

**MONTGOMERY COUNTY BOARD OF EDUCATION  
RESEARCH FOR A PROPERTY MILLAGE TAX INCREASE  
FOR MONTGOMERY COUNTY PUBLIC SCHOOLS**



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**Montgomery County Board Education**

**District 7**

## AD VALOREM TAXES

Ad valorem taxes, commonly referred to as property taxes, are taxes levied based on the value of property. The levy and collection of all property taxes in Alabama are governed by the state constitution and statutes. The Constitution of Alabama of 1901, as amended, places a limit on the levy and collection of property taxes. Every property tax must be authorized specifically by the state constitution. Absent specific constitutional authority, the Legislature cannot authorize a property tax levy.

Property taxes are measured in millage. One mill is equal to one-tenth of a cent (1/10 of 1 cent) and, in connection with ad valorem taxes, a mill is often expressed in terms of 10 cents on each \$100 of assessed value. Property taxes are based on a percentage of the property's fair market value that is known as its assessed value. The state constitution sets four different assessment ratios:

<b>Class</b>	<b>Type of Property</b>	<b>Assessment Ratio</b>
Class I	Utilities	30%
Class II	All Property Not Otherwise Classified	20%
Class III	Agricultural, Forest and Single Family, Owner-occupied Residential Property	10%
Class IV	Private Passenger Vehicles	15%

To determine property taxes on a home, the county tax assessor appraises the property at its fair market value, then applies the state-established assessment ratio to the fair market value. For example, without regard to any applicable homestead exemption, Class III property with a fair market value of \$100,000 would be assessed at a 10 percent assessment ratio for an assessed value of \$10,000. One mill of property taxes (10 cents on each \$100 of assessed value) would be determined by dividing \$10,000 (assessed value) by \$100 and multiplying the dividend (100) by 10 cents. Thus, a 1-mill tax on a \$100,000 home would be \$10.

# **STATE-AUTHORIZED PROPERTY TAXES FOR PUBLIC SCHOOLS**

Through various constitutional amendments, Alabama has authorized all counties in the state to levy up to 15 mills in property taxes for educational purposes. Any school system can use all or a portion of this authority to support its schools. Some school systems have received constitutional authorization for additional school property taxes beyond the 15 mills.

The authorized 15 mills comprise five specific taxes described briefly here:

***1-Mill County Tax:*** Under Article XIV, Section 269, as amended by Amendment 111 of the state constitution, counties may call an election to authorize the levy of a special annual ad valorem tax of not more than 1 mill to support education. The rate, duration and purpose of the tax must be approved by three-fifths of voters participating in the election. If there is more than one school system in the county, the tax is divided among the school systems based on enrollment.

***3-Mill County Tax:*** Authorized by Amendment 3 of the state constitution, this tax must be approved by a majority of qualified voters in a countywide election. The tax proposal must include the rate, duration and purpose of the tax. If there is more than one school system in the county, the tax is divided among the school systems based on enrollment (*see* Article XIV; § 269.01, Official Recompilation of the Constitution of Alabama).

***3-Mill School District Tax:*** Amendment 3 (Article XIV; § 269.02, Official Recompilation of the Constitution of Alabama) also authorizes the levy of up to 3 mills in an annual district tax. Previously, the constitution required the county tax authorized under Amendment 3 (Article XIV; § 269.01) to be levied before the district tax could be levied. Amendment 669 (now Article XIV; § 269.07), which was approved in 2000, eliminated this requirement. In the event there is a separate municipal school system, this school system constitutes a separate school tax district, and the balance of the county, excluding the municipal system(s), comprises one or more school tax districts. School district taxes must be approved by a majority of voters in the district. The tax proposal must include the rate, duration and purpose

of the tax. Funds arising from the levy of this district tax (as is the case with all other district taxes) are required by state law to be used for the exclusive benefit of the public schools of the district in which the tax is levied.

**5-Mill Special County Tax:** Amendment 202 (Article XIV; § 269.04, Official Recompilation of the Constitution of Alabama) authorizes county governing bodies to levy a special county tax annually not to exceed 5 mills for educational purposes. The rate, duration and purpose of the tax must be approved by a majority of those voting in an election.

**3-Mill Special School District Tax:** In addition to all other taxes authorized, Amendment 382 (Article XIV; § 269.05, Official Recompilation of the Constitution of Alabama) authorizes the annual levy of a special school district tax not to exceed 3 mills, provided that the rate, duration and purpose of the tax are approved by a majority of voters in an election.

### **Levying Authorized Taxes**

Since constitutional authority already exists for the 15 mills discussed in the previous section, school boards do not need new or additional constitutional or legislative authority to levy these taxes, although the levy of each such tax first must be approved in a local election.

Depending on the type of tax being sought, either a petition from 200 qualified voters or a school board resolution will require the county commission to call the election (*see chart on page 5*). The petition (*see appendices A and B*) or resolution (*see appendix C*) must specify when the elections should be called. If these requirements are fulfilled, the county commission is required to call the election (*see appendix D or E*).

Like the election procedures for other school property tax elections outlined later in this book (*see page 8*), public notice of the election is required.

The notice requirement is not mentioned specifically in the Alabama Constitution for the 1-mill county tax, but Section 16-13-161 of the *Code of Alabama 1975* requires that notice of the rate, duration and purpose of the proposed tax be given in a newspaper in the county. Under Section 16-13-183, a 30-day notice is required for elections on countywide and district school taxes. The sample notice in appendix F may be used as a guide to satisfy this requirement.

**10-Mill Requirement:** In 2006, Alabama voters approved a constitutional amendment requiring all school boards to have levied on their behalf 10 mills of property taxes (Amendment 778) and provided the authorization to levy a district tax in any school tax district in the state in which less than 10 mills of property taxes were levied for public school purposes. The tax levied under this amendment is determined annually to assure that at least 10 mills of property tax is levied in each school district in Alabama.

### **How to Call for an Election**

The county commission is required to call an election on any of the property taxes for public school purposes currently authorized by the state constitution, provided the school system presents either a petition signed by not less than 200 qualified voters or a school board resolution (depending on the applicable statutory requirement). The expenses of the election, under Section 16-13-185 of the *Code of Alabama 1975*, are to be paid out of the county treasury. The following chart shows which procedure is required to initiate elections for each of the presently authorized taxes. The same procedures apply to elections held for the purpose of renewing these taxes.

<b>Tax</b>	<b>Procedure</b>
1-mill County Tax	Petition of 200 qualified voters <i>who also are property owners</i>
3-mill County Tax	Petition of 200 qualified voters
3-mill School District Tax	School board resolution
5-mill Special County Tax	School board resolution
3-mill Special School District Tax	School board resolution

# MONTGOMERY COUNTY ALABAMA

## AD VALOREM TAX MILLAGE RATES

as of October 1, 2016

DISTRICT #1 Montgomery County (Outside City Limits-Not Pike Road)			DISTRICT #2 City of Montgomery (Inside City Limits-All Services)			DISTRICT #3 City of Montgomery (Inside City Limits-Not All Services)			DISTRICT #4 Pike Road, Alabama		
State			State			State			State		
	General	2.5		General	2.5		General	2.5		General	2.5
	Soldier	1		Soldier	1		Soldier	1		Soldier	1
	School	3		School	3		School	3		School	3
		6.5			6.5			6.5			6.5
County			County			County			County		
	General	5		General	5		General	5		General	5
	R&B	2.5		R&B	2.5		R&B	2.5		R&B	2.5
		7.5			7.5			7.5			7.5
School			School			School			School		
	Countywide	3.5		Countywide	3.5		Countywide	3.5		Countywide	3.5
	Regular District	3.5		Regular District	3.5		Regular District	3.5		Regular District	3.5
	Special District	6.5		Special District	3		Special District	3		Special District	6.5
		10			10			10			10
City			City			City			City		
					12.5						
Volunteer Fire			Volunteer Fire			Volunteer Fire			Pike Road		
		5								Vol Fire	5
										Schools	16
<b>TOTAL</b>	<b>0.029</b>	<b>29</b>	<b>TOTAL</b>	<b>0.0365</b>	<b>36.5</b>	<b>TOTAL</b>	<b>0.024</b>	<b>24</b>	<b>TOTAL</b>	<b>0.045</b>	<b>45</b>
Abatements			Abatements			Abatements			Abatements		
		13			13			13			13
Homestead			Homestead			Homestead			Homestead		
		\$51.00			\$41.00			\$41.00			\$41.00

*Janet Buskey, Revenue Commissioner*

**MONTGOMERY - OCTOBER 2009****MILLAGE****STATE**

<b>PUBLIC SCHOOL</b>	<b>3.0</b>
<b>SOLDIER</b>	<b>1.0</b>
<b>GENERAL FUND</b>	<b>2.5</b>

<b>TOTAL STATE</b>	<b>6.5</b>
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**COUNTY**

<b>GENERAL FUND</b>	<b>5.0</b>
<b>ROAD &amp; BRIDGE</b>	<b>2.5</b>
<b>FIRE PROTECTION (OUTSIDE CITY OF MONTG)</b>	<b>5.0</b>

<b>TOTAL COUNTY - OUTSIDE MONTG</b>	<b>12.5</b>
<b>TOTAL COUNTY - INSIDE MONTGOMERY</b>	<b>7.5</b>

**SCHOOL**

<b>COUNTY WIDE</b>	<b>3.5</b>
<b>DISTRICT 1 - COUNTY</b>	<b>6.5</b>
<b>DISTRICT 2 - COUNTY</b>	<b>6.5</b>
<b>DISTRICT 3 - COUNTY</b>	<b>6.5</b>
<b>DISTRICT 4 - COUNTY</b>	<b>6.5</b>

<b>TOTAL SCHOOL</b>	
<b>DISTRICT 1</b>	<b>10.0</b>
<b>DISTRICT 2</b>	<b>10.0</b>
<b>DISTRICT 3</b>	<b>10.0</b>
<b>DISTRICT 4</b>	<b>10.0</b>

**MUNICIPALITY**

<b>MONTGOMERY</b>	<b>12.5</b>
<b>PIKE ROAD</b>	<b>5.0</b>

**\$.10 PER ACRE (STATEWIDE) TIMBERLAND TAX**

**MONTGOMERY - OCTOBER 2017**

**MILLAGE**

**STATE**

<b>PUBLIC SCHOOL</b>	<b>3.0</b>
<b>SOLDIER</b>	<b>1.0</b>
<b>GENERAL FUND</b>	<b>2.5</b>

<b>TOTAL STATE</b>	<b>6.5</b>
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**COUNTY**

<b>GENERAL FUND</b>	<b>5.0</b>
<b>ROAD &amp; BRIDGE</b>	<b>2.5</b>
<b>FIRE PROTECTION (OUTSIDE CITY OF MONTG)</b>	<b>5.0</b>

<b>(EXCLUDING PIKE ROAD)</b>	
<b>TOTAL COUNTY - OUTSIDE MONTG</b>	<b>12.5</b>
<b>TOTAL COUNTY - INSIDE MONTGOMERY</b>	<b>7.5</b>
<b>TOTAL COUNTY-INSIDE PIKE ROAD</b>	<b>7.5</b>

**SCHOOL**

<b>COUNTY WIDE</b>	<b>3.5</b>
<b>DISTRICT 1 - COUNTY</b>	<b>6.5</b>
<b>DISTRICT 2 - COUNTY</b>	<b>6.5</b>
<b>DISTRICT 3 - COUNTY</b>	<b>6.5</b>
<b>DISTRICT 4 - COUNTY</b>	<b>6.5</b>

**TOTAL SCHOOL**

<b>DISTRICT 1</b>	<b>10.0</b>
<b>DISTRICT 2</b>	<b>10.0</b>
<b>DISTRICT 3</b>	<b>10.0</b>
<b>DISTRICT 4</b>	<b>10.0</b>

**MUNICIPALITY**

<b>MONTGOMERY</b>	<b>12.5</b>
<b>PIKE ROAD (16 MILLS FOR EDUCATION)</b>	<b>21.0</b>

**\$.10 PER ACRE (STATEWIDE) TIMBERLAND TAX**



# Montgomery County Public Schools Is The Lowest Funded of All Large Public School Systems in the State of Alabama



- **We Pay The Minimum Millage Allowed Under State Law**
- “Under state law, MPS’ budget must have one month’s operating cost (\$18.7 million) on hand in reserve.
- But MPS has reached that benchmark only once in the past 10 years while receiving 10 mills, the minimum amount of ad valorem (property tax) dollars allowed under state law, which yields about \$28 million annually.
- Montgomery County Revenue Commissioner Janet Buskey, who writes the property tax checks for MPS, said it is “pretty embarrassing.”
- “The only reason we’re at 10 mills is because they passed a statewide legislation that forced the counties to collect at least 10 mills. Otherwise we’d be less than 10,” Buskey said.”

*Source: Andrew Yawn, Reporter, Montgomery Advertiser, April 2018*

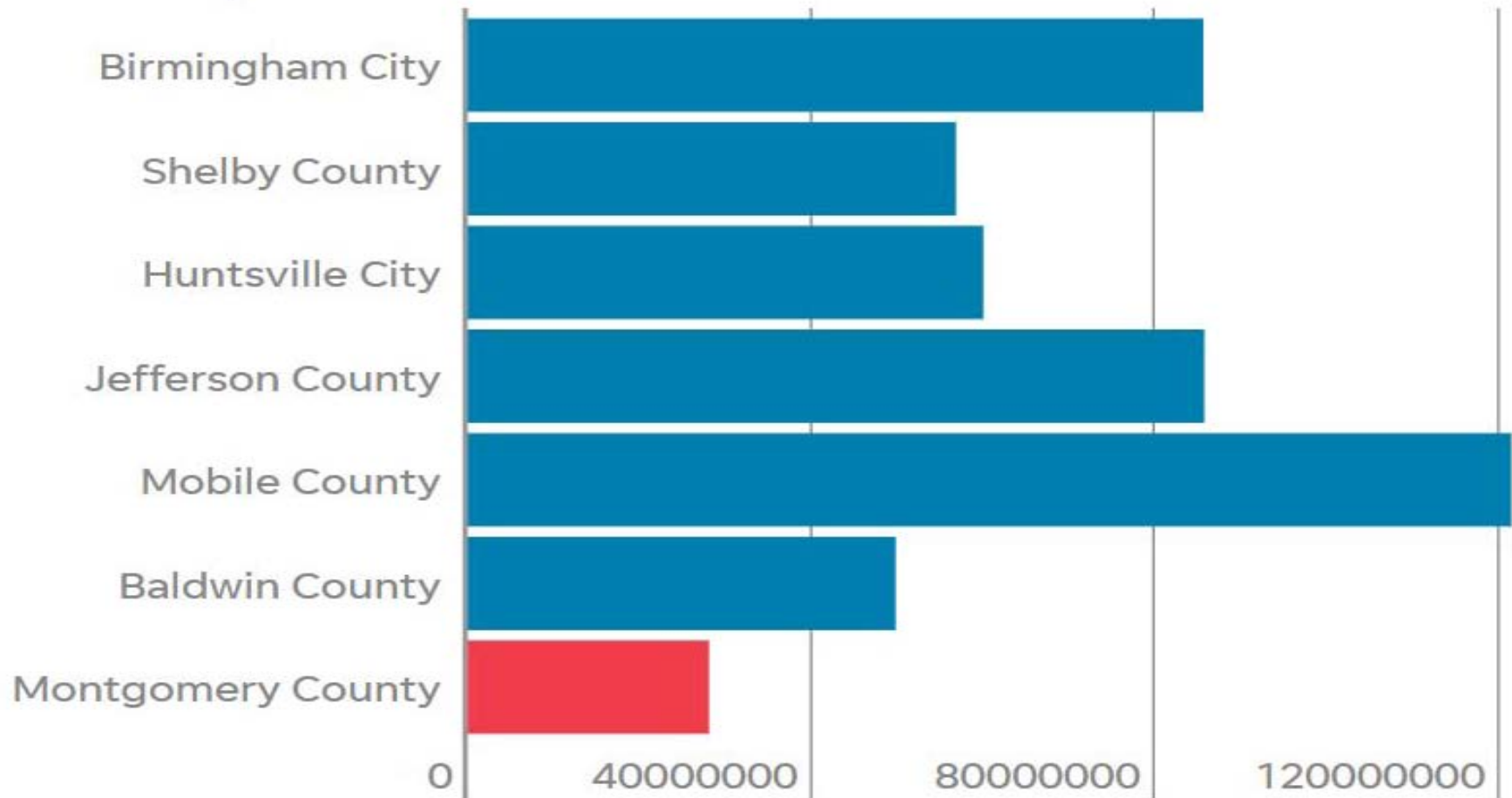
# Millage Comparison Among Alabama Public School Systems Above 20,000 Students



- Birmingham City Schools – 24 Mills (25,000 students)
- Huntsville City Schools – 27.5 Mills (24,000 students)
- Jefferson County Public Schools – 30.1 Mills (36,000 students)
- Mobile County Public Schools – 29.5 Mills (56,000 students)
- Baldwin County Public Schools – 22 Mills (32,000 students)
- Shelby County Public Schools – 30 Mills (21,000 students)
- Montgomery County Public Schools – **10 Mills (29,000 students)**

# Montgomery County is at the Bottom Among Large School Systems Statewide

## Ad valorem tax dollars among largest school systems



**It's the lowest of any county I represent.**

State Board of Education member Ella Bell

Source: Montgomery Advertiser, April 2018

## Ad valorem Dollars Per Student (Districts above 20,000 Students)



- Birmingham City Public Schools - \$3,760 per student
- Shelby County Public Schools - \$2,812 per student
- Huntsville City Public Schools - \$2,608 per student
- Jefferson County Public Schools - \$2,379 per student
- Mobile County Public Schools - \$2,196 per student
- Baldwin County Public Schools - \$1,635 per student
- **Montgomery County Public Schools - \$939 per student**

Source: Montgomery Advertiser, September 18, 2018

# PROPOSED MILLAGE INCREASE



- Proposed Millage Increase is for Montgomery County to Increase from 10 Mills to 15 Mills for public education purposes.
- 15 Mills is the maximum Mills allowed under state law without having to go through the Alabama Legislature for approval before a referendum allowing people to vote.
- Currently 10 Mills generates about \$28 million dollars for Montgomery County Public Schools.
- An additional 5 Mills will generate about half of the current 10 Mill amount of **\$14 million**.
- The Millage is proposed to be increased from 10 Mills to 15 Mills.
- Funds will be used for the operation and maintenance of Montgomery County Public Schools.

## HOW MUCH WOULD PROPERTY OWNERS HAVE TO PAY IF VOTERS APPROVED OF THE 5 MILL INCREASE?



- **THE CURRENT MEDIAN MONTGOMERY COUNTY HOME VALUE IS \$122,000. AT 10 MILLS THE PROPERTY TAX IS \$455.30 OR \$37.94 PER MONTH.**
- **AN OVERALL MILLAGE INCREASE WOULD BE BASED ON A HOMES VALUE.**
- **A 5 MILL INCREASE WOULD IMPACT THE TYPICAL HOMEOWNER BY AN ADDITIONAL \$70.00-\$100.00 PER YEAR OR \$6.00-\$10.00 PER MONTH ON A HOME VALUED AT \$120,000.**
- **FOR A MORE EXPENSIVE HOME A 5 MILL INCREASE WOULD IMPACT THE HOMEOWNER BY AN ADDITIONAL \$150.00-\$250.00 PER YEAR OR \$20.00 PER MONTH ON A HOME VALUED AT \$400,000.**

# WHAT WOULD AN ADDITIONAL 5 MILLS BE USED FOR IN MPS



- Maintaining our one month reserve consistently
- Renovation of schools/Upkeep of existing schools (\$100 million needed)
- Additional Technology
- Creating academy schools within our middle schools to cultivate student interest
- Getting more up-to-date textbooks/E-Books
- Provide additional resources to teachers
- Hiring additional bus drivers
- Providing meaningful tutoring services for students
- Additional funding to enhance safety
- Paying for more teachers to receive AP credentials
- Additional mental health services for students
- Fund parental engagement programs/outreach
- Paving school parking lots
- Fund athletic program needs
- Fund band program needs

# **WE NEED THIS MILLAGE INCREASE FOR MONTGOMERY COUNTY PUBLIC SCHOOLS DESPERATELY**



- PEOPLE WILL GET THE OPPORTUNITY TO VOTE ON THIS MEASURE TO DETERMINE IF THEY WANT THIS OR NOT.**
- THIS IS NOT SOMETHING THAT THE MONTGOMERY COUNTY BOARD OF EDUCATION OR ANY OTHER GOVERNMENT CAN IMPOSE ON ANYONE ARBITRARILY.**
- THE PEOPLE WILL DECIDE BY VOTING FOR OR AGAINST.**
- WE ARE ASKING FOR THE PEOPLE THAT LIVE WITHIN THE MONTGOMERY COUNTY PUBLIC SCHOOL DISTRICT TO SUPPORT THIS MEASURE IN ORDER TO HANDLE OUR SCHOOL SYSTEMS NEEDS.**



## Resolution Requesting District Tax Election for 6 Additional Mills

The following form provides for a request for an election on and for an increase in mills for the Montgomery County Public Schools District in unincorporated Montgomery County, including the corporate limits of the City of Montgomery, not including the corporate limits of the Town/City of Pike Road. The hereby requested increase will increase by 6 mills, hereby increasing the total millage to 16 mills to be used for the purpose of funding Montgomery County Public Schools and its school district only for educational purposes.

**BE IT RESOLVED** by Montgomery County Board of Education (herein called “the Board”), in the State of Alabama, as follows:

Section 1. Findings. Preliminary to the adoption of this resolution, the Board has caused an investigation to be made of the facts set out in the following statements and, on the basis thereof, the Board has found and does hereby declare as follows:

- (a) Montgomery County (herein called “the County”) is currently levying and collecting a 1 mill county tax, a 3-mill county tax, a 3-mill school district tax and a 3-mill special school district tax for the purpose of funding public schools in Montgomery County for a total combined rate of 10 mills, in which was originally set in place in the year 2006 based on an Alabama Constitutional Amendment that increased the millage from 9 mills to 10 mills.
- (b) The County is currently not levying a 5-mill special county tax and a 1 mill county tax, which would allow an additional 6-mills to be levied on property for educational purposes in the Montgomery County Public Schools District. Therefore, 6 additional mills would maximize the authorized mills for Montgomery County Public Schools, only, based on Alabama Law.

(c) All of the area lying within the District is subject to the jurisdiction and control of the Board. The boundaries of the District are coterminous with the corporate limits of the County, including the City of Montgomery corporate limits with the exception of the corporate limits of the Town of Pike Road.

(d) The Board has determined that it is necessary and needed that the said special 10 mills district tax now being levied in the District be continued and increased by 6 additional mills in order to maximize the total millage authorized by the Alabama Law to 16 mills for educational purposes only for the Montgomery County Public School District Only based on needs.

Section 2. Petition to County Commission. The Board does hereby respectfully petition and request that the Montgomery County Commission call a election to be held on March 5, 2019, by a vote of Montgomery County voters in Montgomery County, to include the City of Montgomery and exclude the Town/City of Pike Road, determine whether or not a 6 mill special county tax in the District shall be levied annually for public school purposes within the corporate limits of the county, to include the City of Montgomery corporate limits, excluding the Town/City of Pike Road for a period of 30 consecutive years commencing with the tax year in which the tax will become due and payable on October 1, 2019.

Section 3. Delivery of the Request. The Secretary of the Board shall be and hereby is directed and instructed to prepare and deliver a certified copy of this resolution to the Montgomery County Commission, accompanied by a written request that the said County Commission call the aforesaid election pursuant to the provisions of this resolution.



**I (WE) HUMBLLY ASK FOR EVERYONES VOTE FOR  
A MILLAGE INCREASE FOR MONTGOMERY  
COUNTY PUBLIC SCHOOLS.**

**Thank You.**