

**ORDINANCE NO. 13-959**

**BE IT ORDAINED** by the City Council of the City of Huntsville, Alabama, as follows:

**Section 1.** Article III, Section 15-109 of Chapter 15, Division 2, Sales Tax, of the Code of Ordinances of the City of Huntsville, Alabama, as adopted and approved on the 24th day of May, 2012, is hereby amended to read as follows:

Sec. 15-109. Disposition of sales and use taxes.

The council directs that sales and use tax revenue of the city, as determined pursuant to generally accepted accounting principles be disposed of as follows:

- (1) For sales and use tax revenue earned based on tax rates in effect prior to March 1, 2014:
  - a. The revenue will be reported in the general fund of the city.
  - b. For fiscal years 2011 and 2012, 23.1 percent of the revenue, and for fiscal year 2013 and each year thereafter, 18.0 percent of the revenue will be appropriated from the general fund to the Capital Improvement Fund of the city each fiscal year, and shall be expended in the Capital Improvement Fund consistent with the city's ten-year capital improvement plan.
  - c. For fiscal years 2011 and each year thereafter, designates that 14.7 percent of sales and use tax revenue be appropriated from the general fund to the city board of education each fiscal year, and further directs that such appropriation be paid directly to the city board of education on a monthly basis
- (2) For the additional one percent sales and use tax rate effective March 1, 2014:
  - a. The revenue will be reported in the 2014 Capital Improvement Fund of the city.
  - b. Revenue shall first be used to establish and maintain a reasonable Contingency and Debt Service Reserve, as prescribed in the city's budget.
  - c. Should the city issue debt obligations to finance any costs described herein, remaining revenue shall be appropriated to pay the principal, interest and other debt-related costs on such obligations.

Introduced 12/5/2013

- d. For fiscal year 2014 and thereafter, the lesser of \$25 million per year or remaining revenue, but not to exceed \$125 million in total, shall be appropriated to fulfill the city's commitment for the cost of infrastructure projects identified in the State of Alabama/City of Huntsville 5-Year Joint Projects Funding Agreement released December 2, 2013.
- e. Remaining revenue shall first be appropriated for the construction of public roads, including but not limited to, right-of-way acquisition, engineering, testing, construction costs of the roads and all infrastructure related thereto, and shall be at least \$25 million per year, inclusive of any amounts appropriated pursuant to Section (2)d. above.
- f. Any remaining revenue, over and above the amounts appropriated pursuant to Sections (2)d. and e. above, shall be expended for the cost of new, long-lived city capital assets, or long-lived improvements to city capital assets, consistent with the city's ten-year 2015 capital improvement plan, or economic development incentives.
- g. The unexpended appropriations of any fiscal year described herein shall be re-appropriated in the subsequent fiscal year until fully expended.

**Section 2.** The effective date of this ordinance shall be March 1, 2014 at 12:01 a.m.

**ADOPTED** this the \_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
President of the City Council of the  
City of Huntsville, Alabama

**APPROVED** this the \_\_\_\_ day of \_\_\_\_\_, 2013.

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Mayor of the City of Huntsville,  
Alabama