

Bond Case Briefs

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City of Bellflower v. Cohen

Court of Appeal, Third District, California - March 3, 2016 - Cal.Rptr.3d - 2016 WL 858801

Cities brought two actions against State Director of Finance, State Board of Equalization, the State Controller, and various local government entities to challenge the validity of statutes authorizing withholding of tax revenues from cities that failed to turn over dissolved redevelopment agencies' funds to county auditor-controllers.

The Superior Court found no violation of the state constitution in the withholding of property, sales, or use tax revenues. Cities appealed. The Superior Court found that the withholding of sales and use tax revenues from sponsoring agencies violated the state constitution. Director of Finance, Board of Equalization, Controller, and local government entities appealed.

The Court of Appeal held that the statute authorizing withholding of tax revenues for a successor agency's failure to turn over a dissolved redevelopment agency's funds violates the constitutional provision prohibiting reallocation of local government tax revenues.