

1 HB212  
2 215845-1  
3 By Representatives Ingram, Holmes and Dismukes (N & P)  
4 RFD: Local Legislation  
5 First Read: 02-FEB-22

A BILL  
TO BE ENTITLED  
AN ACT

Relating to the City of Prattville in Elmore County;  
to revise the distribution of certain sales and use tax  
proceeds in those portions of the City of Prattville in Elmore  
County; and to authorize the Elmore County Commission to remit  
certain lodging tax proceeds to the City of Prattville.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Sections 45-1A-43 and 45-26-246.05, Code  
of Alabama 1975, are amended to read as follows:

"§45-1A-43.

"(a) Notwithstanding any provision of law to the  
contrary, in addition to all other taxes, including, but not  
limited to, municipal gross receipts license taxes, there is  
hereby levied in those portions of the City of Prattville that  
are located in Elmore County an additional general sales and  
use tax in an amount necessary to equalize the general sales

1 and use tax in all of the City of Prattville. Provided,  
2 however, the additional general sales and use tax levied  
3 herein shall not apply to automobiles, manufacturing  
4 machinery, farm machinery, or vending sales.

5 "(b) The tax levied by this section shall be  
6 collected at the same time and in the same manner as other  
7 Elmore County sales and use taxes and the proceeds shall be  
8 distributed by the first day of each month as follows:

9 "(1) Fifty percent to the Elmore County General  
10 Fund, ~~of which 10 percent shall be placed in a special fund to~~  
11 ~~be used for improvements within the area subject to the tax;~~  
12 ~~and.~~

13 "(2) Fifty percent to the City of Prattville General  
14 Fund, ~~of which 10 percent shall be placed in a special fund to~~  
15 ~~be used for improvements within the area subject to the tax.~~

16 "(c) The balance remaining on the effective date of  
17 the act adding this amendatory language in the special fund  
18 established pursuant to Act 2003-435 in the Elmore County  
19 General Fund to be used for improvements within the area  
20 subject to the tax shall be expended as follows:

21 "(1) Fifty percent shall be distributed to the City  
22 of Prattville no more than 60 days after the effective date of  
23 the act adding this amendatory language.

24 "(2) Fifty percent shall be used by the Elmore  
25 County Commission for capital improvements or other  
26 investments for economic development purposes in those  
27 portions of the City of Prattville that are located in Elmore

1 County. The county commission may not expend these funds until  
2 the county commission notifies the Prattville City Council of  
3 the intended expenditures. Any of the funds described in this  
4 subdivision that remain unexpended by the county commission on  
5 September 30, 2024, shall immediately thereafter be remitted  
6 as follows:

7 "a. Fifty percent to the City of Prattville.

8 "b. Fifty percent to the Elmore County General Fund.

9 "(d) (1) The special fund in the Elmore County  
10 General Fund established pursuant to Act 2003-435 to be used  
11 for improvements within the area subject to the tax shall be  
12 abolished upon the expenditure of all remaining funds pursuant  
13 to subdivision (c) (2), but in no event later than October 31,  
14 2024.

15 "(2) The special fund in the City of Prattville  
16 General Fund established pursuant to Act 2003-435 to be used  
17 for improvements within the area subject to the tax is  
18 abolished.

19 "§45-26-246.05.

20 "(a) Except as otherwise provided in this part, the  
21 balance of the proceeds from the tax levied by this part shall  
22 be deposited into the Elmore County Lodging Fund. The net  
23 proceeds from the tax collected outside of the municipalities  
24 shall be used by the county for economic development purposes.  
25 Sixty-seven percent of the remaining funds in the lodging fund  
26 shall be used by the county for economic development purposes.  
27 Thirty-three percent of the remaining funds in the lodging

1 fund shall be distributed to the municipalities on an equal  
2 basis where the lodging tax was collected to be used by the  
3 municipality for economic development purposes pursuant to an  
4 agreement with Elmore County. ~~If~~ Except as provided in  
5 subsection (b), if Elmore County and any municipality fail to  
6 agree on the use of the funds by the municipality, that  
7 portion shall revert to the lodging fund for appropriation by  
8 the county for economic development purposes. All of the net  
9 proceeds from any room fees shall be deposited in the Elmore  
10 County Lodging Fund to be used by the county for economic  
11 development purposes. All funds in the Elmore County Lodging  
12 Fund shall be used for economic development purposes as  
13 determined by the Elmore County Commission.

14 "(b) Notwithstanding subsection (a), the portion to  
15 be distributed to the City of Prattville of the 33 percent of  
16 the net proceeds described in subsection (a) shall be remitted  
17 to the City of Prattville by the Elmore County Commission for  
18 economic development purposes no more than 30 days after the  
19 effective date of the act adding this amendatory language."

20 Section 2. This act shall become effective on the  
21 first day of the first month following its passage and  
22 approval by the Governor, or its otherwise becoming law.