

ORDINANCE 09252017-300

**COUNCIL MEMBER WALKER
INTRODUCED THE FOLLOWING ORDINANCE:**

**COUNCIL MEMBER GOLDSMITH
SECONDED THE ORDINANCE**

**AN ORDINANCE INCREASING THE GENERAL SALES & USE TAX FOR THE CITY
OF MONTEVALLO FROM FOUR PERCENT (4%) TO FIVE PERCENT (5%)**

WHEREAS, Montevallo citizens, business owners, University of Montevallo representatives, elected and appointed city leaders, and other community stakeholders helped to draft a Strategic Plan for the City of Montevallo; and

WHEREAS, it is in the best interest of the City of Montevallo, and in accordance with the stated desires and wishes of its citizens and other stakeholders, to ensure the City has the adequate financial resources necessary to follow that plan and otherwise provide our citizens, businesses and other stakeholders with the quality and breadth of services and amenities they desire; and

WHEREAS, the City of Montevallo currently institutes a Four Percent (4%) General Sales Tax and a Four Percent (4%) Use Tax on the sale of most items sold within or delivered to the City of Montevallo; and

WHEREAS, an additional One Percent (1%) General Sales & Use Tax would bring the city's share of Sales & Use Tax to Five Percent (5%);

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF
MONTEVALLO, ALABAMA AS FOLLOWS:**

- 1) The City of Montevallo General Sales Tax is hereby increased from Four Percent (4%) to Five Percent (5%) and Sec. 22-48, subsections (1), (3), and (8) are hereby amended to read as follows:

“(1) Upon every person, including the University of Alabama, Auburn University and all other institutions of higher learning in the state, whether such institutions be denominational, state, county, or municipal institutions, any association or other agency or instrumentality of such institutions, engaged or continuing within the city in the business of selling at retail any tangible personal property whatsoever, including merchandise and commodities of every kind and character (not including, however, bonds or other evidences of debts or stocks, nor sales of material and supplies to any person for use in fulfilling a contract for painting, repair, or reconditioning of vessels, barges, ships, other watercraft and

commercial fishing vessels of over five tons load displacement as registered with the U.S. Coast Guard and licensed by the state department of conservation and natural resources), an amount equal to five percent of the gross proceeds of sales of the business except where a different amount is expressly provided herein. Provided, however, that any person engaging or continuing in business as a retailer and wholesaler or jobber shall pay the tax measured by the gross proceeds of retail sales of such business at the rates specified, when his books are kept so as to show separately the gross proceeds of sales of each business, and when his books are not so kept he shall pay the tax as a retailer, on the gross sales of the business.”

“(3) Upon every person, firm, or corporation engaged or continuing within the city in the business of conducting or operating places of amusement or entertainment, billiard and pool rooms, bowling alleys, amusement devices, musical devices, theaters, opera houses, moving picture shows, vaudevilles, amusement parks, athletic contests, including wrestling matches, prize fights, boxing and wrestling exhibitions, football and baseball games (including athletic contests conducted by or under the auspices of any educational institution within the state, or any athletic association thereof, or other association whether such institution or association is a denominational, state, county, or municipal institution or association or a state, county, or city school, or other institution, association or school); skating rinks, race tracks, golf courses, or any other place at which any exhibition, display, amusement or entertainment is offered to the public, or place or places where an admission fee is charged, including public bathing places, public dance halls of every kind and description within the city, an amount equal to five percent of the gross receipts of any such business. Provided, however, notwithstanding any language to the contrary in the prior portion of this subsection, the tax provisions so specified shall not apply to any athletic event conducted by a public or nonpublic primary, or secondary school or any athletic event conducted by or under the auspices of the Alabama High School Athletic Association. The tax amount which would have been collected pursuant to this subsection shall continue to be collected by said public or nonpublic primary, or secondary school, but shall be retained by the school which collected it and shall be used by said school for school purposes.”

“(8) Upon every person, firm, or corporation engaged or continuing within this city, in the business of selling through coin-operated dispensing machines, food and food products for human consumption, not including beverages other than coffee, milk, milk products, and substitutes therefore, there is hereby levied a tax equal to five percent of the cost of such food, food products, and beverages sold through such machines, which cost for the purpose of this subsection shall be the gross proceeds of sales of such business.”

- 2) The City of Montevallo General Use Tax is hereby increased from Four Percent (4%) to Five Percent (5%) and Sec. 22-70, subsection (a), is hereby amended to read as follows:

“(a) An excise tax is hereby imposed on the storage, use or other consumption in this city of tangible personal property, not including, however, materials and supplies bought for use in fulfilling a contract for the painting, repairing or reconditioning of vessels, barges, ships, other watercraft and commercial fishing vessels of over five tons load displacement as registered with the U.S. Coast Guard and licensed by the state department of conservation and natural resources, purchased at retail on or after October 1, 1965, for storage, use or other consumption in this city at the rate of five percent of the sales price of such property or the amount of tax collected by the seller, whichever is greater; provided, however, when the seller follows the city department of revenue's suggested use tax brackets and his records prove that his following said brackets resulted in a net under-collection of tax for the month, he may report the tax due or tax collected, whichever is less, except as provided in subsections (b) and (c) of this section.”

THIS ORDINANCE SHALL BECOME EFFECTIVE UPON ITS PASSAGE AND ADVERTISEMENT AS PROVIDED BY LAW.

ADOPTED AND APPROVED THIS 25th DAY OF SEPTEMBER, 2017.



Hollie C. Cost, Mayor

Attest:



Herman Lehman, City Clerk

Certificate of Adoption

I hereby certify that the foregoing is a true copy of the ordinance passed at the regular meeting of the City Council, held on the 25th day of September, 2017.

City Clerk