

# **Bond Case Briefs**

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### **Montgomery County Com'n v. Federal Housing Finance Agency**

**United States Court of Appeals, Eleventh Circuit - January 16, 2015 - F.3d - 2015 WL 223699**

This consolidated appeal arose from six district court actions in this circuit. In each of the six cases, the district court ruled in favor of the Appellees, the Federal National Mortgage Association ("Fannie Mae"), the Federal Home Loan Mortgage Corporation ("Freddie Mac"), and the Federal Housing Finance Agency (collectively referred to as the "federal entities").

Appellants' position on appeal was that the state taxes normally imposed on real estate transfers apply when the federal entities transfer real property in their respective states. The federal entities have not paid the transfer taxes, citing their Congressional charter exemptions from "all taxation." These statutory exemptions contain an exception allowing states to impose real estate taxes on the federal entities, and Appellants contended their transfer taxes fall into that exception. Appellants also made the constitutional argument that even if the exemptions precluded the states from imposing the transfer taxes, the exemptions themselves are unconstitutional under the Commerce, Necessary and Proper and Supremacy Clauses.

The district court in each case, as have several Circuit Courts of Appeal, found the federal entities are exempt from paying transfer taxes, and the statutes are otherwise constitutional. The U.S. Court of Appeals affirmed.