

Bond Case Briefs

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FINES - NORTH CAROLINA

Fearrington v. City of Greenville

Supreme Court of North Carolina - May 23, 2024 - S.E.2d - 2024 WL 2338356

Motorists who received citations through city's red light camera enforcement program (RLCEP) brought action against city and county board of education, seeking declaratory judgments that the RLCEP violated the Fines and Forfeitures Clause (FFC) of the North Carolina Constitution governing county school fund, statutes governing the lawful practice of engineering, and due process.

The Superior Court granted defendants' motions to dismiss, denied motorists' motion for summary judgment, and granted summary judgment for city on remaining claims. Motorists appealed. The Court of Appeals affirmed in part, reversed in part, and remanded with instructions. Board and city petitioned for discretionary review, which was granted.

The Supreme Court held that:

- Plaintiffs effectively sued on behalf of county board of education by disclosing their status as taxpayers;
- Plaintiffs asserted a direct injury linked to allegedly unlawful government expenditure;
- Plaintiffs effectively demanded, and board effectively declined, to vindicate any claim to a larger share of red light penalties;
- Plaintiffs exceeded compass of taxpayer standing in seeking damages;
- Act allowing city to enter into a contract with a contractor for the lease, lease-purchase, or purchase of a red light camera system did not violate statute that promised county schools at least 90% of collected funds;
- Board retained clear proceeds of fines collected through RLCEP; and
- Act aligned with core purposes of FFC.