

Bond Case Briefs

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San Diegans for Open Government v. Public Facilities Financing Authority of the City of San Diego

Supreme Court of California - December 26, 2019 - P.3d - 2019 WL 7176900

Nonprofit taxpayer organization filed complaint seeking declaratory judgment that municipal ordinance authorizing issuance of bonds to refund and refinance remaining amount owed by city on bonds issued for construction of professional baseball stadium violated conflict-of-interest statute.

The Superior Court granted city's motion to dismiss based on lack of standing. Organization appealed. The Fourth District Court of Appeal reversed. Review was granted.

The Supreme Court held that plaintiff lacked standing avoid government contract under conflict-of-interest statute; disapproving *Holloway v. Showcase Realty Agents, Inc.* (2018) 22 Cal.App.5th 758, 231 Cal.Rptr.3d 872.

As nonparty to refinancing contract for remaining debt on bonds to finance construction of stadium, nonprofit taxpayer organization did not have private right of action under statute prohibiting public officials from having financial interests in public contracts, and thus, organization lacked standing to sue under the statute to avoid the contract on conflict-of-interest grounds; statute used term "party," as opposed to a more general term like "person," it was fact that non-parties to a contract could not affirm or disaffirm a contract, and legislature provided comprehensive scheme under a different statute for taxpayers to challenge violations of the conflict-of-interest statute; disapproving *Holloway v. Showcase Realty Agents, Inc.* (2018) 22 Cal.App.5th 758, 231 Cal.Rptr.3d 872.