

Bond Case Briefs

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SCHOOLS - ALABAMA

Richardson v. Relf

Supreme Court of Alabama - May 4, 2018 - So.3d - 2018 WL 2075992

Taxpaying residents of county in whose schools the state board of education had intervened under the Educational Accountability and Intervention Act (EAIA) brought action against state Department of Education's interim superintendent for breach of fiduciary duty of good faith and fair dealing, and residents brought action against Department's interim superintendent, state board of education's chief administrative officer, and town's mayor for breach of the fiduciary duty of loyalty, all of which related to related to Department's interim superintendent's decision to sell a middle school to the town. Residents also sought an injunction against Department's interim superintendent to prevent the sale of the school, a judgment declaring that Department's interim superintendent was without authority under the EAIA to sell county board of education property, and a review of the legality of Department's interim superintendent's decision to sell the school.

The Circuit Court entered an injunction staying the sale of the school and the sale of any other real property owned by, or the closure of any other schools operated by, the county board of education. Department's interim superintendent, state board of education's chief administrative officer, and town's mayor appealed.

The Supreme Court of Alabama held that residents lacked standing as taxpayers to challenge the sale since the sale would bring money into the public treasury.

Sale of public middle school to town, which was ordered by the state Department of Education's interim superintendent after the state board of education had intervened in county's schools under the Educational Accountability and Intervention Act (EAIA), was not an "expenditure" and instead would bring money into the public treasury, and thus taxpaying county residents who had brought various actions challenging school's sale and had sought an injunction to prevent the sale lacked standing as taxpayers to challenge the sale.