

1 HB43  
2 170704-3  
3 By Representative Johnson (K) (N & P)  
4 RFD: Local Legislation  
5 First Read: 10-SEP-15

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9 A BILL  
10 TO BE ENTITLED  
11 AN ACT  
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13 Relating to Lawrence County; authorizing the  
14 Lawrence County Commission to equalize the tax rate throughout  
15 the county by levying an additional sales and use tax in those  
16 parts of the county outside the corporate limits of the  
17 municipalities of Moulton, Town Creek, Courtland, North  
18 Courtland, and Hillsboro, at rates not to exceed the highest  
19 municipal rates in the county; providing for the collection,  
20 distribution, and use of the proceeds of the tax for general  
21 county purposes, education, and fire protection; providing for  
22 the administration and enforcement of this act; and  
23 authorizing the county commission to provide for a referendum  
24 to be held at the next primary, runoff, or general election or  
25 a special election held for this purpose.

26 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

1                   Section 1. To equalize the rate of sales tax  
2 throughout Lawrence County, the county commission, in addition  
3 to all other taxes presently levied, may levy an additional  
4 sales and use tax not to exceed an amount that, when combined  
5 with existing tax levies, would equal the highest combined  
6 rate collected in the municipalities of the county. The  
7 increase in rates shall apply in the areas in the county  
8 outside the corporate limits of Moulton, Town Creek,  
9 Courtland, North Courtland, and Hillsboro, as determined on  
10 the effective date of this act, and to the area of the county  
11 which constitutes the police jurisdiction for a municipality  
12 located outside the county. The additional sales and use tax  
13 rates in the county outside the corporate limits of Moulton,  
14 Town Creek, Courtland, North Courtland, and Hillsboro, as  
15 determined on the effective date of this act, but within the  
16 respective police jurisdiction of Moulton, Town Creek,  
17 Courtland, North Courtland, and Hillsboro, shall be an amount  
18 that results in a maximum total sales and use tax rate in each  
19 respective area of nine percent. The gross receipts of any  
20 business and the gross proceeds of all sales, which are  
21 presently exempt under the state sales and use tax statutes,  
22 are exempt from the tax authorized by this act.

23                   Section 2. The tax levied by this act may be  
24 collected by the State Department of Revenue, the county  
25 commission, or a private collection agency under contract with  
26 the county commission, at the same time and in the same manner  
27 as state sales and use taxes are collected. On or prior to the

1 date the tax is due, each person subject to the tax shall file  
2 with the collection agency a report in the form prescribed by  
3 the collection agency. The report shall set forth, with  
4 respect to all sales and business transactions that are  
5 required to be used as a measure of the tax levied, a correct  
6 statement of the gross proceeds of all the sales and gross  
7 receipts of all business transactions. The report shall also  
8 include items of information pertinent to the tax as the  
9 collection agency may require. Any person subject to the tax  
10 levied by this act may defer reporting credit sales until  
11 after their collection, and in the event the person defers  
12 reporting them, the person shall thereafter include in each  
13 monthly report all credit collections made during the  
14 preceding month, and shall pay the tax due at the time of  
15 filing the report. All reports filed with the collection  
16 agency under this section shall be available for inspection by  
17 the county commission or its designee.

18 Section 3. Each person engaging or continuing in a  
19 business subject to the tax levied pursuant to this act shall  
20 add to the sales price or admission fee and collect from the  
21 purchaser or the person paying the admission for the amount  
22 due by the taxpayer because of the sale or admission. It shall  
23 be unlawful for any person subject to the tax to fail or  
24 refuse to add to the sales price or admission fee and not  
25 collect from the purchaser or person paying the admission fee  
26 the amount required to be added to the sale or admission  
27 price. It shall be unlawful for any person subject to the tax

1 levied pursuant to this act to refund or offer to refund all  
2 or any part of the amount collected or to absorb or advertise  
3 directly or indirectly the absorption or refund of any portion  
4 of the tax.

5 Section 4. The tax levied by this act shall  
6 constitute a debt due Lawrence County. The tax, together with  
7 any interest and penalties, shall constitute and be secured by  
8 a lien upon the property of any person from whom the tax is  
9 due or who is required to collect the tax. The collection  
10 agency shall collect the tax, enforce this act, and have and  
11 exercise all rights and remedies that the state or the  
12 collection agency has for collection of the state sales and  
13 use tax. The collection agency may employ special counsel as  
14 is necessary to enforce collection of the tax levied by this  
15 act and to enforce this act. The collection agency shall pay  
16 the special counsel any fees it deems necessary and proper  
17 from the proceeds of the tax collected by it for Lawrence  
18 County.

19 Section 5. All provisions of the state sales and use  
20 tax statutes with respect to the payment, assessment, and  
21 collection of the state sales and use tax, making of reports,  
22 keeping and preserving records, penalties for failure to pay  
23 the tax, promulgating rules and regulations with respect to  
24 the state sales and use tax, and the administration and  
25 enforcement of the state sales and use tax statutes which are  
26 not inconsistent with this act shall apply to the tax levied  
27 under this act. The collection agency shall have and exercise

1 the same powers, duties, and obligations with respect to the  
2 tax levied under this act that are imposed on the commissioner  
3 and department by the state sales and use tax statutes. All  
4 provisions of the state sales and use tax statutes that are  
5 made applicable by this act to the tax levied under this act,  
6 and to the administration and enforcement of this act, are  
7 incorporated by reference and made a part of this act as if  
8 fully set forth herein.

9 Section 6. The net proceeds of the additional tax  
10 imposed by this act shall be paid into the Lawrence County  
11 General Fund, and shall be distributed as follows:

12 (1) Seventy percent to the Lawrence County  
13 Commission.

14 (2) Twenty-five percent to the Lawrence County Board  
15 of Education.

16 (3) Five percent to the Lawrence County Firefighters  
17 and Rapid Responders Association, Inc., to be divided among  
18 the 11 fire departments in Lawrence County in amounts as  
19 agreed upon by the members of the association.

20 Section 7. (a) Sections 1 to 6, inclusive, shall be  
21 inoperative and void unless the proposition set out below in  
22 this section is approved by a majority of the qualified  
23 electors of the county who vote thereon at the next primary,  
24 runoff, or general election or a special election held for  
25 this purpose. A special election may be held and conducted as  
26 are elections on constitutional amendments on a date  
27 determined by the county commission. The date of the election

1 shall be at least 12 weeks after request is made by the county  
2 commission to the judge of probate to schedule the election.  
3 Notice of this election shall be given by the judge of probate  
4 and shall be published once a week for three successive weeks  
5 before the day of the election. On the ballots used at the  
6 election, the proposition to be voted on shall be stated  
7 substantially as follows:

8 "Do you favor the local law authorizing the county  
9 commission to equalize the rate of sales and use tax  
10 throughout the county by levying an additional sales and use  
11 tax in the unincorporated areas of the county outside the  
12 corporate limits of Moulton, Town Creek, Courtland, North  
13 Courtland, and Hillsboro and to use the proceeds from that  
14 revenue for general county purposes, education, and fire  
15 protection?

16 "Yes ( ) No ( )."

17 (b) If a majority of the votes cast at the election  
18 are affirmative votes, this act shall have full force and  
19 effect on the first day of the third month following the  
20 election. If a majority of the votes cast are negative votes,  
21 this act shall have no further effect. The judge of probate  
22 shall certify the results of the election to the Secretary of  
23 State.

24 Section 8. This act shall become effective  
25 immediately following its passage and approval by the  
26 Governor, or its otherwise becoming law.