

# **Bond Case Briefs**

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## **TAX - CALIFORNIA**

### **Los Angeles Unified School District v. County of Los Angeles**

**Court of Appeal, Second District, Division 4, California - June 26, 2013 - Cal.Rptr.3d - 13  
Cal. Daily Op. Serv. 6811**

School district petitioned for writ of mandate to compel county, city, and several community redevelopment and other local agencies to increase school district's allocation of passthrough payments from property tax increment from redevelopment.

The Superior Court denied the petition. District appealed, and the Court of Appeal reversed. On remand, the Superior Court required county to include Educational Revenue Augmentation Funds (ERAF) revenue that was actually received by school district in the calculation of district's property tax allocation base, but rejected district's contention that its property tax allocation base should also include its share of the property tax revenue that was diverted from the ERAFs by virtue of the Triple Flip and Vehicle Licensing Fee (VLF) Swap legislation as ERAF revenue. School district appealed.

The Court of Appeal held that share of district's property tax revenue diverted from ERAF by Triple Flip or VLF Swap legislation was counted toward district's property tax base.

Diversion of revenue from an ERAF neither increases the recipient entity's property tax revenue base, nor decreases the donor ERAF's property tax revenue base. Cal. Health & Safety Code § 33607.

The share of school district's property tax revenue that was diverted from the ERAF by virtue of the VLF Swap legislation was counted as ERAF revenue in calculating district's property tax allocation base, thus avoiding either a decrease in the school district's passthrough payment allocation or an increase in a city or county's passthrough payment allocation. Cal. Health & Safety Code § 33607.5; Cal. Rev. & Tax. Code §§ 97.68(e).