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California High Court Refuses to Hear High-Speed Rail Case, Clears Way for Bonds.

Oct 15 (Reuters) - The California Supreme Court on Wednesday refused to hear a case challenging California's controversial high-speed rail project, clearing the way for the state to sell up to \$9 billion in bonds to start building tracks and stations.

The refusal to revisit an appeals court decision favoring the project comes as the state is beginning demolition work on the first phase of the project, which is meant to eventually connect far-flung parts of the state from San Diego to San Francisco and Sacramento.

"We will continue to move forward aggressively to deliver the nation's first high-speed rail system," said Dan Richard, chairman of the California High Speed Rail Authority.

The plan to build the 800-mile system is a priority of Democratic Governor Jerry Brown, but has generated fierce opposition among Republicans, who say it is too expensive and predict it would be a boondoggle.

A group including a farmer, a landowner and the government of Kings County had asked the state to re-examine an appeals court decision allowing the state to sell municipal bonds to raise money for the project. Voters in 2008 approved the sale of the bonds to help pay for high-speed rail, now estimated to cost about \$68 billion altogether.

"We're disappointed," said Timothy Bittle, director of legal affairs for the Howard Jarvis Taxpayers Association, an anti-tax advocacy group that had opposed allowing the state to issue the bonds. "The decision to incur such enormous debt and monumental undertaking deserves Supreme Court review."

A California appeals court in July rejected opponents' claims that the bond sale should not be allowed to go forward because it had changed too much since voters approved it, among other arguments. It overturned a lower court ruling that had put a stop to preparations for the sale.

The state Supreme Court's decision not to reconsider that ruling was made with six justices in favor and one opposed, said Lisa Marie Alley, spokeswoman for the high speed rail authority.

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(Reporting by Sharon Bernstein; Editing by Cynthia Osterman)