

News Release



Controller of the State of California - Kathleen Connell

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FOR IMMEDIATE RELEASE

STATE CONTROLLER KATHLEEN CONNELL HAILS COURT DECISION IN SMOG IMPACT FEE CASE

SACRAMENTO, July 22, 2002 – State Controller Kathleen Connell hailed the Court of Appeal’s decision today in the Smog Impact Fee Award case, *Anna Jordan v. California Department of Motor Vehicles, et al.*, as a major victory for California’s taxpayers.

“It has always been my view that this award was unconscionable, and that’s why I thought an appeal was in order,” noted Controller Connell. “I am relieved to know that taxpayers will not have to bear the burden of this outrageous fee awarded through a secretive arbitration proceeding.”

“In November 2000, I took the position that the arbitration fee awarded to lawyers of \$88 million was excessive and a slap in the face to the taxpayers. At that time, I vowed not to pay the award and urged the Governor and the State Board of Equalization to appeal the award.”

In November 2000, a three-person arbitration panel awarded \$88.5 million to the lawyers who filed a lawsuit successfully challenging the State’s smog impact fee as unconstitutional. Shortly after the Controller was informed of the panel’s decision, the Controller successfully persuaded the Board of Equalization to appeal the matter, and in December 2000, the Governor also agreed to appeal the award.

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