

# **Bond Case Briefs**

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## **TAX - CALIFORNIA**

### **Owens v. County of Los Angeles**

**Court of Appeal, Second District, Division 3, California - October 2, 2013 - Cal.Rptr.3d - 13  
Cal. Daily Op. Serv. 11, 015 - 2013 Daily Journal D.A.R. 13, 287**

Taxpayers brought class action against county to challenge validity of Utility User Tax Ordinance. County settled with taxpayers by agreeing to submit a ballot measure to the voters in the next election. The Superior Court approved the settlement agreement, awarded attorney fees to class counsel, and denied a “motion to enforce the settlement” in which taxpayer argued that the election was not held “pursuant to applicable law.” The taxpayer appealed.

Two other taxpayers brought a putative class action challenging the legality of the ballot measure that had been agreed upon in the prior settlement, and moved to invalidate the measure. The Superior Court denied the motion. The taxpayers appealed. The cases were consolidated for disposition in one opinion.

The Court of Appeal held that:

- Settlement agreement waived taxpayer’s challenge to election adopting tax ordinance;
- Settlement agreement judicially estopped taxpayer’s challenge to election adopting tax ordinance;
- Ballot materials were not so misleading as to violate due process;
- Ballot materials did not violate “free election” provision of state constitution; and
- New tax ordinance was not a “special tax” requiring a two-thirds vote for approval.