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Candlewood Hills Tax Dist. v. Medina

Appellate Court of Connecticut - June 11, 2013 - A.3d - 2013 WL 2397078

Certain residents of the Candlewood Hills Tax District joined the district's board and effected a reduction in the size of the district that removed their property, and the properties of others, from the district.

The lower court invalidated the reduction and the residents appealed, contending that, (1) the court improperly declared the boundary reduction invalid despite finding compliance with the statutory procedure, and (2) the court erroneously found that the defendants owed fiduciary duties to the district and breached these duties by calling the referendum on the boundary reduction. The appeals court agreed and reversed.

"On appeal, the question we must answer is whether a special taxing district's reduction of its boundaries that followed the applicable statutory procedure, is nevertheless invalid because the district's board members owed a fiduciary duty to the residents of the district and breached this duty by voting for a referendum when it was opposed by the majority of the district's residents."

"Accordingly, in light of the court's finding that the defendants followed the statutory requirements for reducing the district's boundaries, a finding that has ample support in the record, and a record that reflects that the defendants' actions did not constitute fraud, corruption or other misconduct, we conclude that the court improperly declared the boundary reduction invalid."

"The defendants next claim that the court improperly held that they owed fiduciary duties to the district and breached these duties by calling the referendum on the boundary reduction while they were burdened by a conflict of interest. Specifically, the defendants argue that a municipal officer's duties cannot be correctly characterized as fiduciary, which is a status typically reserved for more direct and intimate relationships than that enjoyed by a public office holder. We agree with the defendants."

"It would be extremely illogical and unworkable to hold that the only requirement for holding a position on the board of the taxing district, residence within the district, is the same requirement that would disqualify a board member from making legislative decisions simply because those decisions would affect him or her in the same manner that all residents of the district would be impacted. Here, the defendants advocated on behalf of not only themselves as residents, but on behalf of the owners of thirty-one other properties in the district that were also removed from the district by reason of the district vote on the resolutions. As we discussed previously, the fact that the residents of the taxing district who were not from the affected areas were unhappy with the board's process does not establish that the defendants acted under a conflict of interest, or against the public interest."