

Tuesday, May 14, 2013

Ind. Decisions - Supreme Court decides...today,..direct appeal

In [Girl Scouts of Southern Illinois v. Vincennes Indiana Girls, Inc.](#), a 10-page, 5-0 opinion, Justice Rush writes:

The Contracts Clause of the Indiana Constitution protects vested contract rights, including agreed contractual restrictions on land use, against retroactive impairment. Here, one Scouting organization deeded its campground to another on the condition that the Scouting use continue for 49 years, with the deed providing that ownership of the campground would revert to the original owner (the grantor) if the Scouting-use condition was breached during that time. We conclude that the Contracts Clause of the Indiana Constitution protects the enforceability of this 49-year land use limitation despite a subsequently enacted statute, Indiana Code section 32-17-10-2, that purports to limit reversionary clauses in land transactions to a maximum of 30 years.* * *

The trial court granted summary judgment quieting title in VIG, and GSSI appealed. The appeal was initially filed in the Court of Appeals, but because the trial court's judgment declared a state statute unconstitutional, Appellate Rule 4(A)(1)(b) gives this Court mandatory and exclusive jurisdiction over the appeal. The case was therefore transferred to this Court under Appellate Rule 6, and proceeded as a direct appeal. * * *

Conclusion. A corporation continues a limited corporate existence even while it is administratively dis-solved, and reinstatement restores its full status as if the dissolution never happened. VIG's administrative dissolution, and subsequent reinstatement, therefore did not trigger the deed's provision extinguishing VIG's reversionary interest if its "existence is terminated or corporate charter surrendered."

And because VIG's interest imposes a land-use restriction similar to a restrictive covenant, it deserves the same level of Contracts Clause protection. Since the parties bargained for a 49-year land use limitation on Camp Wildwood, terminating that restriction after just 30 years would substantially impair VIG's contract rights. Indiana Code section 32-17-10-2 is therefore unconstitutional as applied retroactively to the land-use restriction in VIG's deed to GSSI. Accordingly, we affirm the trial court.