

# Constitutional Law: Principles and Practice

## Economic Freedom and Property Rights

### Chapter 10

# Constitutional Law: Principles and Practice

## Economic Due Process

- The government should not make laws that interfere with economic interests unless the laws are:
  - Related to a legitimate state purpose
  - Not arbitrary or irrational
- Developed after arguments that due process protections applied to economic interests.

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## Substantive Due Process and Labor Laws

- If an employer wants an employee to work overtime and the employee agrees, can a law prevent them from doing so?
- Petitioner claimed that law violated substantive due process of the Fourteenth Amendment because:
  1. The right to enter into contracts is protected by the Due Process Clause.
  2. The N.Y. law deprived the petitioner of that liberty.
  3. The deprivation was without any legitimate state purpose.

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## Substantive Due Process and Regulation of Businesses

- When government imposes regulations on businesses, it interferes with the property rights of the business owner.
- Regulations must be consistent with substantive due process:
  - The laws must be related to some legitimate government purpose.
  - The laws must not be arbitrary.

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## Eminent Domain

- An inherent power of state and local governments; not in the Constitution
- Allows privately owned property to be taken for public use
- Subject to the Fifth Amendment Takings Clause

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## The Fifth Amendment Takings Clause

- The Takings Clause is part of the Fifth Amendment
  - *“nor shall private property be taken for public use, without just compensation”*
- Applies only to:
  - Federal government
  - States by way of the Fourteenth Amendment Due Process Clause

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## Considerations of the Takings Clause

- Public use
- Takings
  - Physical
  - Regulatory
  - Judicial
- Property subject to the Takings Clause
- Just compensation
- Takings vs. forfeiture

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## The Contract Clause

- Any federal law that impairs the obligation of contracts might be a violation of:
  - The Due Process
  - The Takings Clause
- Interpretation of “law”
- Limited to laws that impair the “obligation” of contracts
- The Contract Clause vs. state police power