N.C.P.I.—Civil 835.13
EMINENT DOMAIN—ISSUE OF JUST COMPENSATION—PARTIAL TAKING BY DEPARTMENT OF TRANSPORTATION OR BY MUNICIPALITY FOR HIGHWAY PURPOSES ("MAP ACT")
GENERAL CIVIL VOLUME
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N.C. Gen. Stat. § 136-44.50 to 44.54

835.13 EMINENT DOMAIN—ISSUE OF JUST COMPENSATION—PARTIAL TAKING BY DEPARTMENT OF TRANSPORTATION OR BY MUNICIPALITY FOR HIGHWAY PURPOSES ("MAP ACT").

NOTE WELL: This instruction should only be given when less than the entire tract is taken and the taking is pursuant to the Transportation Corridor Official Map Act (Map Act) (codified as amended at N.C. Gen. Stat. §§136-44.50 to 44.54 (2015)).

Typically, Map Act cases are filed as inverse condemnation actions. For this reason, it is presumed that the plaintiff is the property owner.[1]

The (*state number)* issue reads:

"What is the amount of just compensation the plaintiff is entitled to recover from the defendant for the taking of the plaintiff's property rights?"

On this issue the burden of proof is on the plaintiff. This means that the plaintiff must prove, by the greater weight of the evidence, the amount of just compensation owed by the defendant for the taking of the plaintiff's property rights.[2]

In this case, the defendant has not taken all of the plaintiff's property rights. It has restricted the plaintiff's rights to improve, develop and subdivide the plaintiff's property for an indefinite time.

The measure of just compensation where some but not all property rights are taken is the difference between the fair market value of the property immediately before the taking and the fair market value of the property subject to the defendant's restrictions on its use immediately after the taking.[3]

Fair market value is the amount which would be agreed upon as a fair price by an owner who wishes to sell, but is not compelled to do so, and a buyer who wishes to buy, but is not compelled to do so.

You must find the fair market value of the property immediately before the time of the taking and the fair market value of the remainder immediately after the taking - that is (*state date of taking*[4]) - and not as of the present day or any other time.[5] In arriving at the fair market value of the property immediately before the taking, you should, in light of all the evidence, consider not only the use of the property at that time,[6] but also all the uses to which it was then reasonably adaptable, including what you find to be the highest and best use or uses.[7] Likewise, in arriving at the fair market value of the property subject to the defendant's restrictions on its use immediately after the taking you should, in light of all the evidence, consider not only the use of the property at that time, but also all of the uses to which it was then reasonably adaptable, including what you find to be the highest and best use or uses.

Further, in arriving at the fair market value of the property subject to the defendant's restrictions on its use immediately after the taking, you should consider the property as it [was] [will be] at the conclusion of the project,[8] as well as the benefit the property owner will receive as a result of any reduction in the *ad valorem* tax on the property subject to the defendant's restrictions on its use.

You should consider these factors in the same way in which they would be considered by a willing buyer and a willing seller in arriving at a fair price.[9] You should not consider purely imaginative or speculative uses and values.

Your verdict must not include any amount for interest.[10] Any interest as the law allows will be added by the court to your verdict.

I instruct you that your verdict on this issue must be based upon the evidence and the rules of law I have given you. You are not required to accept the amount suggested by the parties or their attorneys.

Finally, as to this issue on which the plaintiff has the burden of proof, if you find, by the greater weight of the evidence, the difference in the fair market value of the property immediately before the date of taking and the fair market value of the property subject to the defendant's restrictions on its use immediately after the taking, then you will answer this issue by writing that amount in the blank space provided. However, if you find that the value of the property subject to the defendant's restrictions on its use immediately after the taking is the same as, or greater than, the value of the property immediately before the date of the taking, then it would be your duty to answer this issue by writing "zero" in the blank space provided.

NOTE WELL: If the condemnor introduces evidence of general or special benefit for purposes of offset, this instruction should be followed by N.C.P.I. 835.13A.

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1 On this issue, the burden of proof will always be on the property owner, whether in the capacity of plaintiff or defendant.

2 Like a partial taking, which leaves the property owner with some, but not all, of his property, a taking pursuant to the Map Act leaves the property owner with some, but not all, of his fundamental rights of property ownership. *See Kirby v. North Carolina Dep't of Transp.*, 368 N.C. 847, 856, 786 S.E.2d 919, 925 (2016) (holding that "by recording the corridor maps . . ., which restricted plaintiffs' rights to improve, develop and sub-divide their property for an indefinite period of time, NCDOT effectuated a taking of fundamental property rights.")

3 N.C. Gen. Stat. § 136-112(2). *See also Kirkman v. State Highway Comm'n*, 257 N.C. 428, 433, 126 S.E.2d 107, 111 (1962); *Barnes v. State Highway Comm'n*, 250 N.C. 378, 387, 109 S.E.2d 219, 227(1959); *DeBruhl v. Highway Comm'n*, 247 N.C. 671, 676, 102 S.E.2d 229, 233 (1958); *Gallimore v. Highway Comm'n*, 241 N.C. 350, 354, 85 S.E.2d 392, 396 (1954).

The rule for measure of damages for partial taking of a fee is also the rule ordinarily applicable to the assessment of damages in condemnations by railroad, highway and other rights-of-way in which the bare fee remaining in the landowner, for all practical purposes, has no value to him and the value of the easement is virtually the value of the land it embraces. *See Duke Power Co. v. Rogers*, 271 N.C. 318, 321, 156 S.E.2d 244, 247 (1967); *Highway Comm'n v. Black*, 239 N.C. 198, 203, 79 S.E.2d 778, 783 (1953).

Additionally, in partial-taking cases, damages to the remainder are determined as of the date the improvement for which the taking was made causes the injury. *Department of Transp. v. Bragg*, 308 N.C. 367, 370, 302 S.E.2d 227, 229 (1983); *see also Western Carolina Power Co. v. Hayes*, 193 N.C. 104, 107, 136 S.E. 353, 354 (1927); *Board of Transp. v. Brown*, 34 N.C. App. 266, 268, 237 S.E.2d 854, 855 (1977); *aff'd per curiam*, 296 N.C. 250, 249 S.E.2d 803 (1978); N.C. Gen. Stat. § 40A-63.

4 In a Map Act case, the taking occurs at the time of NCDOT's recording of the corridor map at issue. *Kirby v. North Carolina Dep't of Transp.*, 368 N.C. at 848, 786 S.E.2d at 921.

5 The point in time when property is "valued" in a condemnation action is the date of taking. *Metropolitan Sewerage Dist. of Buncombe County v. Trueblood*, 64 N.C. App. 690, 693-94, 308 S.E.2d 340, 342, *cert. denied*, 311 N.C. 402, 319 S.E.2d 272 (1983).

6 Occurrences or events that may affect the value of the property subsequent to the taking are not to be considered in determining compensation. *Metropolitan Sewerage Dist. of Buncombe County v. Trueblood*, 64 N.C. App. 690, 694, 308 S.E.2d 340, 342, *cert. denied*, 311 N.C. 402, 319 S.E.2d 272 (1983) (photographs of damage occurring after actual taking inadmissible).

7 In valuing property taken for public use, the jury is to take into consideration "not merely the condition it is in at the time and the use to which it is then applied by the owner," but must consider "all of the capabilities of the property, and all of the uses to which it may be applied, or for which it is adapted, which affect its value in the market." *Nantahala Power Light Co. v. Moss*, 220 N.C. 200, 205, 17 S.E.2d 10, 13 (1941), and cases cited therein. "The particular use to which the land is applied at the time of the taking is not the test of value, but its availability for any valuable or beneficial uses to which it would likely be put by men of ordinary prudence should be taken into account." *Carolina & Y. R.R. v. Armfield*, 167 N.C. 464, 466, 83 S.E. 809, 810 (1914); *Barnes v. State Highway Comm'n*, 250 N.C. 378, 387-88, 109 S.E.2d 219, 227 (1959).

8 *Department of Transp. v. Bragg*, 308 N.C. 367, 371, 302 S.E.2d 227, 230 (1983).

9 In *Board of Transp. v. Jones*, 297 N.C. 436, 438-439, 255 S.E.2d 185, 187 (1979), decided under N.C. Gen. Stat. § 136-112, the Supreme Court ruled that the statute established the exclusive measure of damages but does not restrict expert real estate appraisal witnesses "to any particular method of determining the fair market value of property either before or after condemnation." *See generally State Highway Comm'n v. Conrad*, 263 N.C. 394, 399, 139 S.E.2d 553, 557 (1965) (expert witnesses given wide latitude regarding permissible bases for opinions on value); *Department of Transp. v. Burnham*, 61 N.C. App. 629, 634, 301 S.E.2d 535, 538 (1983); *Board of Transp. v. Jones*, 297 N.C. 436, 438, 255 S.E.2d 185, 187 (1979); *In Re Lee*, 69 N.C. App. 277, 287, 317 S.E.2d 75, 80 (1984) (expert allowed to base his opinion as to value on hearsay information). In *Department of Transp. v. Fleming*, 112 N.C. App. 580, 583, 436 S.E.2d 407, 409 (1993), the expert witness was not

allowed to state opinion regarding value of land when opinion was based entirely on the net income of defendant's plumbing business. The Court held that loss of profits of a business conducted on the property taken is not an element of recoverable damages in a condemnation. However, *cf. City of Statesville v. Cloaninger*, 106 N.C. App. 10, 16, 415 S.E.2d 111, 115 (1992) expert allowed to base his opinion of value on the income from a dairy farm business conducted on the property condemned. The Court of Appeals stated in *Department of Transp. v. Fleming*, 112 N.C. App. at 584, 436 S.E.2d at 410: "It is a well recognized exception that the income derived from a farm may be considered in determining the value of the property. This is so because the income from a farm is directly attributable to the land itself." Accordingly, the rental value of property is competent upon the question of the fair market value of property on the date of taking. *Raleigh-Durham Airport Authority v. King*, 75 N.C. App. 121, 123, 330 S.E.2d 618, 619 (1985).

Note that an appraisal "may only be prepared by a duly licensed or certified appraiser, and shall meet the regulations adopted by the North Carolina Appraisal Board." N.C. Gen. Stat. § 93A-83(f). A licensed real estate broker may prepare a broker price opinion or comparative analysis estimating *the sales or lease price* of a parcel or interest in real estate, but he may not prepare an appraisal, which is an estimate of *the value or worth* of a parcel or interest in real estate. Id. ("A broker price opinion or comparative market analysis shall not under any circumstances be referred to as a valuation or appraisal.")

10 The landowner may withdraw the amount deposited with the Court as an estimate of just compensation. Thus, the Court is only required to add interest on the amount awarded to the landowner in excess of the sum deposited. The interest is computed on the time period from the date of taking to the date of judgment. N.C. Gen. Stat. §§ 136-113 and 40A-53. No interest accrues on the amount deposited because the landowner has the right to withdraw and use that money without prejudice to the landowner's right to seek additional just compensation. N.C. Gen. Stat. §§ 136-113 and 40A-53 provide for the trial judge to add interest at 8% and 6% respectively per annum on the amount awarded as compensation from the date of taking to the date of judgment. *But see Lea Co. v. Board of Transp.*, 317 N.C. 254, 259, 345 S.E.2d 355, 358 (1986).