

Bond Case Briefs

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MARKETING DISTRICT ASSESSMENT - CALIFORNIA

Reid v. City of San Diego

Court of Appeal, Fourth District, Division 1, California - May 25, 2018 - 2018 WL 2381980 - 18 Cal. Daily Op. Serv. 5064 - 2018 Daily Journal D.A.R. 4961

Hotel guests brought putative class action against city, seeking declaratory judgment and writ of mandate and alleging that tourism marketing district assessment imposed on hotel stays was a disguised tax that violated Proposition 26 because it was never submitted to electorate for vote.

The Superior Court sustained city's demurrer. Guests appealed.

The Court of Appeal held that:

- Ordinance's 30-day limitations period for commencing an action to challenge validity of a levied assessment did not violate due process;
- Limitations period was not equitably tolled by previous action challenging assessment;
- Continuous accrual doctrine did not apply to extend limitations period;
- Equal protection claim was not subject to strict scrutiny; and
- Reasonable argument could be made that action was not subject to 30-day limitations period, supporting finding that appellate arguments were not frivolous and thus not subject to sanctions.