CALIFORNIA COURT OF APPEAL, FOURTH APPELLATE DISTRICT, DIVISION ONE

James Scott et al. v. County of Riverside

Scott v. County of Riverside, D083412 (Cal. Ct. App. July 23, 2025) · No. D083412 · Decided July 23, 2025

SUMMARY

The California Court of Appeal held that Riverside County's $23 annual fee for separately assessing timeshare estates was an unconstitutional tax because the County did not establish that the fee was no more than necessary to cover the reasonable costs of the separate assessment service. The court reversed and remanded, and the order modifying the opinion clarified that certain indirect costs could be included if incurred by the effective date of the fee ordinance and attributable to separate timeshare assessments. The court denied rehearing and stated that there was no change in the judgment.

CASE DETAILS

COURT	California Court of Appeal, Fourth Appellate District, Division One
WRITING FOR THE COURT	Irion, Acting Presiding Justice; Irion, Acting P. J.; Dato, J.; Keletý, J.
JURISDICTION	California Court of Appeal, Fourth Appellate District, Division One
DECIDED	July 23, 2025
DOCKET	D083412
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Owners of timeshare estates appealed a judgment denying their petition for writ of mandate, declaratory relief, and refunds challenging Riverside County's $23 annual separate-timeshare-assessment fee as an unconstitutional tax under article XIII C of the California Constitution.
STANDARD OF REVIEW	The question whether the fee is a tax subject to article XIII C is reviewed independently as a question of law, with no deference to the County's constitutional determination. Application of law to undisputed material facts is also reviewed independently; disputed factual findings are reviewed for substantial evidence.
PRECEDENTIAL VALUE	Published and certified for publication; precedential under California law.

PARTIES	James Scott, Mission Hills Vacation Ownership Association I v. County of Riverside

TOPICS

property tax · tax · tax collection · constitutional law · appellate procedure

PRACTICE AREAS

property taxation · constitutional law · municipal law · appellate procedure

QUESTIONS PRESENTED

1. Whether Riverside County's $23 annual separate-timeshare-assessment fee satisfied an exception to the definition of a tax under article XIII C, section 1, subdivision (e), so that voter approval was unnecessary.
2. Whether the County's methodology improperly included costs of assessing timeshare projects as a whole and other property, treated timeshare assessments as costing the same as all property assessments, and allocated the assessor's general operating costs equally among all assessed properties.
3. Whether the trial court could rely on assessment-appeal and CREST-related expenses that were not included in the County's fee-setting methodology and were incurred after the fiscal year used to establish the fee.
4. What proceedings and cost calculations were required on remand to determine the Owners' refund and possible declaratory, injunctive, and writ relief.

HOLDINGS

1. The County failed to prove that the fee fit within the article XIII C exceptions for charges imposed for a specific service or benefit. Because the fee was not shown to be no more than necessary to cover the reasonable costs of the separate-assessment service and was not approved by voters, it was an unconstitutional tax.
2. The County could not charge timeshare-estate owners for costs of assessing the timeshare project as a whole or for costs of assessing other types of property, because those services were not provided exclusively to the owners who paid the fee.
3. The trial court erred by relying on assessment-appeal and CREST-related expenses that were not included in the County's fee-setting methodology and were incurred after the 2016–2017 fiscal year used to establish the fee.
4. The trial court must determine the maximum permissible fee and award the difference between the $23 charged and that amount as a refund, while also exercising discretion concerning requested declaratory, injunctive, and writ relief.

KEY QUOTATIONS

> *“If a levy, charge, or exaction is imposed by a local government and does not fit within an exception, it is a tax which must be approved by the voters in order to be valid.”* (12)

> *“A fee that is based largely on the costs of services not provided exclusively to the payor (here, running the assessor’s office) or that exceeds the reasonable cost of the service that is exclusively provided (here, doing a separate timeshare assessment) is not excepted from the definition of a tax and must be approved by the voters.”* (20)

> *“If the parties cannot agree on the amount of the refund, the court shall hold a trial on the issue at which the County will bear the burden to prove by a preponderance of the evidence the “reasonable” and “necessary” costs that “bear a fair and reasonable relationship” to the burden on the County of providing a separate assessment to a timeshare estate owner.”* (21)

FACTUAL BACKGROUND

Riverside County required timeshare-estate owners who requested separate property-tax assessments to pay an annual $23 fee beginning in fiscal year 2020–2021. The County set the fee by dividing most of the assessor's 2016–2017 budget by the total number of property assessments, rather than by calculating the additional costs of separately assessing timeshare estates. The Owners paid the fees, challenged them after the County denied refund claims, and alleged that the fee exceeded the reasonable cost of the service and therefore was an unapproved tax.

PROCEDURAL HISTORY

After the County rejected the Owners' claims for refunds, the Owners filed a verified petition and complaint in the Riverside County Superior Court. The parties submitted the matter on stipulated procedures and documentary and deposition evidence. The trial court concluded that CREST-related expenses could be considered and that the $23 fee did not exceed the reasonable cost of a separate assessment, then entered judgment for the County. The Court of Appeal reversed and remanded for further proceedings concerning refunds and discretionary declaratory, injunctive, and writ relief. The opinion was modified on July 23, 2025, and rehearing was denied without a change in judgment.

DISPOSITION

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reversed_and_remanded
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REMAND INSTRUCTIONS

The trial court must conduct further proceedings concerning remedies. The parties should attempt to resolve the refund amount; if they cannot, the court must hold a trial at which the County bears the burden of proving the reasonable and necessary costs fairly related to providing separate timeshare assessments. Chargeable costs may include direct and indirect costs incurred on or before September 26, 2019, and incurred in or attributable to separate timeshare assessments, but not costs of valuing the timeshare project as a whole. After determining the maximum permissible fee, the court must deduct it from the $23 fee and award the difference as a refund, and it must exercise discretion concerning requested declaratory, injunctive, and writ relief.

CASES CITED

- Citizens for Fair REU Rates v. City of Redding (2018) 6 Cal.5th 1
- Jacks v. City of Santa Barbara (2017) 3 Cal.5th 248
- Boyd v. Central Coast Community Energy (2023) 96 Cal.App.5th 136
- Coziahr v. Otay Water Dist. (2024) 103 Cal.App.5th 785
- Sutter's Place, Inc. v. City of San Jose (2024) 104 Cal.App.5th 855
- Nunez v. Cycad Management LLC (2022) 77 Cal.App.5th 276
- Professional Engineers in California Government v. Kempton (2007) 40 Cal.4th 1016
- Crestwood Behavioral Health, Inc. v. Baass (2023) 91 Cal.App.5th 1
- Schmeer v. County of Los Angeles (2013) 213 Cal.App.4th 1310
- City of San Buenaventura v. United Water Conservation Dist. (2017) 3 Cal.5th 1191
- Department of Finance v. Commission on State Mandates (2022) 85 Cal.App.5th 535
- California Farm Bureau Federation v. State Water Resources Control Bd. (2011) 51 Cal.4th 421
- American Coatings Assn., Inc. v. State Air Resources Bd. (2021) 62 Cal.App.5th 1111
- Collier v. City & County of San Francisco (2007) 151 Cal.App.4th 1326
- County of Orange v. Barrett American, Inc. (2007) 150 Cal.App.4th 420
- Rubio v. Superior Court (2016) 244 Cal.App.4th 459
- Howard Jarvis Taxpayers Assn. v. Coachella Valley Water Dist. (2025) 108 Cal.App.5th 485
- California Public Records Research, Inc. v. County of Yolo (2016) 4 Cal.App.5th 150
- City of San Diego v. State of California (2008) 164 Cal.App.4th 580
- California Service Station etc. Assn. v. Union Oil Co. (1991) 232 Cal.App.3d 44
- LePage v. City of Oakland (1970) 13 Cal.App.3d 689
