

HB395 INTRODUCED



1 HB395
2 EGLT229-1
3 By Representatives Sorrells, Rehm, Lee, Clouse (N & P)
4 RFD: Local Legislation
5 First Read: 02-Apr-24



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A BILL
TO BE ENTITLED
AN ACT

Relating to Houston County; authorizing the Houston County Commission to levy a lodging tax in the county; providing for the distribution of the proceeds from the tax; and to provide for a referendum.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. In Houston County, in addition to all other taxes imposed by law, the Houston County Commission may levy a privilege or license tax in the amount prescribed in this section against every person in the county engaging in the business of renting or furnishing a room or rooms, lodging, or accommodations to a transient in a hotel, motel, inn, condominium, house, or another place in which rooms, lodgings, or accommodations are regularly furnished to transients for a consideration. The amount of the tax shall not exceed one percent of the charge for the rooms, lodgings, or accommodations, including the charge for use of rental or personal property and services furnished in the room or rooms within the county.

Section 2. (a) There are exempted from the provisions of the tax levied by this act and from the computation of the



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29 amount of the tax levied or payable all of the following:
30 Charges for property sold or services furnished which are
31 required to be included in the tax levied by the state sales
32 tax act; charges for the rental of rooms, lodgings, or
33 accommodations to a person for a period of 30 continuous days
34 or more; or otherwise pursuant to the exemption provision of
35 Alabama's Transient Occupancy Tax, Section 40-26-1 of the Code
36 of Alabama 1975. A subsequent amendment or change to the
37 Alabama Transient Occupancy Tax shall also have the effect of
38 similarly changing the exemption provision of this section.

39 (b) Notwithstanding the provisions of this section, the
40 tax shall not apply to the rental of living accommodations
41 which are intended primarily for rental to persons as their
42 principal or permanent place of residence.

43 Section 3. (a) The tax levied by this act, except as
44 otherwise provided, shall be due and payable to the Department
45 of Revenue on or before the 20th day of the month following
46 the month in which the tax accrues. Notwithstanding any
47 provision of this act providing for the responsibility of the
48 county to collect and administer the tax provided in this act,
49 the county may contract with an agent to perform all or any
50 part of its duties pursuant to this act. On or before the 20th
51 day of each month, every person on whom the tax is levied
52 shall render to the Department of Revenue, on a form
53 prescribed by the department, a true and correct statement
54 showing the gross proceeds of the business subject to the tax
55 for the preceding month, together with other information as
56 the county requires. At the time of making the monthly report,



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57 the taxpayer shall compute and pay to the county the amount of
58 tax shown due. A person subject to the tax who conducts
59 business on a credit basis may defer reporting and paying the
60 tax until after the person has received payment of the items,
61 articles, or accommodations furnished. In the event the
62 taxpayer defers reporting and paying the taxes, he or she
63 shall thereafter include in each monthly report all credit
64 collections made during the preceding month and shall pay the
65 amount of taxes computed thereon at the time of filing the
66 report.

67 (b) Every person engaged or continuing in a business
68 subject to the tax levied by this act shall keep and preserve
69 suitable records of the gross proceeds of the business and
70 other books or accounts necessary to determine the amount of
71 tax for which he or she is liable pursuant to this act. The
72 records shall be kept and preserved for a period of two years
73 and shall be open for examination at all times by the
74 Department of Revenue or by a duly authorized agent, deputy,
75 or employee of the county.

76 (c) A person who fails to pay the tax levied by this
77 section within the time required by this act shall pay in
78 addition to the tax a penalty of 10 percent of the amount of
79 tax due, together with interest from the date on which the tax
80 became due and payable at the rate due and payable on the
81 state lodging tax. The penalty and interest shall be assessed
82 and collected as a part of the tax. The Department of Revenue,
83 if good and sufficient reason is shown, may waive or remit the
84 penalty or a portion of the penalty.



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85 Section 4. All provisions of the state lodging tax
86 statutes with respect to payment, assessment, and collection
87 of the state lodging tax, making of reports and keeping and
88 preserving records, interest after due date of tax, or
89 otherwise; the adoption of rules with respect to the state
90 lodging tax; and the administration and enforcement of the
91 state lodging tax statutes, which are not inconsistent with
92 the provisions of this act when applied to the tax levied by
93 this act, shall apply to the levied tax. The Department of
94 Revenue shall have and exercise the same powers, duties, and
95 obligations with respect to the district taxes levied as
96 imposed on the department by the state lodging tax statutes.
97 All provisions of the state lodging tax statutes that are made
98 applicable to this act, to the taxes levied, and to the
99 administration of this act are incorporated herein by
100 reference and made a part as if fully set forth.

101 Section 5. The Department of Revenue shall charge and
102 deduct from the proceeds of the tax levied an amount equal to
103 the contracted amount for the collections, provided the charge
104 does not exceed five percent of the total amount of tax
105 collected. Following that deduction, the agent shall pay the
106 remainder of the tax proceeds to the county.

107 Section 6. The net proceeds from the tax levied by this
108 act shall be deposited into the Houston County General Fund
109 and shall be used by the county for economic development
110 purposes and for the funding of recreational facilities in the
111 county.

112 Section 7. Sections 1 to 6, inclusive, of this act



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113 shall become operative only if approved by a majority of the
114 qualified electors of Houston County who vote in an election
115 to be held on the day of the 2024 General Election. The notice
116 of the election shall be given by the judge of probate, which
117 notice shall be published once a week for three successive
118 weeks before the day of the election, and the election shall
119 be held, conducted, and the results canvassed in the manner as
120 other county elections. The question shall be, "Do you favor
121 the adoption of Act No. _____, of the 2024 Regular Session of
122 the Alabama Legislature, which authorizes the Houston County
123 Commission to levy a lodging tax in Houston County with the
124 proceeds earmarked for economic development and funding
125 recreational facilities? Yes () No ()." The county shall pay
126 any costs and expenses not otherwise reimbursed by a
127 governmental agency which are incidental to the election. If a
128 majority of the votes cast in the election are "Yes," Sections
129 1 to 6, inclusive, of this act shall become operative
130 immediately. If the majority of the votes are "No," this act
131 shall have no further effect. The Judge of Probate of Houston
132 County shall certify the results of the election to the
133 Secretary of State.

134 Section 8. This act shall become effective June 1,
135 2024.