

Ad Valorem Tax Increase Estimated Timeline

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Ala. Const. Amendment 373

- Amendment 373 outlines the basic requirements for the passage of an increase in the amount of ad valorem tax levied.

- The proposed increase must be:
 - (1) proposed by the governing body of the taxing authority after a public hearing on such proposal;
 - (2) approved by an act of the legislature; and
 - (3) subsequently approved by a majority vote of the qualified electors residing in the taxing authority who vote on the proposal at a special election.

Initial Steps

- November 8 – The City of Madison Board of Education will consider a Resolution requesting that the Madison City Council propose the tax increase.
- November 13 – The Madison City Council will hold a public hearing, as required by Amendment 373.
- November 13 – After the public hearing, the Madison City Council may consider a Resolution proposing the tax increase.

Local Legislation – By January 2019

- Proposed local legislation will be drafted as necessary for the authorization of an election on the proposed tax increase.
- The local legislation must be advertised “at least once a week for four consecutive weeks” in the local newspaper before being introduced. Ala. Const. Amend. No. 341.

Approval of Local Legislation

- The proposed local legislation should be ready for introduction by the beginning of the legislative session.
- The next legislative session is scheduled to begin on March 5, 2019, and may not end until June 17, 2019.
- Upon approval of the legislation, a special election may be scheduled.



Call & Conduct Special Election

- The selection of the election date will depend on when the legislature passes the local bill.
- Because of time required for absentee ballots and notice of election, holding election before August 2019 is unlikely.
- 2019 is an “off-year” for elections. The tax election will have to be held in a special called election.
- Goal will be to have election before October 1, 2019.

Levy of the New Tax

- If approved in 2019, the Council can levy the increased in time for collection October 1, 2020.
- Madison City Council must levy all existing taxes by May of each year.
- Taxes levied by May 2020 will become due and payable October 1, 2020.

Affect on Construction Timeline

- Board may proceed with construction plans and awarding contract once tax has been approved.
- Approval in Fall 2019 would allow for new school construction to begin soon thereafter.
- Construction timeline could allow for first new school opening in August 2021.

Questions?



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