the case by using an investment-backed expectations test instead of the categorical rule proposed by Justice Scalia.\textsuperscript{202} Justice Blackmun\textsuperscript{203} and Justice Stevens\textsuperscript{204} each wrote a dissenting opinion and Justice Souter issued a separate statement on the question of ripeness.\textsuperscript{205}

Writing for the majority, Justice Scalia first determined that the case was ripe for review by the Court.\textsuperscript{206} He then announced a categorical rule under which compensation would be required whenever a regulation deprived a property owner of “all economically viable use.”\textsuperscript{207} Furthermore, the landowner would be entitled to compensation under these circumstances even though the stated purpose of the regulation was to prevent harm to the public.\textsuperscript{208} However, Justice Scalia did concede that the government would not be required to compensate a property owner for prohibition of uses that were not permitted under preexisting background principles of nuisance and property law.\textsuperscript{209}

1. Ripeness.

Lucas did not challenge the Act on its face; he merely objected to the Act as applied to his property.\textsuperscript{210} However, between the time Lucas brought suit and the time his case was decided by the South Carolina Supreme Court, the legislature amended the Act to create a special permit procedure under which a landowner could request the Coastal Council to allow construction seaward of the setback line.\textsuperscript{211} The Council, therefore, argued that the Court should not review the landowner’s permanent takings claim until after he had requested, and been denied, a special permit to build.\textsuperscript{212}

\begin{itemize}
  \item \textsuperscript{199} Id. at 906.
  \item \textsuperscript{200} Id. at 907.
  \item \textsuperscript{201} Lucas v. South Carolina Coastal Council, 112 S. Ct. 2886, 2902 (1992).
  \item \textsuperscript{202} Id. at 2903.
  \item \textsuperscript{203} Id. at 2904-17.
  \item \textsuperscript{204} Id. at 2917-25.
  \item \textsuperscript{205} Id. at 2925-26.
  \item \textsuperscript{206} Id. at 2891-92.
  \item \textsuperscript{207} Id. at 2895.
  \item \textsuperscript{208} Id. at 2899.
  \item \textsuperscript{209} Id. at 2900.
  \item \textsuperscript{210} Id. at 2907 n.4.
  \item \textsuperscript{212} Lucas, 112 S. Ct. at 2891.
\end{itemize}
The Court had previously addressed the ripeness issue in *MacDonald, Sommer & Frates v. Yolo County.* In *MacDonald,* a developer, whose proposed plan was rejected, claimed that this action effectively restricted his property to unsuitable uses. However, the Court declared that it could not decide whether a taking had occurred until the county had made a “final and authoritative determination” of the type and intensity of development that it would permit on the plaintiff’s property.

Justice Scalia agreed that the landowner’s permanent takings claim was not ripe for review as long as he could apply for a special permit to build houses on his lots. However, Justice Scalia argued that the Court could review a temporary takings claim, notwithstanding the establishment of a special permit procedure in 1990. According to Justice Scalia, even if Lucas eventually obtained a special permit to build on his beachfront lots, the state supreme court decision upholding the validity of the statute effectively foreclosed any claim for loss of use of the property between 1988 and 1990. On this basis, Justice Scalia concluded that the Court could review the landowner’s temporary takings claim.

Considering the availability of a special permit procedure, it is rather surprising that a majority of the Court was willing to decide the *Lucas* case. The Court could have vacated the judgment of the South Carolina Supreme Court and remanded it back to the state courts for further consideration in light of the 1990 amendments. At that point, Lucas could have brought an action for a temporary taking in state court. However, as Justice Blackmun observed, “Clearly, the Court was eager to decide this case.”

Although Justice Souter and the dissenters disagreed with the Court’s action, it can be defended on two grounds. First, it would have been unfair to require the landowner, who brought his case before three courts, to then go through a lengthy and uncertain administrative process followed by additional litigation, to find out whether or not he

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214. Id. at 344.
215. Id. at 348; see also Williamson County Regional Planning Comm’n v. Hamilton Bank, 473 U.S. 172, 190-91 (1985) (factors involved in taking issue could not be properly evaluated until agency had made a final, definitive decision about how the regulation would be applied to the claimant’s property).
217. The Court acknowledged that compensation was required for a temporary regulatory taking in *First English Evangelical Lutheran Church v. Los Angeles County,* 482 U.S. 304, 321 (1987).
218. The special permit procedure became available after the *Lucas* case was argued but before it was decided by the South Carolina Supreme Court. *Lucas,* 112 S. Ct. at 2890-91.
219. Id. at 2891-92.
220. Id. Justice Kennedy, in a concurring opinion, agreed that the landowner’s claim for a temporary regulatory taking claim was ripe. Id. at 2902.
221. Id. at 2909 n.7.
222. Id. at 2909.
could build a house on his property.\textsuperscript{223} Second, the \textit{Lucas} case presented an excellent opportunity for the Court to shed some light on the takings issue.

2. The Categorical Rule.

Justice Scalia observed that there were at least two types of regulatory action that required compensation "without case-specific inquiry into the public interest advanced in support of the restraint."\textsuperscript{224} The first involved physical invasions or appropriations of private property; the second included cases where government regulation denied all economically beneficial or productive use of the land.\textsuperscript{225} Since the state courts had conceded that the regulation completely destroyed the economic value of the beachfront lots, Justice Scalia believed that the only issue before the Court was whether compensation could be required in this situation when the purpose of the regulation was to prevent a serious harm to the public.

Justice Scalia concluded compensation was necessary when a regulation deprived a landowner of all economically beneficial use of his or her property.\textsuperscript{226} He declared that a regulation that allowed no economically beneficial use did not merely adjust "the benefits and burdens of economic life" in a manner that secured an "average reciprocity of advantage" to everyone concerned; rather, the effect of such a regulation was similar to a physical appropriation.\textsuperscript{227} Furthermore, because confiscatory regulations were extremely rare, Justice Scalia did not feel that a compensation requirement in such cases would impair vital governmental functions.\textsuperscript{228} Finally, Justice Scalia claimed that a categorical rule would discourage local governments from pressing private property into public service under the guise of mitigating some public harm.\textsuperscript{229}

The case for a categorical rule in "total deprivation" cases is a compelling one. If the essential meaning of the Takings Clause is that the rights of individuals should not be sacrificed to promote some greater public good,\textsuperscript{230} a rule that vindicates that principle is completely appropriate. The categorical rule promulgated in \textit{Lucas} does not insulate property owners against reasonable regulation; it merely requires the state to exercise its power of eminent domain when it destroys the value of an individual's property in order to achieve some otherwise desirable governmental objective.

There may, however, be some problems with the application of Justice Scalia's categorical rule. For example, the concept of "deprivation

\textsuperscript{223} Cf. Burling, supra note 113, at 346 (arguing that the cost of multiple administrative proceedings can exhaust a property owner's resources).
\textsuperscript{224} \textit{Lucas}, 112 S.Ct. at 2893.
\textsuperscript{225} \textit{Id}.
\textsuperscript{226} \textit{Id} at 2895.
\textsuperscript{227} \textit{Id} at 2894.
\textsuperscript{228} \textit{Id}.
\textsuperscript{229} \textit{Id} at 2894-95.
\textsuperscript{230} See generally Epstein, supra note 58.
of all economically valuable use" may be indeterminate. Because this concept is central to operation of the categorical rule, it should have been fleshed out more in Lucas. For example, does this mean that uses should be considered "economically valuable" only if they are appropriate to the physical character of the land, to its geographical location, and to the land-use patterns of the surrounding area? Hopefully, in future decisions, the Court will give the term "deprivation of all economically valuable use" an interpretation that is consistent with the rationale behind categorical rule. Another problem is that of determining which property interests should be taken into account in deciding whether a landowner has suffered a total deprivation. However, as discussed earlier, this difficulty arises whenever economic loss is calculated in fractional terms, as it is in the diminution-in-value test and Penn Central's economic impact test. Therefore, the "conceptual separation" problem is not unique to the categorical rule and should not be cited a reason for rejecting Justice Scalia's categorical approach to total deprivations.

3. The Noxious Use Rule.

As the dissenters pointed out, the categorical rule announced in Lucas was inconsistent with Mugler and a long line of other noxious use cases. Rather than overrule these cases directly, Justice Scalia attempted to incorporate them into a takings formula based on the Agins two part test. Thus, Justice Scalia characterized the noxious use rule as the progenitor of the principle that "land-use regulation does not effect a taking if it 'substantially advance[s] legitimate state interests.'" In this fashion, he transformed the noxious use rule from a doctrine that denied compensation into a doctrine that invalidated police power regulations because they failed to satisfy the first part of the Agins test. According to this analysis, a regulation that was intended to control a noxious use met the first requirement of Agins, but compensation would still be required under the second part of the Agins test if the regulation deprived the landowner of all economically beneficial use of his or her property.

Justice Scalia's attempt to link the noxious use rule with substantive due process was probably ill-advised. To be sure, many of the early noxious use cases were primarily concerned with the state's power to regu-

231. Lucas, 112 S. Ct. at 2913.
232. In fairness to Justice Scalia, it should be pointed out that the concept of deprivation of all economically valuable use originated in the Agins case. In the 12 years since Agins was decided, no one on the Court has ever attempted to explain what this concept means.
233. For example, in Lucas, virtually the entire 3 1/2 mile beachfront side of the Wild Dunes Resort was occupied by single family homes, condominiums or resort-owned recreational facilities. To suggest, therefore, that the lots had economic value because the landowner could "picnic, swim, camp in a tent, or live on the property in a moveable trailer" was inconsistent with this standard.
234. Id. at 2913, 2919-20.
235. See Radin, supra note 126, at 1676.
236. Lucas, 112 S. Ct. at 2897.
237. Id. at 2898-99.
late, rather than with the effect of the regulation on the claimant; but the rule, at least in the twentieth century, has been predominantly associated with takings analysis, not with substantive due process. Nor, can it be said, as Justice Scalia suggested, that the noxious use rule does not allow deprivation of all economic value. Even though many of the regulations in question merely prohibited noxious uses, their practical effect was to render the property useless and unproductive. The inescapable conclusion, therefore, is that the noxious use rule authorizes total deprivation of economic benefit and, as such, is completely inconsistent with Justice Scalia's categorical rule.

The categorical rule announced in Lucas, however, not only rejects the noxious use rule, but also abrogates the harm/benefit test. The harm/benefit test provides that no taking occurs if a regulation merely prevents property owners from causing harm to others, although compensation will be required if the purpose of the regulation is to confer a benefit on the public that it does not already enjoy. It is clear that the no taking/no compensation aspect of this rule applies even when the regulation allows no profitable use of the property. For this reason, the harm/benefit test is often relied upon by state courts to uphold restrictive environmental regulations. Now, as a result of the Lucas decision, state courts will no longer be able utilize the harm/benefit test to uphold regulations that deprive landowners of all beneficial use of their land.

This repudiation of the harm/benefit test is long overdue. The harm/benefit approach is analytically unsound because the distinction between preventing a harm and providing a benefit is largely illusory. Furthermore, the harm/benefit test is easily manipulated because the concept of harm can be expanded to cover just about anything the gov-


239. See, e.g., Patrick Wiseman, When the End Justifies the Means: Understanding Takings Jurisprudence in a Legal System with Integrity, 63 St. Johns L. Rev. 433, 459 (1988) (approving the no compensation aspect of the noxious use rule); but see Stoebuck, supra note 144, at 1062 (arguing that the noxious use rule is really a due process test, not a takings test).

240. Lucas, 112 S. Ct. at 2899.


243. Peterson, supra note 76, at 106.

244. Hunter, supra note 49, at 324.


246. Lucas, 112 S. Ct. at 2897 ("the distinction between 'harm-preventing' and 'benefit-conferring' regulation is often in the eye of the beholder.")
ernment wants to regulate or prohibit.\textsuperscript{247} This has allowed some courts to uphold confiscatory regulations while giving little or no consideration to their effect on property owners.\textsuperscript{248}

4. The "Nuisance Exception."

Justice Scalia declared that when the government deprived a landowner of all economically beneficial use, it could avoid the duty to compensate only by showing that the use interest destroyed by the regulation had never been part of the landowner's title.\textsuperscript{249} Furthermore, Justice Scalia warned, the notion that title to land was subject to an implied limitation that the state could subsequently eliminate all economically valuable use was "inconsistent with the historical compact recorded in the Takings Clause that has become part of our constitutional culture.\textsuperscript{250}

According to Justice Scalia, limitations on land use that relieved the government of the duty to compensate "must inhere in the title itself, in the restrictions that background principles of the State's law of property and nuisance already place upon land ownership."\textsuperscript{251} Any inquiry on this issue would ordinarily entail an analysis of: (1) the degree of harm to public lands or resources, or adjacent property, posed by the claimant's proposed activities; (2) the social value of the claimant's activities and their suitability to the locality in question; and (3) the relative ease with which the alleged harm could be avoided through measures taken by the claimant, the government, or adjacent landowners.\textsuperscript{252} As Justice Scalia himself admitted, courts examined these same factors to determine the existence of a private nuisance.\textsuperscript{253} Justice Scalia also pointed out that the fact that a particular use has been engaged in by similarly situated owners ordinarily imported a lack of any common-law prohibition, as did the fact that other landowners, similarly situated, were permitted to continue the use denied the claimant.\textsuperscript{254}

Finally, Justice Scalia declared that this issue was one of state law that must be decided by the state courts on remand. However, he suggested that common-law principles would rarely prevent all construction or improvement on a landowner's property.\textsuperscript{255} Furthermore, Justice Scalia emphasized that, on remand, the state could not simply cite legislative findings or make conclusive applications of common-law maxims

\textsuperscript{247} Berchin, \textit{supra} note 84, at 911.
\textsuperscript{248} In \textit{Lucas}, for example, the state court accepted at face value the Legislature's conclusion that beach erosion caused harm to beach/dune areas, that new construction contributed to beach erosion, and that the state could, therefore, prohibit new construction without payment of compensation, regardless of its effect on landowners. \textit{Lucas}, 404 S.E.2d at 900-02.
\textsuperscript{249} \textit{Lucas}, 112 S. Ct. at 2899. Justice Stevens labeled this as a "nuisance exception."
\textsuperscript{250} \textit{Id.} at 2920.
\textsuperscript{251} \textit{Id.} at 2900.
\textsuperscript{252} \textit{Id.}
\textsuperscript{253} \textit{Id.}
\textsuperscript{254} \textit{Id.}
\textsuperscript{255} \textit{Id.}
in order to sustain the regulation. In effect, the state would have to show that construction of a house on the beachfront property would constitute a common-law nuisance.

In the abstract, no one could disagree with the proposition that no taking can occur unless the claimant is deprived of a legally recognized property interest. Nevertheless, the dissenters expressed great concern about the operation of the nuisance exception in Justice Scalia’s takings framework. These concerns, however, seemed to relate more to the categorical rule rather than the nuisance exception.

One argument, for example, was that the categorical rule and nuisance exception were unnecessary because legislatures could make determinations about background principles of nuisance or property law as effectively as courts. In effect, every new regulation represents a legislative readjustment of nuisance or property principles; thus, the legislative act that establishes the regulation would also place the regulated activity within the nuisance exception by declaring it to be unlawful. This is essentially how the harm/benefit test works. However, the nuisance exception in Lucas quite properly places the responsibility for determining background principles on the courts. Courts have a clear institutional advantage over legislatures when it comes to making decisions about existing nuisance and property law. Legislatures are inherently political institutions which often represent narrow special interest groups rather than the general public. Courts, on the other hand, are experienced in dealing with legal concepts and are more likely to be neutral decision-makers.

It was also suggested that the nuisance exception would have the effect of protecting existing lawful uses of property against subsequent prohibition. It is true that under Justice Scalia’s takings framework, the state legislature could not unilaterally characterize some activity as a nuisance and thereby prohibit it completely without payment of compensation. That does not mean, however, that this new takings formula “effectively freezes the State’s common law, denying the legislature much of its power to revise the law governing the rights and uses of property.” Background principles of nuisance and property law are still free to change over time as they always have in the past.

In sum, the nuisance exception is a logical corollary to Justice

256. Id.
257. Id. at 2901-02.
259. Lucas, 112 S. Ct. at 2914 (Blackmun, J., dissenting).
261. Lucas, 112 S. Ct. at 2921 (Stevens, J., dissenting).
262. Id.
263. For a discussion of changes in the law of prescription, implied dedication, custom, and the public trust doctrine and the effect of these changes on littoral rights. See supra nn. 12-44 and accompanying text.
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Scalia's categorical rule. The dissenters' attacks on the nuisance exception lack plausibility and reflect their dislike of the categorical rule, rather than any genuine concern about the rule's exception.

IV. SOME THOUGHTS ON THE COURT'S NEW TAKINGS THEORY.

In recent years, the Supreme Court began to show more concern for property owners.\(^{264}\) Kaiser Aetna,\(^{265}\) Loretto,\(^{266}\) First English,\(^{267}\) and Nollan,\(^{268}\) along with Lucas, are illustrative of this trend. This portion of the Article examines some of the consequences of the Court's new treatment of regulatory takings claims.

A. Effect on Property Owners.

In the past, property owners who sought to challenge burdensome regulations faced a number of procedural and evidentiary barriers. For example, the Court rigorously enforced its rules relating to ripeness and exhaustion of administrative remedies, thereby delaying judicial review of any takings claim until dilatory local officials reached a final administrative decision on a landowner's request to develop.\(^{269}\) In addition, in its application of the "rational basis" test, the Court generally accepted at face value legislative findings about the public purpose served by the regulation and the effectiveness of the means employed.\(^{270}\) Furthermore, the Court often rejected takings claims even when a regulation imposed a severe burden on affected property owners.\(^{271}\) All of this gave government agencies a decided advantage when property owners sought to challenge restrictive or oppressive regulations.

The Court's new takings jurisprudence improves the position of claimants somewhat at the expense of the government. The Court's willingness to accept the Lucas case for review suggests that it may be

\(^{264}\) Burling, supra note 113, at 313.
\(^{266}\) Loretto v. Teleprompter Manhattan CATV Corp., 458 U.S. 419 (1982).
\(^{267}\) First English Evangelical Lutheran Church v. Los Angeles County, 482 U.S. 304 (1987).
\(^{269}\) See, e.g., MacDonald, Sommer & Frates v. Yolo County, 477 U.S. 340, 351-53 (1986) (developer whose initial development plan was turned down required to submit revised plan before bringing takings claim; Williamson County Regional Planning Comm'n v. Hamilton Bank, 473 U.S. 172, 193-94 (1985) (claimant required to seek a variance from local zoning board before bringing takings claim).
\(^{270}\) See, e.g., Keystone Bituminous Coal Ass'n v. DeBenedictis, 480 U.S. 470, 485-88 (1987) (agreeing that mining companies could be required to leave coal in place to protect surface owners from effects of subsidence); Agins v. City of Tiburon, 447 U.S. 255, 261 (1980) (agreeing that density requirements were necessary to protect city against consequences of urban growth); Penn Central Transp. Co. v. New York City, 438 U.S. 104, 134-35 (1978) (agreeing that historic preservation law served a public purpose); Goldblatt v. Hempstead, 369 U.S. 590, 595-96 (1962) (agreeing that a ban on excavation promoted safety).
prepared to relax its ripeness and exhaustion rules, at least in cases where it is apparent that no change in position is likely to occur on the part of local legislators. This shift in the Court's approach is to be commended. While ripeness and exhaustion doctrines are obviously essential to the efficient operation of the judicial system, they can sometimes be unfair to landowners who are forced to expend time and money seeking variances and pursuing administrative appeals when it is obvious that permission to develop will ultimately be denied.  

The "rational nexus" requirement of Nollan also exemplifies the Court's newfound solicitude for property owners. It indicates that the Court is not going to automatically defer to implausible legislative statements of purpose, but instead will make an independent evaluation of the legislative purpose of a challenged regulation. This does not mean a return to the Lochner era when the Court felt free to make its own decisions about the social or economic wisdom of state legislation. Rather, it means that the Court will not be deterred by legislative assertions of public purpose from invalidating regulations, like that involved in Nollan, that are nothing more than blatant appropriations of private property.

The Lucas Court's repudiation of the noxious use and harm/benefit rules, insofar as they purport to authorize regulations that totally destroy the value of private property without compensation, will provide property owners with greater protection against overreaching by government officials and legislators who wish to please taxpayers by securing the benefits of public beaches and wildlife sanctuaries without paying for them. The holding in Lucas is also reassuring because it contradicts the certain radical notions about private property that have been espoused by a segment of the environmental movement.

Finally, the First English decision, upholding a claim for a temporary taking, will discourage the enactment of clearly invalid regulations because it imposes an economic cost in the form of damages on communities that act in such a manner. The holding in First English will encourage expeditious resolution of regulatory takings claims because it penalizes delay if the regulation is subsequently found to be invalid. In the past, regulatory agencies had no reason to move the decisional process along. Now the threat of a damage claim provides an incentive for these agencies respond more quickly to development requests.

273. Lawrence, supra note 137, at 253.
274. Krueger, supra note 89, at 905.
275. 198 U.S. 45 (1905).
277. See, e.g., Hunter, supra note 49, at 317-20 (endorsing Aldo Leopold's theories of "land ethic" and "stewardship"); Large, supra note 85, at 1045 (because of spillover effects, "land cannot be neatly divided into mine and yours"). See also Devall, The Deep Ecology Movement, 20 Nat. Resources J. 299 (1980).
B. Effect on Land Use and Environmental Regulation.

Even prior to the *Lucas* decision, some environmentalists criticized the Court's takings jurisprudence because, in their view, it unduly limited the government's power to protect ecological resources from destruction by private property owners.\(^{278}\) In *Lucas* itself, some members of the Court expressed concern that the new takings formula might be too restrictive.\(^{279}\) However, as the discussion below attempts to illustrate, the Court's new takings framework will not invalidate most existing forms of shoreline protection regulation.

1. Dune Protection Legislation.

Sand dunes stabilize beach areas, act as buffers against storms and provide a habitat for wildlife.\(^{280}\) At the same time, sand dunes and their associated vegetation are vulnerable to the effects of development.\(^{281}\) Consequently, it makes sense to preserve the dune environment whenever possible. A few states enacted legislation that specifically protects sand dunes.\(^{282}\) Typically, these statutes prohibit the destruction of dunes or construction near dune lines. In general, unless a lot is extremely shallow, compliance with dune protection regulations is not difficult. Therefore, the Court's new takings framework should have no significant effect on dune protection laws.

2. Beach Access Legislation.

Several states enacted beach access provisions.\(^{283}\) Obviously there is no constitutional problem with statutes that predicate public rights on existing property law concepts, such as prescription, implied dedication or custom. Development exactions are another matter. The mandatory dedication of an easement that runs from a public road to a beach might satisfy *Nollan*'s rational nexus test if it was required of developers as part of the initial development approval process. This is because large-scale residential or commercial construction along a previously undeveloped shoreline might in fact interfere with existing public access. However,
requiring individual lot owners to dedicate a portion of their land as a condition to obtaining a building permit, as was done in *Nollan*, should not be allowed. Once a shoreline area becomes developed, the government should pay for an easement if it wishes to provide public access to beach areas.


Beach erosion is occurring in many areas of the country.\textsuperscript{284} As mentioned earlier, a number of states established fixed construction setback lines in coastal areas in order to control this problem.\textsuperscript{285} As long as setback lines are not located too far from existing shorelines, landowners should be able to coexist with them. A few states established floating construction setback lines.\textsuperscript{286} Floating setback lines are probably more effective erosion control devices than fixed ones.\textsuperscript{287} When this technique is employed, the setback line may be located a considerable distance inland if the shoreline fluctuates widely over time. Obviously, a deep setback line is more likely to cover an entire lot, as in *Lucas*, than a shallow one. Furthermore, the chances of a total deprivation are much greater when a setback is established along a fully developed shoreline. In fact, the floating setbacks are probably impractical in areas, such as Wild Dunes, where development occurs along an unstable shoreline.


The *Lucas* decision is likely to have its greatest impact on wetlands protection regulations. Coastal wetlands are extremely productive and valuable natural resources.\textsuperscript{288} The estuarine environment, however, is also highly vulnerable to the effects of development.\textsuperscript{289} For this reason, many states regulate dredging and filling in wetland areas.\textsuperscript{290} Unfortunately, wetlands are essentially worthless from the landowner’s point of view if permission to dredge or fill is denied.\textsuperscript{291}

In the past, some courts upheld denials of dredge and fill permits on the theory that no compensation was required when the purpose of the regulation was to protect the estuarine environment from harm.\textsuperscript{292}

\textsuperscript{284} Owens, supra note 45, at 626.
\textsuperscript{287} Hwang, supra note 46, at 13.
\textsuperscript{288} Binder, supra note 61, at 18-30.
\textsuperscript{289} See Hunter, supra note 49, at 359-40.
\textsuperscript{291} Large, supra note 90, at 4-5.
However, that rationale is no longer valid after *Lucas*. State courts could rule that the destruction of wetlands was nuisance-like in terms of its effect on the public welfare, but it would be hard for them to justify such a conclusion in light of the fact that development activities in wetlands areas are not unusual even in this era of heightened environmental consciousness. Nor could a court avoid the effect of *Lucas* by arguing that title to wetlands does not carry with it any right to alter their natural state. The logic *Lucas* appears to support the existence of a landowner's right to improve or develop property that is not economically productive in its natural state. Therefore, *Lucas* would seem to dictate that the states must either place generous variance provisions in their wetlands protection statutes or create programs to purchase development rights in wetland areas.

**CONCLUSION.**

The *Lucas* holding was a narrow one, covering only situations where a regulation completely destroys the economic value of a landowner's property. However, *Lucas*, when read together with other recent decisions, indicates that the Court shifted its takings doctrine in favor of landowners. The Court's implicit repudiation of the no compensation aspect of the harm/benefit test is particularly significant. Undoubtedly, the Court's new takings framework will impose some constraints on land use and environmental regulation. However, this is a price that must be paid if property rights are to be protected against unduly restrictive governmental regulation.

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293. Cf. Coletta, *supra* note 124, at 357 (arguing that much development is nuisance-like in character and may thus fall within the an expanded nuisance exception principle).

294. It will be recalled that Justice Scalia cautioned in *Lucas* that "[t]he fact that a particular use has long been engaged in by similarly situated owners ordinarily imports a lack of any common-law prohibition though changed circumstances or new knowledge may make what was previously permissible no longer so." *Lucas*, 112 S. Ct. at 2901.

295. This notion was first proposed in *Just v. Marinette County*, 201 N.W.2d 761, 768 (Wis. 1972). One commentator referred to this as the "when you buy a swamp you just get a swamp" theory of takings. See Burling, *supra* note 113, at 351.

296. *Lucas*, 112 S. Ct. at 2901 ("It seems unlikely that common-law principles would have prevented the erection of any habitable or productive improvements on petitioner's land; they rarely support prohibition of the 'essential use' of land.").