PRIVATE PROPERTY RIGHTS PROTECTION ACT OF 2013

Mr. GOODLATTE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1944) to protect private property rights.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1944

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Private Property Rights Protection Act of 2013''.

SEC. 2. PROHIBITION ON EMINENT DOMAIN ABUSE BY STATES.

(a) IN GENERAL.—No State or political subdivision of a State shall exercise its power of eminent domain, or allow the exercise of such power by any person or entity to which such power has been delegated, over property to be used for economic development or over property that is used for economic development within 7 years after that exercise, if that State or political subdivision receives Federal economic development funds during any fiscal year in which the property is so used or intended to be used.

(b) INELIGIBILITY FOR FEDERAL FUNDS.—A violation of subsection (a) by a State or political subdivision shall render such State or political subdivision ineligible for any Federal economic development funds for a period of 2 fiscal years following a final judgment on the merits by a court of competent jurisdiction that such subsection has been violated, and any Federal agency charged with distributing those funds shall withhold them for such 2-year period, and any such funds distributed to such State or political subdivision shall be returned or reimbursed by such State or political subdivision to the appropriate Federal agency or authority of the Federal Government, or component thereof.

(c) OPPORTUNITY TO CURE VIOLATION.—A State or political subdivision shall not be ineligible for any Federal economic development funds under subsection (b) if such State or political subdivision returns all real property the taking of which was found by a court of competent jurisdiction to have constituted a violation of subsection (a) and replaces any other property destroyed and repairs any other property damaged as a result of such violation. In addition, the State or political subdivision must pay any applicable penalties and interest to reattain eligibility.

SEC. 3. PROHIBITION ON EMINENT DOMAIN ABUSE BY THE FEDERAL GOVERNMENT.

The Federal Government or any authority of the Federal Government shall not exercise its power of eminent domain to be used for economic development.

SEC. 4. PRIVATE RIGHT OF ACTION.

(a) CAUSE OF ACTION.—Any (1) owner of private property whose property is subject to eminent domain who suffers injury as a result of a violation of any provision of this Act with respect to that property, or (2) any tenant of property that is subject to eminent domain who suffers injury as a result of a violation of any provision of this Act with respect to that property, may bring an action to enforce any provision of this Act in the appropriate Federal or State court. A State shall not be immune under the 11th Amendment to the Constitution of the United States from any such action in a Federal or State court of competent jurisdiction. In such action, the defendant has the burden to show by clear and convincing evidence that the taking is not for economic development. Any such property owner or tenant may also seek an appropriate relief through a preliminary injunction or a temporary restraining order.

(b) LIMITATION ON BRINGING ACTION.—An action brought by a property owner or tenant under this Act may be brought if the property is used for economic development following the conclusion of any condemnation proceedings condemning the property of such property owner or tenant, but shall not be brought later than seven years following the conclusion of any such proceedings.

(c) ATTORNEYS' FEE AND OTHER COSTS.—In any action or proceeding under this Act, the court shall allow a prevailing plaintiff a reasonable attorneys' fee as part of the costs, and include expert fees as part of the attorneys' fee.

SEC. 5. REPORTING OF VIOLATIONS TO ATTORNEY GENERAL.

(a) SUBMISSION OF REPORT TO ATTORNEY GENERAL.—Any (1) owner of private property whose property is subject to eminent domain who suffers injury as a result of a violation of any provision of this Act with respect to that property, or (2) any tenant of property that is subject to eminent domain who suffers injury as a result of a violation of any provision of this Act with respect to that property, may report a violation by the Federal Government, any authority of the Federal Government, State, or political subdivision of a State to the Attorney General.

(b) INVESTIGATION BY ATTORNEY GENERAL.—Upon receiving a report of an alleged violation, the Attorney General shall conduct an investigation to determine whether a violation exists.

(c) NOTIFICATION OF VIOLATION.—If the Attorney General concludes that a violation does exist, then the Attorney General shall notify the Federal Government, authority of the Federal Government, State, or political subdivision of a State that the Attorney General has determined that it is in violation of the Act. The notification shall further provide that the Federal Government, State, or political subdivision of a State has 90 days from the date of the notification to demonstrate to the Attorney General either that (1) it is not in violation of the Act or (2) that it has cured its violation by returning all real property the taking of which the Attorney General finds to have constituted a violation of the Act and replacing any other property destroyed and repairing any other property damaged as a result of such violation.

(d) ATTORNEY GENERAL'S BRINGING OF ACTION TO ENFORCE ACT.—If, at the end of the 90-day period described in subsection (c), the Attorney General determines that the Federal Government, authority of the Federal Government, State, or political subdivision of a State is still violating the Act or has not cured its violation as described in subsection (c), then the Attorney General will bring an action to enforce the Act unless the property owner or tenant who reported the violation has already brought an action to enforce the Act. In such a case, the Attorney General shall intervene if it determines that intervention is necessary in order to enforce the Act. The Attorney General may file its lawsuit to enforce the Act in the appropriate Federal or State court. A State shall not be immune under the 11th Amendment to the Constitution of the United States from any such action in a Federal or State court of competent jurisdiction. In such action, the defendant has the burden to show by clear and convincing evidence that the taking is not for economic development. The Attorney General may seek any appropriate relief through a preliminary injunction or a temporary restraining order.

(e) LIMITATION ON BRINGING ACTION.—An action brought by the Attorney General under this Act may be brought if the property is used for economic development following the conclusion of any condemnation proceedings condemning the property of an owner or tenant who reports a violation of the Act to the Attorney General, but shall not be brought later than seven years following the conclusion of any such proceedings.

(f) ATTORNEYS' FEE AND OTHER COSTS.—In any action or proceeding under this Act brought by the Attorney General, the court shall, if the Attorney General is a prevailing plaintiff, award the Attorney General a reasonable attorneys' fee as part of the costs, and include expert fees as part of the attorneys' fee.

SEC. 6. NOTIFICATION BY ATTORNEY GENERAL.

(a) NOTIFICATION TO STATES AND POLITICAL SUBDIVISIONS.—

(1) Not later than 30 days after the enactment of this Act, the Attorney General shall provide to the chief executive officer of each State the text of this Act and a description of the rights of property owners and tenants under this Act.

(2) Not later than 120 days after the enactment of this Act, the Attorney General shall compile a list of the Federal laws under which Federal economic development funds are distributed. The Attorney General shall compile annual revisions of such list as necessary. Such list and any successive revisions of such list shall be communicated by the Attorney General to the chief executive officer of each State and also made available on the Internet website maintained by the United States Department of Justice for use by the public and by the authorities in each State and political subdivisions of each State empowered to take private property and convert it to public use subject to just compensation for the taking.

(b) NOTIFICATION TO PROPERTY OWNERS AND TENANTS.—Not later than 30 days after the enactment of this Act, the Attorney General shall publish in the Federal Register and make available on the Internet website maintained by the United States Department of Justice a notice containing the text of this Act and a description of the rights of property owners and tenants under this Act.

SEC. 7. REPORTS.

(a) BY ATTORNEY GENERAL.—Not later than 1 year after the date of enactment of this Act, and every subsequent year thereafter, the Attorney General shall transmit a report identifying States or political subdivisions that have used eminent domain in violation of this Act to the Chairman and Ranking Member of the Committee on the Judiciary of the House of Representatives and to the Chairman and Ranking Member of the Committee on the Judiciary of the Senate. The report shall—

(1) identify all private rights of action brought as a result of a State's or political subdivision's violation of this Act;

(2) identify all violations reported by property owners and tenants under section 5(c) of this Act;

(3) identify the percentage of minority residents compared to the surrounding nonminority residents and the median incomes of those impacted by a violation of this Act;

(4) identify all lawsuits brought by the Attorney General under section 5(d) of this Act;

(5) identify all States or political subdivisions that have lost Federal economic development funds as a result of a violation of this Act, as well as describe the type and amount of Federal economic development funds lost in each State or political subdivision and the Agency that is responsible for withholding such funds; and

(6) discuss all instances in which a State or political subdivision has cured a violation as described in section 2(c) of this Act.

(b) DUTY OF STATES.—Each State and local authority that is subject to a private right of action under this Act shall have the duty to report to the Attorney General such information with respect to such State and local authorities as the Attorney General needs to make the report required under subsection (a).

SEC. 8. SENSE OF CONGRESS REGARDING RURAL AMERICA.

(a) FINDINGS.—The Congress finds the following:

(1) The founders realized the fundamental importance of property rights when they codified the Takings Clause of the Fifth Amendment to the Constitution, which requires that private property shall not be taken ''for public use, without just compensation''.

(2) Rural lands are unique in that they are not traditionally considered high tax revenue-generating properties for State and local governments. In addition, farmland and forest land owners need to have long-term certainty regarding their property rights in order to make the investment decisions to commit land to these uses.

(3) Ownership rights in rural land are fundamental building blocks for our Nation's agriculture industry, which continues to be one of the most important economic sectors of our economy.

(4) In the wake of the Supreme Court's decision in Kelo v. City of New London, abuse of eminent domain is a threat to the property rights of all private property owners, including rural land owners.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the use of eminent domain for the purpose of economic development is a threat to agricultural and other property in rural America and that the Congress should protect the property rights of Americans, including those who reside in rural areas. Property rights are central to liberty in this country and to our economy. The use of eminent domain to take farmland and other rural property for economic development threatens liberty, rural economies, and the economy of the United States. The taking of farmland and rural property will have a direct impact on existing irrigation and reclamation projects. Furthermore, the use of eminent domain to take rural private property for private commercial uses will force increasing numbers of activities from private property onto this Nation's public lands, including its National forests, National parks and wildlife refuges. This increase can overburden the infrastructure of these lands, reducing the enjoyment of such lands for all citizens. Americans should not have to fear the government's taking their homes, farms, or businesses to give to other persons. Governments should not abuse the power of eminent domain to force rural property owners from their land in order to develop rural land into industrial and commercial property. Congress has a duty to protect the property rights of rural Americans in the face of eminent domain abuse.

SEC. 9. SENSE OF CONGRESS.

It is the policy of the United States to encourage, support, and promote the private ownership of property and to ensure that the constitutional and other legal rights of private property owners are protected by the Federal Government.

SEC. 10. RELIGIOUS AND NONPROFIT ORGANIZATIONS.

(a) PROHIBITION ON STATES.—No State or political subdivision of a State shall exercise its power of eminent domain, or allow the exercise of such power by any person or entity to which such power has been delegated, over property of a religious or other nonprofit organization by reason of the nonprofit or tax-exempt status of such organization, or any quality related thereto if that State or political subdivision receives Federal economic development funds during any fiscal year in which it does so.

(b) INELIGIBILITY FOR FEDERAL FUNDS.—A violation of subsection (a) by a State or political subdivision shall render such State or political subdivision ineligible for any Federal economic development funds for a period of 2 fiscal years following a final judgment on the merits by a court of competent jurisdiction that such subsection has been violated, and any Federal agency charged with distributing those funds shall withhold them for such 2-year period, and any such funds distributed to such State or political subdivision shall be returned or reimbursed by such State or political subdivision to the appropriate Federal agency or authority of the Federal Government, or component thereof.

(c) PROHIBITION ON FEDERAL GOVERNMENT.—The Federal Government or any authority of the Federal Government shall not exercise its power of eminent domain over property of a religious or other nonprofit organization by reason of the nonprofit or tax-exempt status of such organization, or any quality related thereto.

SEC. 11. REPORT BY FEDERAL AGENCIES ON REGULATIONS AND PROCEDURES RELATING TO EMINENT DOMAIN.

Not later than 180 days after the date of the enactment of this Act, the head of each Executive department and agency shall review all rules, regulations, and procedures and report to the Attorney General on the activities of that department or agency to bring its rules, regulations and procedures into compliance with this Act.

SEC. 12. SENSE OF CONGRESS.

It is the sense of Congress that any and all precautions shall be taken by the government to avoid the unfair or unreasonable taking of property away from survivors of Hurricane Katrina who own, were bequeathed, or assigned such property, for economic development purposes or for the private use of others.

SEC. 13. DISPROPORTIONATE IMPACT.

If the court determines that a violation of this Act has occurred, and that the violation has a disproportionately high impact on the poor or minorities, the Attorney General shall use reasonable efforts to locate former owners and tenants and inform them of the violation and any remedies they may have.

SEC. 14. DEFINITIONS.

In this Act the following definitions apply:

(1) ECONOMIC DEVELOPMENT.—The term ''economic development'' means taking private property, without the consent of the owner, and conveying or leasing such property from one private person or entity to another private person or entity for commercial enterprise carried on for profit, or to increase tax revenue, tax base, employment, or general economic health, except that such term shall not include—

(A) conveying private property—

(i) to public ownership, such as for a road, hospital, airport, or military base;

(ii) to an entity, such as a common carrier, that makes the property available to the general public as of right, such as a railroad or public facility;

(iii) for use as a road or other right of way or means, open to the public for transportation, whether free or by toll; and

(iv) for use as an aqueduct, flood control facility, pipeline, or similar use;

(B) removing harmful uses of land provided such uses constitute an immediate threat to public health and safety;

(C) leasing property to a private person or entity that occupies an incidental part of public property or a public facility, such as a retail establishment on the ground floor of a public building;

(D) acquiring abandoned property;

(E) clearing defective chains of title;

(F) taking private property for use by a utility providing electric, natural gas, telecommunication, water, wastewater, or other utility services either directly to the public or indirectly through provision of such services at the wholesale level for resale to the public; and

(G) redeveloping of a brownfield site as defined in the Small Business Liability Relief and Brownfields Revitalization Act (42 U.S.C. 9601(39)).

(2) FEDERAL ECONOMIC DEVELOPMENT FUNDS.—The term ''Federal economic development funds'' means any Federal funds distributed to or through States or political subdivisions of States under Federal laws designed to improve or increase the size of the economies of States or political subdivisions of States.

(3) STATE.—The term ''State'' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, or any other territory or possession of the United States.

SEC. 15. LIMITATION ON STATUTORY CONSTRUCTION.

Nothing in this Act may be construed to supersede, limit, or otherwise affect any provision of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601 et seq.).

SEC. 16. BROAD CONSTRUCTION.

This Act shall be construed in favor of a broad protection of private property rights, to the maximum extent permitted by the terms of this Act and the Constitution.

SEC. 17. SEVERABILITY AND EFFECTIVE DATE.

(a) SEVERABILITY.—The provisions of this Act are severable. If any provision of this Act, or any application thereof, is found unconstitutional, that finding shall not affect any provision or application of the Act not so adjudicated.

(b) EFFECTIVE DATE.—This Act shall take effect upon the first day of the first fiscal year that begins after the date of the enactment of this Act, but shall not apply to any project for which condemnation proceedings have been initiated prior to the date of enactment.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Virginia (Mr. GOODLATTE) and the gentleman from Virginia (Mr. SCOTT) each will control 20 minutes.

The Chair recognizes the gentleman from Virginia.

GENERAL LEAVE

Mr. GOODLATTE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 1944, currently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. GOODLATTE. Mr. Speaker, I yield myself such time as I may consume.

In 1997, Susette Kelo was trying to rebuild her life when she purchased a small, Victorian house perched on the waterfront in the Fort Trumbull neighborhood of New London, Connecticut.

It was Susette's dream to own a home that looked out over the water. The little pink house she purchased was in need of repair, but with lots of hard work, she was able to restore it and start a new life for herself on the banks of the Thames River. Susette was finally living her dream.

Tragically, however, the city of New London turned that dream into a nightmare.

In 1998, pharmaceutical giant Pfizer announced its intent to build a plant in Fort Trumbull, and the city of New London began planning a massive redevelopment of the area surrounding the Pfizer plant. The city handed its power of eminent domain to a private corporation to take the entire neighborhood for economic development purposes.

Susette and several of her neighbors, some of whose families had lived in their homes for generations, challenged the city's use of eminent domain all of the way to the U.S. Supreme Court in a desperate attempt to save their homes and their mostly blue collar neighborhood.

However, the Supreme Court, in one of the most controversial rulings in its history, held that private economic development constitutes a ''public use'' under the Fifth Amendment to the United States Constitution. Under the Court's reasoning, the government can now use the eminent domain power to take the property of any individual for nearly any reason. As the dissenting justices observed, by defining public use so expansively, the result of the decision is:

> Effectively to delete the words ''for public use'' from the takings clause of the Fifth Amendment. The specter of condemnation hangs over all property. Nothing is to prevent the State from replacing any Motel 6 with a Ritz-Carlton, any home with a shopping mall, or any farm with a factory. The government now has license to transfer property from those with few resources to those with more. The Founders cannot have intended this perverse result.

The Court's 5–4 decision against Susette and her neighbors sparked a nationwide backlash against eminent domain abuse. Susette's fight helped remind Americans that private ownership of property is vital to our freedom and our prosperity, and is one of the most fundamental principles embedded in the Constitution. Poll after poll that came out in the wake of the Court's ruling consistently showed that Americans from across every demographic cross-section overwhelmingly opposed the decision and supported efforts to strengthen property rights protections.

Although Susette's story is probably the most infamous case of eminent domain abuse, it is by no means an isolated case. Every day across this country, Americans are forced to sit back and watch powerlessly as their homes, small businesses, family farms, and churches are bulldozed to make way for high-end condos, shopping malls, and other upscale developments.

Oftentimes, after Americans go through the trauma of losing their private property to eminent domain abuse, the planned private economic development doesn't even occur. In New London, for instance, the Fort Trumbull redevelopment project never got off the ground. After spending close to $80 million in taxpayer money, there has been no new construction, and the neighborhood where Susette Kelo's little pink house was located is now a barren field, overrun by weeds.

It is time for Congress finally to step in and do its part to rein in eminent domain abuse by passing the Private Property Rights Protection Act. I want to thank Mr. SENSENBRENNER for reintroducing this legislation. He and I have worked together on this issue for many years, and I am pleased that this legislation incorporates many provisions from legislation I helped introduce in the 109th Congress, the STOPP Act.

Specifically, the Private Property Rights Protection Act prohibits State and local governments that receive Federal economic development funds from using economic development as a justification for taking property from one person and giving it to another private entity. Any State or local government that violates this prohibition will be ineligible to receive Federal economic development funds for a period of 2 years.

Moreover, this legislation grants adversely affected landowners the right to use appropriate legal remedies to enforce the provisions of the bill. In addition, it allows State and local governments to cure violations by giving the property back to the original owner. No one should have to live in fear of the government snatching up their home, farm, church, or small business. As the Institute for Justice has observed:

> Using eminent domain so another richer, better-connected person may live or work on the land you used to own tells Americans that their hopes, dreams, and hard work do not matter as much as money and political influence. The use of eminent domain for private development has no place in a country built on traditions of independence, hard work, and protection of property rights.

This bill creates incentives for State and local governments to help ensure that eminent domain abuse does not occur in the future. I urge my colleagues to support this legislation.

I reserve the balance of my time.

Mr. SCOTT of Virginia. Mr. Speaker, I rise in opposition to H.R. 1944, and I yield myself such time as I may consume.

Mr. Speaker, in the wake of the Supreme Court's decision in Kelo v. City of New London, I have been concerned that States and municipalities could use this decision to expand their power of eminent domain, whether for the benefit of private parties or for public projects, to the detriment of those who are least powerful in the community.

While I believe the power of eminent domain has been abused, particularly against those lacking economic or political power, in the 9 years since the Kelo decision, States have properly addressed the issue on their own, and we should respect their judgment rather than impose this awkward, one-size-fits-all Federal legislative response.

I have reached this conclusion for several reasons. The first and foremost is that it is important to note that in Kelo, the Supreme Court acknowledged that State courts may interpret their own eminent domain powers in a manner that is actually more protective of property rights. I am, therefore, encouraged that no fewer than 43 States have followed that advice and taken steps to restrict their own powers of eminent domain to guard against abuse.

□ 1645

Given the fact that our system of federalism appears to be working and that the States have already enacted legal protections that are needed to prevent abuse of eminent domain power, I do not believe that Federal intervention is necessary or appropriate at this time.

Second, the bill's enforcement provisions are very troubling. A jurisdiction found in violation of this legislation would be stripped of all Federal economic development funds for 2 years, which could have a devastating impact on its financial health.

The Supreme Court has long held that, ''when Congress attaches conditions to a State's acceptance of Federal funds, the conditions must be set out 'unambiguously.''' But the term ''Federal economic development funds'' is, in fact, ambiguous and could conceivably include transportation, housing, and all kinds of significant Federal funding.

Those who could bear the heaviest burden of cuts and programs like the Community Development Block Grants could be precisely the same communities that have suffered the most under the abuse of eminent domain power in the past, that is, the powerless in our communities.

Furthermore, the impact of this legislation could be severe, even if a city or State never exercised the power of eminent domain. That is because no lender could ignore the risk of a future administration violating this legislation by using them in a domain for a prohibited purpose and, consequently, facing the devastating penalties during the life of the bond, thereby affecting the city's ability to make the payments on the bond.

This bill gives no discretion and no flexibility with respect to the penalty. It fails to take into account the severity or magnitude of the violation, so even a small violation would have to result in a complete loss of all economic development funds for 2 years.

No matter how clean a city's record may be, the danger that some future violation would have such a devastating effect could negatively impact its bond rating.

Finally, against this backdrop, we need to remember that eminent domain has a long and shameful history

of disproportionately impacting foreign minority communities.

Inner-city neighborhoods that lacked institutional and political power were often designated as blighted areas slated for redevelopment through urban renewal programs. Properties were condemned, and land was turned over to private developers.

That abuse was not confined to the use of eminent domain for economic development purposes. Many of those abuses would still be allowed under this bill. You can trace the cost of any major highway in America to see where poor and minority communities were located. You can map political power, where it is and where it isn't, by the proposed route of the Keystone pipeline today.

This bill does nothing to protect property owners like the witness who testified before the House Judiciary Committee about how her property was taken to benefit the foreign corporation building that pipeline.

The bill does not even give property owners the right to sue to stop an illegal taking in the first place. Suits can only be brought after the property is taken, after it is too late. Despite the draconian penalties in the bill, the actual property owner would get nothing.

This underscores why it is important that we continue to monitor the facts on the ground to determine whether Federal action is warranted. If so, what effective action should be taken?

If the States fail to protect our citizens, Congress should remain ready, willing, and able to do so. However, as the States have already acted to curb reviews, we in Congress should allow them to maintain their authority to act.

Even if you believe the bill achieves the correct balance between State authority and Federal intervention and prohibits the inappropriate use of eminent domain, the irrational penalties it imposes and the fact that individual property owners are not even protected still require that the bill be defeated.

I urge my colleagues to oppose the legislation and reserve the balance of my time.

Mr. GOODLATTE. Mr. Speaker, at this time, it is my pleasure to yield such time as he may consume to the gentleman from Wisconsin (Mr. SENSENBRENNER), the chairman of the Crime, Terrorism, Homeland Security, and Investigations Subcommittee, and the chief sponsor of this legislation.

Mr. SENSENBRENNER. Mr. Speaker, I am pleased that the House of Representatives today is considering H.R. 1944, the Private Property Rights Protection Act, as part of Stop Government Abuse Week. My bill aims to restore the property rights of all Americans the Supreme Court took away 9 years ago.

The Founders of our country recognized the importance of an individual's right to personal property when they drafted the Constitution. The Fifth Amendment states, ''nor shall private property be taken for public use, without just compensation.''

In Kelo v. the City of New London, in a 5–4 decision, the Supreme Court decided that economic development can be a public use under the Fifth Amendment's Takings Clause. The Court held that the government could take private property from an owner to help a corporation or a private developer.

The now infamous Kelo decision was met with swift and strong opposition. As former Justice O'Connor stated, ''Government now has license to transfer property from those with fewer resources to those with more. The Founders cannot have intended this perverse result.''

In the nearly 9 years since Kelo, polls show that Americans overwhelmingly oppose property being taken and transferred to another private owner, even if it is for a public economic good.

Groups including the AARP and NAACP oppose Kelo, noting that, ''the takings that result [from the Court's decision] will disproportionately affect and harm the economically disadvantaged and, in particular, racial and ethnic minorities and the elderly.''

Representatives of religious organizations have stated that, ''Houses of worship and other religious institutions are, by their very nature, nonprofit and almost universally tax-exempt. These fundamental characteristics of religious institutions render their property singularly vulnerable to being taken under the rationale approved by the Supreme Court.''

Should the government be able to close churches if it prefers malls?

The Private Property Rights Protection Act is needed to restore to all Americans the property rights the Supreme Court took away. Although several States have independently passed legislation to limit their power of eminent domain, the supreme courts of Illinois, Michigan, and Ohio have barred the practice under State constitutions. These laws exist on a varying degree.

H.R. 1944 would prohibit State and local governments that receive Federal economic development funds from using economic development as a justification for taking property from one person and giving it to another private entity.

Any State or local government that violates this prohibition will be ineligible to receive Federal economic development funds for 2 years.

The protection of property rights is one of the most important tenets of our government.

I am mindful of the long history of eminent domain abuses, particularly in low-income and often predominantly minority neighborhoods, and the need to stop it.

I am also mindful of the reasons we should allow the government to take land when the way in which the land is being used constitutes an immediate threat to public health and safety. I believe this bill accomplishes both goals.

I urge my colleagues to join me in protecting property rights for all Americans and limiting the dangerous effects of the Kelo decision on the most vulnerable in society.

Mr. SCOTT of Virginia. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. GOODLATTE. Mr. Speaker, I yield myself such time as I may consume.

I have in my hand bits of the few remaining bricks from the foundation of Susette Kelo's home in New London, Connecticut. They were picked up at the site just over a year ago.

They once supported the lovingly arranged sanctuary of a woman who raised five sons and put herself through nursing school by working as an emergency medical technician. They gave her a place to rest after a long day's work surrounded by the things that meant the most to her. They were the foundations of her castle until the government's bulldozers arrived.

Mr. Speaker, Ms. Kelo's home, known as the ''little pink house,'' was reduced to rubble—this rubble—by the government's abuse of eminent domain and has remained just that—rubble.

These bits of bricks serve as a stark reminder of the government's inability to plan people's lives better than they can plan them themselves. They are the dramatic result of a type of government abuse that should never be rewarded with Federal taxpayer dollars. The homes that hardworking Americans have earned should be protected from government abuse, and we here in the people's House have a duty to do just that.

I had the opportunity to meet Susette Kelo. To me, she is a genuine American hero, fighting all the way to the United States Supreme Court to protect her little pink house and to protect all of our Fifth Amendment rights under the United States Constitution.

To me, the failure of the Court to correctly rule on that eminent domain case cries out for the Congress to correctly rule on this abuse by passing Mr. SENSENBRENNER's bill, by passing the Private Property Rights Protection Act.

As has been noted, 43 States have acted to protect eminent domain rights. Isn't it time for the United States Congress to do the same?

I urge my colleagues to support the Private Property Rights Protection Act, and I yield back the balance of my time.

Mr. MULVANEY. Mr. Speaker, I rise today in support of H.R. 1944, the Private Property Rights Protection Act of 2013.

This legislation addresses the eminent domain practice of seizing private property for the ''public benefit'' of economic development, which was deemed constitutional by the United States Supreme Court in its decision in Kelo v. City of New London. This bill prohibits a state or local government from seizing private property for

economic development if that state or local government receives federal economic development funds, and prohibits the federal government from exercising eminent domain powers for economic development purposes.

While it has not received much attention or debate in the full House of Representatives, my colleagues on the Committee on Financial Services and I have become increasingly concerned about a new proposed use of eminent domain which would be incredibly destructive to our housing markets and to Main Street investors alike.

Dozens of communities across the country are considering a vulture fund-developed investment scheme by which the municipality's eminent domain power is used to acquire underwater—but otherwise performing—mortgage loans held by private-label mortgage-backed securities and then refinance those loans through programs administered by the Federal Housing Administration (FHA).

Our housing finance system depends on private capital to take risk, make loans, purchase mortgage-backed securities, and help millions of Americans fulfill the dream of homeownership. What this eminent domain scheme considers would be incredibly destructive to the finance of homeownership and would do little more than help a few homeowners who can already afford their mortgage and line the pockets of the investors who developed this proposal. Who would invest in a mortgage knowing that their investment could be stolen just a few months or years later? Ironically, this new risk to the housing finance system would freeze the return of private capital to our markets at a time when many in Congress are looking for ways to increase the role of the private sector and decrease the federal government's footprint.

Using eminent domain in this manner will hurt Main Street investors the most. Those investors and pensioners may be invested in mortgages sitting in communities considering this plan—like Richmond, California—and not even know it. They are the ones who will suffer the most from this particular form of eminent domain.

Mr. SENSENBRENNER's legislation shines a spotlight on the abusive uses of eminent domain, including this investment scheme, and I am proud to support the bill. I believe this legislation may have the effect of defeating such a scheme. In addition, I support Chairman HENSARLING's efforts to directly target and defeat this use of eminent domain, and I look forward to future opportunities to ensure the protection of private property and the security of our housing finance system.

Mr. CAMPBELL. Mr. Speaker, I rise in support of H.R. 1944, the Private Property Rights Protection Act of 2013. Unfortunately, I was delayed in returning to Washington and, regrettably, but want to take this opportunity to note its importance.

When we hear the words "eminent domain," we often visualize the government taking a home, an office building, or a piece of land, often for a highway or some other public infrastructure. But my colleague Mr. SENSENBRENNER articulated well in his remarks that the powers of eminent domain are sometimes used for very different purposes.

One abuse of eminent domain that I have long been publicly against is the use of eminent domain to seize mortgage notes from investors, using the courts to unilaterally restructure the terms of those loans before selling them to other investors. In this scheme, some private investors have their investments seized and incur losses while other private investors benefit. Many of the investors who will incur losses are the savers and retirees who own them through their 401(k), IRA, or pension accounts. But ultimately, this is a blatant abrogation of private property rights and undermines longstanding contract law. As a response, I have introduced H.R. 2733, which prohibits Fannie Mae, Freddie Mac, and the Federal Housing Administration from making, purchasing, or guaranteeing loans in areas where eminent domain is being used to seize mortgage notes. This legislation is also included in the Protecting American Taxpayers and Homeowners (PATH) Act.

I believe that property rights, whether real property or the financial instruments that finance them, should be protected. Doing so will give certainty to the housing finance system, which is necessary to transition from a system dominated by government-guaranteed mortgages to one based on private capital.

The Private Property Rights Protection Act of 2013 is not the only legislation to address the issue of abusive eminent domain practices. Section 407 of the Consolidated Appropriation Act of 2014, Pub. L. No. 113–76, prohibits the expenditure of federal funds to support activities that utilize eminent domain powers, unless it's exclusively for a public purpose. The schemes being considered call for the Federal Housing Administration (FHA) to guarantee the seized and restructured mortgage loans. Given that some private investors and their paid intermediaries stand to benefit, it is apparent that FHA is unable to participate in these restructuring programs, so long as eminent domain powers are used. With this provision signed into law just last month, Congress and the President have already begun to define the limits of acceptable usage of eminent domain.

I thank Mr. SENSENBRENNER for his important work on this issue.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Virginia (Mr. GOODLATTE) that the House suspend the rules and pass the bill, H.R. 1944.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. SENSENBRENNER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this motion will be postponed.

TAXPAYER TRANSPARENCY AND EFFICIENT AUDIT ACT

Mr. ROSKAM. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2530) to improve transparency and efficiency with respect to audits and communications between taxpayers and the Internal Revenue Service, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 2530

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Taxpayer Transparency and Efficient Audit Act''.

SEC. 2. DEADLINE FOR RESPONSES TO TAXPAYER CORRESPONDENCE.

Not later than 30 days after receiving any written correspondence from a taxpayer, the Internal Revenue Service shall provide a substantive written response. For purposes of the preceding sentence, an acknowledgment letter shall not be treated as a substantive response.

SEC. 3. TAXPAYER NOTIFICATION OF DISCLOSURES BY IRS OF TAXPAYER INFORMATION.

(a) IN GENERAL.—Not later than 30 days after disclosing any taxpayer information to any agency or instrumentality of Federal, State, or local government, the Internal Revenue Service shall provide a written notification to the taxpayer describing—

(1) the information disclosed,

(2) to whom it was disclosed, and

(3) the date of disclosure.

(b) EXCEPTION.—Subsection (a) shall not apply if the Secretary of the Treasury, or the Secretary's designee, determines that such notification would be detrimental to an ongoing criminal investigation or pose a risk to national security.

SEC. 4. DEADLINE FOR CONCLUSION OF AUDITS OF INDIVIDUAL TAXPAYERS.

If any audit of a tax return of an individual by the Internal Revenue Service is not concluded before the end of the1-year period beginning on the date of the initiation of such audit, the Internal Revenue Service shall provide the taxpayer a written letter explaining why such audit has taken more than 1 year to complete.

SEC. 5. NO ADDITIONAL FUNDS AUTHORIZED.

No additional funds are authorized to carry out the requirements of this Act. Such requirements shall be carried out using amounts otherwise authorized or appropriated.

The SPEAKER pro tempore (Mr. BENTIVOLIO). Pursuant to the rule, the gentleman from Illinois (Mr. ROSKAM) and the gentleman from Illinois (Mr. DANNY K. DAVIS) each will control 20 minutes.

The Chair recognizes the gentleman from Illinois (Mr. ROSKAM).

GENERAL LEAVE

Mr. ROSKAM. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ROSKAM. Mr. Speaker, I yield myself such time as I may consume.

H.R. 2530, the Taxpayer Transparency and Efficient Audit Act, is a direct response to testimony and inquiries and news reports that the Ways and Means