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## *House of Representatives*

# FAIR OPPORTUNITY FOR THE LITTLE GUY UNDER EMINENT DOMAIN!

**HON. BOB FILNER**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

**MR. FILNER:** Mr. Speaker, I rise today to urge support of H.R. 4603, the Eminent Domain Relief for the Little Guy Act. I have introduced this bill to address a current law that makes the hardship of being forced to sell property to the government under eminent domain even more difficult.

The use of eminent domain is authorized in the Constitution and has been used throughout our Nation's history to acquire the property necessary to build roads, schools, military bases, and government buildings. However, that these projects serve the greater good must seem little consolation to an owner whose property comes under threat of eminent domain. Eminent domain can derail a property owner's life plan, erasing years of hard work spent getting a business off of the ground or building a home.

The Constitution makes it clear that a property owner forced to sell under eminent domain is entitled to "just compensation." While it is debatable whether any compensation can be truly just, it seems that, at the very least, the government owes a seller a fair price for their property and the opportunity to rethink their plan and to move on with their life.

Current tax law related to gain on sale of property under eminent domain denies sellers

the opportunity to decide how they would like to move on with their life. It mandates that sellers must pay taxes on income from sale under eminent domain unless they reinvest their money in real estate within 3 years. So not only is the government forcing property owners to sell their property, it is also telling them what to do with the money from that sale.

The Eminent Domain Relief for the Little Guy Act will remedy this by removing the current requirement that a seller must reinvest in real estate. This will make sale of all real property by an individual or a small business under eminent domain tax exempt, meaning that the seller can use their income to start a business, invest in the stock market, save for retirement, or, if they choose, reinvest in real estate. Many will indeed choose to buy a new home or to move their business to a new location. But fairness dictates that this should be their decision.

I urge my colleagues to support H.R. 4603 and make sure the little guys and gals who are forced to sell under eminent domain are allowed the flexibility in spending their income that they need and deserve.

