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### STAFF REPORT

TO: Lake Shastina Community Service District Board  
FROM: Margaret Long, District Counsel  
DATE: March 20, 2019  
RE: Request to Extinguish Tax Roll - Forbis

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This staff report is to address the legality of the request from Forbis for a reduction or to extinguish their tax roll amount and the amount to the District for taxes and fees.

Based on review of the records, it appears that Forbis has an outstanding amount of \$16,220.92 owed, of which \$3,459.47 is interest and fees.

In addition, an amount of \$21,850.97 has been placed on their tax roll around 2013. Staff has determined that this may have been done in error, because the district did not process the County's reduction in the scope of the project from 112 units to 86 plus the duplex. As a result, Counsel agrees that this is an overcharge and should be removed from the tax roll.

The question is raised as to whether the District can reduce the taxes. Reductions in liens and tax amounts can be done if the Board can articulate a "public purpose" exception. Essentially, expenditures/disbursements can be allowed if the legislature (which is the Board for this District) can articulate that there is a public purpose. *County of Alameda v. Janssen* (1940) 16 Cal 2d 276, 281; *Redevelopment Agency of San Pablo v. Shepard* (1977) 75 Cal. App 3d 453; *Schettler v. County of Santa Clara* (1977) 74 Cal App 3d 990. "Determination of public purpose is primarily a matter for the Legislature and will not be disturbed as long as it has a reasonable basis." *County of Alameda v. Janssen* (1940) 16 Cal 2d 276, 281.

It is recommended that the overcharge be taken off the tax roll, and the Board look at whether there is an actual public purpose of reducing the outstanding amount owed, prior to rendering a decision.

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