

CITY COUNCIL AGENDA ITEM COVER MEMO

Agenda Item Number _____

Meeting Type: Regular

Meeting Date: 5/9/2013

Action Requested By:
Administration

Agenda Item Type
Ordinance

Subject Matter:

Ordinance amending the Code of Ordinances regarding lodging tax.

Exact Wording for the Agenda:

Introduction of an ordinance amending the Code of Ordinances of the City of Huntsville regarding liquor and lodging tax.

Note: If amendment, please state title and number of the original

Item to be considered for: Introduction Unanimous Consent Required: Yes

Briefly state why the action is required; why it is recommended; what Council action will provide, allow and accomplish and; any other information that might be helpful.

Associated Cost:

Budgeted Item: Not applicable

MAYOR RECOMMENDS OR CONCURS: Yes

Department Head: _____

Date:

ORDINANCE NO: 13- _____

BE IT ORDAINED by the City Council of the City of Huntsville, Alabama, Chapter 15 of the Code of Ordinances of the City of Huntsville, Alabama (hereinafter referred to as "City Code") is amended as follows:

SECTION 1. Chapter 15, Article III, Division 5, Section 15-131 of the City Code is amended to read as follows:

Sec. 15-131. Levy of license fee.

(a) There is levied and imposed, in addition to all other fees of every kind now imposed by law, a privilege or license tax upon every person engaging in the city in the following:

(1) The business of renting or furnishing any room or rooms, lodging, or accommodations to transients in any hotel, motel, inn, tourist camp, tourist cabin, or any other place in which rooms, lodging, or accommodations are regularly furnished to transients for a consideration. The tax shall be in an amount equal to seven percent (7%) of the charge for such room, rooms, lodgings, or accommodations, including the charge for use or rental of personal property and services furnished in such room; plus \$1.00 per room or lodging for each day, or portion of a day, such room or lodging is rented or furnished to a transient for a consideration; or

(2) The business of renting or furnishing space for accommodation of trailers for consideration. The license fee shall be in an amount equal to five percent (5%) of the charge for such trailer space; provided, that charges made by persons in the business of renting trailer space for use of washing machines, electric power, garbage collection, water supply, and other such charges shall not be included in the measure of the privilege license tax; only the charge for trailer space proper shall be included; plus \$1.00 per trailer space for each day, or portion of a day, such space is rented or furnished for a consideration for the accommodation of a trailer.

(b) As generally provided for in section 15-92 of this article, the exemptions for the lodging tax levied by this division shall be parallel to exemptions of the corresponding state lodging tax, which include exemptions for rooms, lodgings, or accommodations supplied: (i) for a period of 180 continuous days or more in any place; (ii) by camps, conference centers, or similar facilities operated by nonprofit organizations primarily for the benefit of, and in connection with, recreational or educational programs for children, students, or members or guests of other nonprofit organizations during any calendar year; (iii) by privately operated camps, conference centers, or similar facilities that provide lodging and recreational or educational programs exclusively for the benefit of children,

students, or members or guests of nonprofit organizations during any calendar year; or (iv) in connection with the production of a qualified film duly certified for exemption by the Alabama Film Office in accordance with the corresponding state tax laws.

(c) For purposes of subsection (b): "Children" means individuals under age 21; "student" is defined in accordance with 26 U.S.C. § 151(c)(4), as in effect from time to time or by any successor law; "nonprofit organization" is an organization exempt from federal income tax under 26 U.S.C. § 501(c)(3), as in effect from time to time or any successor law; and "privately operated" refers to any camp, conference center, or similar facility other than those operated by a nonprofit organization as herein defined.

SECTION 2. Chapter 15, Article III, Division 5, Section 15-133 of the City Code is amended to read as follows:

Sec. 15-133. Accounting for license fees.

The proceeds derived from the privilege license fees levied in this article shall be accounted for within a special account of the general fund. Of the seven percent privilege license fee levied in section 15-131(a)(1), one percent shall be used for the construction, maintenance, repair or replacement of recreational facilities and structures; five percent shall be used for the promotion of tourism and the planning, construction and operation of a civic center and auditorium for the city; and, the remaining one percent shall be used for the promotion of tourism, including, but not limited to, "bid proposal fees" for convention and meeting events, and related tourism promotional fee requirements.

SECTION 3. Chapter 15, Article IV, Section 15-142 of the City Code is amended to read as follows:

Sec. 15-142. License Fee Imposed.

There is levied, in addition to all other taxes of every kind and nature imposed by law, and shall be collected as provided in this article, a privilege or license fee upon every person, including private clubs, engaged or continuing within the corporate limits of the city in the business of selling spirituous or vinous liquors or alcoholic drinks containing spirituous or vinous liquors (including all ingredients which are made a part of such drinks) in an amount equal to 12 percent of the gross receipts or gross sales from that part of the business described in this article. The provisions of this section shall not apply to any privately owned retail liquor store or any liquor store operated by the state alcoholic beverage control board.

SECTION 4. The severability provisions of section 1-8 of the Code of Ordinances of the City of Huntsville, Alabama are specifically included herein by reference as if fully set forth.

SECTION 5. This Ordinance shall become effective upon its adoption and approval.

ADOPTED this the _____ day of _____, 2013.

President of the City Council
Of the City of Huntsville, Alabama

APPROVED this the _____ day of _____, 2013.

Mayor of the City of
Huntsville, Alabama