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O.C. supervisors move to curb eminent domain

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SANTA ANA – Just as a wave of ballot measures are gaining steam throughout the state to restrict local government's ability to take property away from homeowners, the Orange County Board of Supervisors has jumped into the fray.

During their weekly meeting Tuesday, supervisors unanimously approved a ballot measure for the June primary that would establish an ordinance prohibiting county government from taking a person's property for transfer to a private business.

"This will allow the public to express their opinion," said Supervisor Chris Norby, leading the meeting because Chairman Bill Campbell is in Hong Kong.

Local governments often use eminent domain powers to acquire property and give it to a private business for commercial redevelopment.

Since the U.S. Supreme Court ruled more than a year ago that public agencies could use eminent domain to take private property for economic development, a nationwide debate has erupted. After the decision in Kelo v. City of New London, numerous grass- roots groups are seeking similar ballot measures.

However, one financial rating agency says lawmakers should think about the implications of restricting such government power.

Amy Doppelt - an analyst with Fitch Ratings, which gives municipal bonds credit scores- Tuesday issued a report titled, "Beyond Kelo: Reactions, Responses and Credit Quality" that issued a strong warning to local governments.

If such restrictions are adopted, Doppelt said local financial ratings could be damaged in the long term - three to 10 years - because certain revenues might go offline as redevelopment is restricted.
