

COURT REPORT

February 2026



Matters of Interest

Editor's Note: Court Report does not typically include court cases at the circuit court level but given the gravity of the issues presented, we do so here.

Countywide Tax Distributions – Charter Schools

Empower Schools of Alabama v. Eric G. Mackey, 03-CV-2025-901464, Circuit Court of Montgomery County, Alabama (Sept. 18, 2025)

Reported earlier in *Court Report* ([October 2025](#)), several Alabama charter schools sued the State Superintendent, arguing they were entitled to receive countywide local tax revenues in the same manner as traditional public-school systems and should be included in the annual countywide tax distribution letters sent to county commissioners. Following a hearing held in December 2025, the trial court dismissed the case in favor of the State Superintendent in mid-February 2026.

The circuit court held that funding for charter schools is governed by the Alabama charter school law, which grants the State Superintendent the discretionary authority to determine how charter schools receive their portion of local tax revenue. Because the State Superintendent allocates the full 10 mill Foundation Program benefit to charter schools, the Court did not see the need for charter schools to also receive a share of the countywide taxes, nor did the Court find the State Superintendent acted arbitrarily by excluding charter schools from the commissioner distribution letters because one charter school does receive a share of countywide taxes under a settlement. The Court expressed charter schools were not disadvantaged by not receiving a share of countywide taxes since they are guaranteed the equivalent value of 10 mills.

The Court also highlighted how certain plaintiffs were precluded from seeking relief under the doctrine of laches. The Court dismissed the charter schools' claims on the grounds of immunity, lack of a justiciable controversy, and mootness. Requests for mandamus, declaratory judgment, constructive trust, and injunctive relief all failed because the Court determined that the plaintiffs had not demonstrated a legal entitlement to the remedies sought.

Simplified Sellers Use Tax Program

City of Tuscaloosa v. Vernon Barnett, 03-CV-2025-901301, Circuit Court of Montgomery County, Alabama (Aug. 12, 2025)

Reported previously in *Court Report* ([January 2026](#)), multiple local school systems were among the plaintiffs suing the Alabama Department of Revenue's Commissioner, arguing that Alabama's Simplified Sellers Use Tax (SSUT) program is unlawful. Under the SSUT program, remote merchants are permitted to opt into collecting a flat 8% sales tax rather than paying traditional state and local sales taxes, which the plaintiffs argued diverted millions of tax dollars away from public schools in Alabama. Following a virtual hearing held in mid-January 2026, the judge appointed a mediator in the case. However, the plaintiffs later asked the court to dismiss the lawsuit, expecting this issue to be taken up by the Alabama Legislature. The circuit judge ultimately dismissed the case without prejudice, meaning the plaintiffs can re-file again in the future.

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