

I was born in 1945 in Montgomery, Alabama, and graduated from Booker T. Washington High School in Montgomery. I served in Vietnam with the United States Army from 1967 to 1969 and was awarded the Silver Star. I graduated with honors from Alabama State University in 1974 with a B.S. in Business Administration. I have been employed in the administration of Alabama State University for many years and am currently Acting President of ASU.

My career in politics began when I was elected Student Body President of ASU in 1973. In 1975 I was appointed to the Montgomery Housing Authority Board. I served on the Montgomery County Commission from 1980 to 1992 and was elected to the Alabama House of Representatives in a special election in 1993 to fill the vacancy left by the death of John Buskey. I was immediately appointed to what was then called the House Ways and Means Committee. I was re-elected in 1994, 1998, 2002, and 2006 and have served as Chair of the House Government Finance and Appropriations Committee since 2000.

Since 1994 continuing to the present African Americans have constituted approximately one-fourth of the members of both houses of the Alabama Legislature. In the House 27 of 105 representatives are African Americans, and 8 of 35 senators are African Americans. All African-American members of the House and Senate participate in the Legislative Black Caucus, which undertakes to

formulate and to advance a legislative agenda of particular concern for the black community. In practical political terms, the Legislative Black Caucus usually is able to block any proposed legislation to which it is strongly opposed, and it is able to exercise substantial influence with respect to proposed legislation it favors. For example, the Speaker of the House usually will not even place a bill on the calendar if the Legislative Black Caucus gives notice of its intent to filibuster the bill. All members of the Legislative Black Caucus are also members of the Legislative Democratic Caucus, which has majorities and chooses the leadership in both the House and Senate.

Under my leadership as Chair of the House Government Appropriations Committee, the Legislative Black Caucus has advocated for many years incremental reforms in Alabama's famously regressive and unfair taxation laws. However, because of restrictions on property taxes in the Alabama Constitution, the Lid Bill amendments in particular, it is impossible legislatively to reform the property tax system. This means our efforts to reduce the unfair burden of taxation our less wealthy constituents must bear necessarily are limited to trying to reduce the sales and income taxes they must pay, which cannot be done without finding alternative revenue sources to replace the resulting losses to the Education Trust Fund.

As a candidate for Governor in 2002, Bob Riley said he supported many of the tax fairness measures I had been advocating: raising the income tax threshold, removing the sales tax on food, and making it easier for local governments to raise property tax revenues. He called Alabama's tax system "immoral." There was widespread agreement among the state's policymakers, educators and business people that tax reform is necessary.

On May 19, 2003, Governor Riley unveiled his package of proposed tax reform bills, which would be known as Amendment One. I supported the Amendment One bills, as did Senator Hank Sanders, who is an African American and chair of the Senate Education Finance and Taxation Committee, and as did other members of the Legislative Black Caucus. With bipartisan support and over the opposition of powerful special interests representing wealthy landowners, Amendment One passed the Legislature. Ala. Act 2003-78; <http://arc-sos.state.al.us/cgi/sosact10.mbr/output?PGM=1&P01=2003&P02=%20%2078&P03=ACT>. However, Governor Riley's veto later that month of a bill restoring voting rights to former felons was viewed by the Legislative Black Caucus as a breach of an agreement the Governor had made with black legislators, who threatened to withhold their support of Amendment One in the September 9 referendum election. Eventually we were able to negotiate a compromise with

Governor Riley on the felon voter bill, and I and other members of the Legislative Black Caucus actively campaigned for passage of Amendment One.

It is always hard to convince voters, black or white, to support an increase of taxes, even if it would reduce the overall taxes of most citizens. On September 9, 2003, the voters rejected Amendment One by a 2-1 margin. However, among the 13 counties that voted yes were all nine majority-black counties in Alabama, all of them located in the Black Belt: Bullock, Dallas, Greene, Hale, Lowndes, Macon, Perry, Sumter, and Wilcox.

<http://www.sos.state.al.us/Elections/2003/SCAEResults.aspx>. The other four counties where the Yes vote won have large black minority populations and are also located in the Black Belt: Barbour, Chambers, Lee, and Montgomery. *Id.*

Many white voters in Alabama continue to link any proposed change in the 1901 state constitution with fear that their taxes will be raised, even when the amendment has nothing to do with taxes. For example, in 2004 Governor Riley and many other white leaders supported what was called Amendment Two, legislation procured by the Legislative Black Caucus that would have removed several segregationist constitutional provisions that federal courts have held to violate the U.S. Constitution, including the requirement that schools be segregated on the basis of race and the poll tax that was intended to disfranchise blacks and

some poor whites. Ala. Act 2003-203. In November 2004 the majority-white electorate defeated Amendment Two after opponents linked these segregation-era provisions to taxes. See

<http://www.sos.state.al.us/downloads/dl3.aspx?trgturl=election/2004/general/statecert-amendment2-recount-12-17-2004.pdf&trgtfile=statecert-amendment2-recount-12-17-2004.pdf>. At this time, all of these unenforceable provisions remain in the Alabama Constitution.

In 2006 Senator Sanders and I were able to negotiate with Governor Riley legislation that raised the threshold income level for paying state income taxes from the nation's lowest, \$4,600, to \$12,600. Governor Riley adamantly refused to support my proposal to eliminate the federal income tax deduction from state income taxes to replace revenues lost to the Education Trust Fund, because it would require a constitutional amendment that would have to be submitted to the voters. Our compromise ended up replacing education funds by eliminating certain tax exemptions for contractors.

In 2008 I reintroduced a bill to eliminate the state sales tax on groceries. The bill passed the House but ultimately failed to pass the Senate because of opposition from senators who openly stated they were representing the interests of their relatively wealthy, white constituencies. The problem, as always, was that tax

relief for our predominately black, low- and moderate-income constituencies had to be combined with new revenue sources to replace the funds that would be lost by our already critically under-funded public school system. My bill would have eliminated the federal income tax deduction for calculating state income taxes, which would have increased the state income taxes only for the wealthiest 20% of Alabamians. Once again, because the Alabama Constitution has effectively taken property taxes off the legislative table, we lacked the leverage to negotiate racially and economically fair tax reform.

It is clear to me and to all informed citizens of Alabama that we will never be able to address true reform of our inadequate and unfair state tax system so long as the restrictions on ad valorem taxes embedded in the state constitution remain. The relief requested by the plaintiffs in this lawsuit is desperately needed if we ever hope to achieve racial and economic fairness.

It is my understanding that, if granted, the injunction requested by the plaintiffs would restore the uniformity requirement of section 211 of the Alabama Constitution and the last enforceable state statute dealing with assessment ratios, Ala.Acts 1935, No. 194, § 6, at 263, which, without further legislative action, would require current state and local millage rates to be applied against 60% of the fair market value of all property of whatever kind. If the 1935 statute is no longer

enforceable, millage rates would have to be applied against 100% of the fair market value of all property. I am of the firm opinion that the Governor and Legislature would not allow ad valorem taxes on residential, farm and timber lands to increase by 600% or 1,000%. I am confident that the Legislative Black Caucus would successfully block any attempt to restore the state constitutional status quo ante. But I am also confident that we would work with the Governor and other members of the Legislature to reach a reasonable and politically realistic compromise.

There would be many steps that could be taken immediately through ordinary legislation without having to amend the Alabama Constitution, including adjusting the statutory uniform assessment ratio, increasing the homestead exemption and other ad valorem exemptions, making changes in sales taxes, and making changes in income taxes. I am sure the Legislative Black Caucus would urge reforms that avoid sudden and unreasonable burdens on taxpayers, particularly low and middle income citizens and homeowners. Nor would we support measures that undermine our ongoing efforts to attract new industries to Alabama and to promote economic development throughout the state. I believe the Governor and other members of the Legislature would share these goals and that, under the pressure of the requested injunction, we would find common ground. In

short, in my opinion, if the Court granted the relief requested by the plaintiffs the government and people of Alabama at last would begin considering real tax reform. I would expect progress to be gradual, manageable, fair and realistic.

I declare under penalty of perjury that the foregoing is true and correct.



John F. Knight, Jr.

Executed this 5 day of JUNE, 2008.