



Written by [Annalisa Pesek](#) on May 12, 2022

Judge Throws Out Lawsuit to Halt Dissolution of Disney's Special District

Has the sparkle left the magic kingdom? A small band of Florida residents arguing the Walt Disney Corporation should still receive special privileges were denied this week, as a federal judge dismissed their [lawsuit](#) to revoke the disbanding of Disney's independently governed district in Orlando, meaning Disney will still soon be required to pay taxes like everyone else. Imagine that!

The [lawsuit](#) by plaintiffs Michael and Edward Foronda and Vivian Gorsky claimed Governor Ron DeSantis violated constitutionally protected rights of taxpayers and the Disney company. U.S. District Judge Cecilia Altonaga tossed out the suit on Tuesday, maintaining the plaintiffs' First Amendment arguments were "flawed," and that the matter was a state issue and not one for the federal courts.



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"In Count I, Plaintiffs allege that [Senate Bill 4-C](#) violates Florida's Reedy Creek Improvement Act and 'contractual obligations' the state owes to Floridians," wrote George W. Bush-appointed Altonaga.

"The Court lacks subject-matter jurisdiction over Plaintiffs' sole remaining claim for violation of Disney's First Amendment rights. '[A] party generally may assert only his or her own rights and cannot raise the claims of third parties not before the court,'" continued Altonaga, citing a 2017 ruling by the 11th Circuit Court in *Granite State Outdoor Advertising, Inc. v. City of Clearwater*.

Filing the suit was Miami-based attorney William Sanchez, a Democratic candidate running for the Florida Senate against Republican Senator Marco Rubio and primary Democrat challenger Val Demings. Sanchez was allegedly upset after DeSantis pulled the plug on Disney's benefits in retaliation for the corporation's very public and very forceful opposition to a new parent's-rights bill.

"We did this in order to make sure all Florida taxpayers are represented in this battle, that we have a seat at the table," he said, according to [WFTV](#). "We're not just waiting back to see what the government and large corporations decide to do."

The lawsuit named as defendants DeSantis, Florida Secretary of State Laurel Lee, and the executive director of the Florida Department of Revenue Jim Zingale. Judge Altonaga noted that in addition to the litigation belonging to the state, the law to disband Disney's district had yet to take effect.

The dissolution of the Reedy Creek Improvement District (RCID), which houses the Walt Disney World Resort and theme parks and spans more than 25,000 acres in the vicinity of Orlando, is set to take effect in June 2023.



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“None of Plaintiffs’ claims is ripe. Senate Bill 4-C does not take effect until July 1, 2022,” the judge said, according to the [Washington Examiner](#). “When a plaintiff files ‘a preenforcement, constitutional challenge to a state statute, the injury requirement may be satisfied by establishing a realistic danger of sustaining direct injury as a result of the statute’s operation or enforcement.’”

Critics of the dissolution of RCID claim that Florida taxpayers will be forced to pay \$1-2 billion in outstanding bond debts as a result of Disney losing its self-governing powers. But DeSantis has fired back, proclaiming that “Disney will pay its debts,” and that taxes will not be increased for anyone in any area of Florida. He also made very clear that he will not stand for the mega-corporation’s “attack” on the parents of his state.

As reported by the *Washington Examiner*, the plaintiffs plan to file an amended complaint. “Since the order is without prejudice, plaintiffs will be filing an amended complaint, as is often done in matters such as these. The amended complaint should be filed by Monday, May 16th, 2022. This is just the beginning of the battle, as we are attempting to achieve justice for Florida taxpayers,” Sanchez’s office said in a statement.

The bill to dissolve the district created back in the 1960s by the Florida legislature came in the wake of Disney’s harsh condemnation of the “[Parent’s Rights in Education](#)” bill, which bans the teaching of sexual orientation and gender identity in the classrooms of very young children. The piece of legislation has been widely dubbed the “Don’t Say Gay” bill, though it has nothing to do with gay people.

As for the RCID, its five-member board of supervisors have argued that Florida [pledged](#) to its bondholders “not to limit the district’s ability to ‘fulfill the terms of any agreement made with the holders of any bonds or other obligations.’” Nor could it “impair bondholders’ rights or modify the arrangement until all bonds, costs and expenses ‘are fully met and discharged.’”

However, DeSantis is not backing down. He insists that “Disney will, for the first time, actually live under the same laws as everybody else in Florida. Imagine that!” The narrative that Disney will somehow pay less in taxes and strap other county residents with higher taxes is “the new liberal lie they are peddling,” according to Florida House Representative Anthony Sabatini, who voted to rescind Disney’s self-governing benefits. “The Reedy Creek district won’t be gone for another 14 months,” he said in an interview.

“In light of the State of Florida’s pledge to the District’s bondholders, Reedy Creek expects to explore its options while continuing its present operations, including levying and collecting its ad valorem taxes and collecting its utility revenues, paying debt service on its ad valorem tax bonds and utility revenue bonds, complying with its bond covenants and operating and maintaining its properties,” read a statement released by RCID to [CNN](#).

Yet, as Sabatini noted, “from this November through March 2023, there will be another special session where a slew of new laws regarding Disney will come out and get filed and slowly make their way into Florida statute. During that time, the expectation is that a law will be passed down making Disney pay the remainder of its debt.” Anticipate more news to be shared in the next few weeks, assured DeSantis’s officials.



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