

SUMMARY STATEMENT

Docket No. 51293

Bela Kovacs v. Kootenai County

Bela Kovacs appealed from the district court's order denying Kovacs' motion for reconsideration and denial of attorney fees under Idaho Code § 12-117(1) and (4). This matter arose from Kovacs' petition for judicial review regarding the Kootenai County Board of County Commissioner's ("Board") decision to reduce Kovacs' salary by half and to not include the 6% cost of living adjustment. Kovacs was unanimously appointed as the Kootenai County Assessor in May 2020 after the predecessor had passed away. At a Board meeting to discuss the 2023 fiscal year, the Board raised some concerns regarding Kovacs' performance as Assessor. The Board voted to reduce Kovacs' salary by half, from \$90,000 per year to \$45,000 per year, and to deny giving Kovacs the 6% cost of living adjustment given to all other county officials. Kovacs filed a petition for judicial review to challenge the Board's decision and requested attorney fees pursuant to I.C. § 12-117(1) and (4).

Idaho Code § 12-117(1) states that a court may award attorney fees to an individual "if it finds that the non-prevailing party acted without a reasonable basis in fact or law." The district court held that the Board's decision to reduce Kovacs' salary and to exclude him from the 6% cost of living adjustment was not supported by substantial evidence, "exceeds the bounds of reason, is arbitrary, and is an abuse of discretion." The district court set aside the Board's decision and remanded the matter to the Board to reinstate the Assessor's previous salary retroactive from September 2022 with a 6% cost of living increase for the fiscal year 2023. However, the district court denied an award of attorney fees under I.C. § 12-117(1), finding that although Kovacs was the prevailing party, the Board had not acted without a reasonable basis in fact or law.

The Court of Appeals reversed the district court, holding that Kovacs was entitled to attorney fees under I.C. § 12-117(1). The Court noted that I.C. § 31-3106 grants the Board the statutory authority to set the salaries of county officials, which includes reducing an official's salary. However, because the Board cited no evidence from which it could substantiate its decision, the Court held the decision was made without a reasonable basis in fact. Kovacs was awarded fees pursuant to I.C. § 12-117(1). The Court therefore declined to address the merits of attorney fees under I.C. § 12-117(4).

This summary constitutes no part of the opinion of the Court but has been prepared by court staff for the convenience of the public.