

Bond Case Briefs

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PREEMPTION - CALIFORNIA

Tesoro Refining & Marketing Company LLC v. City of Carson

Supreme Court of California - August 10, 2026 - P.3d - 2026 WL 2291552 - 2026 Daily Journal D.A.R. 6896

Oil refinery operators brought action against city seeking refund of business license taxes paid under protest, claiming city's notice of tax deficiency was untimely and city used unlawful methodology to calculate tax.

The Superior Court, Los Angeles County, sustained city's demurrer on ground that operators failed to exhaust administrative remedies. Operators appealed, and the Court of Appeal affirmed. Operators petitioned for review.

The Supreme Court held that city ordinance that imposed mandatory procedures for refund requests of oil industry business license taxes sought to impose additional requirements for presentation of a claim in the field occupied by the Government Claims Act (GCA), and thus was preempted.

City ordinance that imposed mandatory procedures for refund requests of oil industry business license taxes, which required person seeking refund to file written request with city's finance director and, if dissatisfied with director's decision, file an appeal with city manager and, if unsuccessful again, file petition for writ of administrative mandate in superior court, sought to impose additional requirements for presentation of a claim in the field occupied by the Government Claims Act (GCA), and thus was preempted; ordinance's multistep process imposed requirements that exceeded the GCA, and allowed for longer period between claimant's filing of claim and date claimant may bring legal action.