

Illinois Landowners Receive Final Award in the Peoria County Rails-to-Trails Case

Peoria landowners recovered over \$1 Million from the federal government in the proposed Hanna City Trail conversion.

PEORIA, IL, UNITED STATES, April 20, 2026 /EINPresswire.com/ -- [Stewart, Wald & Smith, LLC](#), a Missouri firm focusing on national Rails-to-Trails litigation, recovered over \$1 Million from the federal government in the final phase of their representation of 116 landowners in Peoria County, IL. The firm has been representing landowners who own property adjacent to the proposed Hanna City Trail since 2013.

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You can read about the United States Court of Appeals victory and view the opinion issued on November 22, 2023, from our [previous reporting](#).

The landowners who owned land along the 24.7-mile stretch of the former Union Pacific Railroad Company railway between Middle Grove and Molitor Junction in Peoria County, IL received a

settlement award from the federal government in March 2026. The suit was originally filed on June 13, 2013, in the United States Court of Federal Claims located in Washington, D.C.

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We are thrilled that these landowners have finally received their compensation. It was a victory that could not have been accomplished without the dedication and skill of our attorneys and staff.”

Michael J. Smith

Prior to litigation, on July 21, 2008, the Illinois Department of Natural Resources requested the United States Surface Transportation Board (“STB”) allow for a Public Use Condition and a request for Interim Trail Use Condition. By order on November 13, 2008, the STB granted the request to allow public use negotiations for future rail-trail use pursuant to the United States’ Trails Act.

The case, *Barlow v. United States*, Case No. 13-396 filed in the United States Court of Federal Claims and the appeal, *Barlow v. United States*, Case No. 22-1381 filed in the United States Court of Appeals for the Federal Circuit, originated from a rails-to-trails conversion known as the proposed Hanna City Trail. In 2013, landowners along the abandoned railroad corridor brought suit against the federal government seeking compensation for a taking of land arising from the implementation of the National Trails System Act ("Trails Act"). The Court of Federal Claims agreed with the government and ruled the landowners failed to establish that the government was liable for a taking, Stewart, Wald & Smith appealed the ruling to the U.S. Court of Appeals for the Federal Circuit. The attorneys argued that the instruments conveyed easements to the railroad and not fee simple ownership. After various briefs in support, oral argument by attorney Michael J. Smith, and almost 4 years of additional litigation, the appeals court ruled in favor of the Illinois landowners. Stewart, Wald & Smith is proud to report a victory for the 116 clients who have been litigating this matter for over a decade. In March 2026, the federal government released the final award, ending 13 years of litigation. Attorney Michael J. Smith stated: "We are thrilled that after so many years and so much work these landowners have finally received their compensation from their government. It was a hard-fought victory that could not have been accomplished without the dedication and skill of our attorneys and staff."

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