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RECLAMATION DISTRICT ASSESSMENTS - CALIFORNIA

Manteca Unified School District v. Reclamation District No. 17

Court of Appeal, Third District, California - April 7, 2017 - Cal.Rptr.3d - 10 Cal.App.5th 730 - 2017 WL 1291330 - 17 Cal. Daily Op. Serv. 3408

School district brought action against reclamation district and its governing board for declaratory judgment that school district was exempt from paying assessments to reclamation district.

The Superior Court found the assessments levied by reclamation district were invalid but denied recovery of assessment payments made during the pendency of the action and concluded school district's action was not barred by the statute of limitations. Reclamation district appealed and school district cross-appealed.

The Court of Appeal held that Right to Vote on Taxes Act required proof of "no special benefit" for school district to continue to rely on exception from reclamation district's assessment authority.

Under the provision of the Right to Vote on Taxes Act stating that parcels within a district that are owned or used by any agency or the State "shall not be exempted from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit," a school district had the burden to prove "no special benefit" to continue relying on the "school district" exception from the statute granting reclamation districts the authority to assess publicly owned property.

The provision of the Right to Vote on Taxes Act stating that parcels within a district that are owned or used by any agency or the State "shall not be exempted from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit" conditions the continuation of an agency's existing exemption from an existing assessment authority upon a showing of no special benefit, notwithstanding the provision of the Act stating that the Act shall not be interpreted to provide "any new authority" to any agency to impose an assessment.