

1 HB439  
2 204366-1  
3 By Representative Brown (C) (N & P)  
4 RFD: Mobile County Legislation  
5 First Read: 12-MAR-20

SYNOPSIS: Under current law, a municipality may levy business, trade, and professional licenses within its police jurisdiction. These licenses may be levied in the area of the police jurisdiction outside the corporate limits of the municipality, but the rates may not exceed one-half of the rates applied within the corporate limits.

This bill would provide that a Class 2 municipality that does not provide police and fire services in the area within its police jurisdiction but outside its corporate limits may not levy any business, trade, or professional licenses within that area.

A BILL  
TO BE ENTITLED  
AN ACT

Relating to Class 2 municipalities; to amend Section 11-51-91, Code of Alabama 1975, providing for municipal

1 business, trade, and professional licenses within police  
2 jurisdiction; to provide that a Class 2 municipality that does  
3 not provide police and fire services in the area within its  
4 police jurisdiction but outside its corporate limits may not  
5 levy any business, trade, or professional licenses within that  
6 area.

7 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

8 Section 1. Section 11-51-91, Code of Alabama 1975,  
9 is amended to read as follows:

10 "§11-51-91.

11 "(a) Any municipality may adopt an ordinance to fix  
12 and collect licenses for any business, trade, or profession  
13 done within the police jurisdiction of the municipality but  
14 outside the corporate limits thereof; provided, that the  
15 amount of the licenses shall not be more than one half the  
16 amount charged and collected as a license for like business,  
17 trade, or profession done within the corporate limits of the  
18 municipality, fees and penalties excluded; and provided  
19 further, that the total amount of the licenses shall not be in  
20 an amount greater than the cost of services provided by the  
21 municipality within the police jurisdiction. All licenses  
22 adopted pursuant to this section shall be assessed to all  
23 businesses, trades, or professionals within the police  
24 jurisdiction. No license adopted after September 1, 2015, in  
25 the police jurisdiction shall take effect until a 30-day  
26 notice has been given of the adoption of the ordinance;  
27 provided, however, that no license may be imposed under this

1 section in an expanded police jurisdiction until the police  
2 jurisdiction expansion is effective under subsection (d) of  
3 Section 11-40-10. The notice given shall be the same as  
4 required for adoption of an ordinance under Section 11-45-8.  
5 Additionally, if available at no cost to the municipality, the  
6 30-day notice shall be submitted to the Atlas Alabama state  
7 website or any successor state-operated website providing  
8 information to businesses. No ordinance adopted after  
9 September 1, 2015, may be enforced against an individual or  
10 entity affected by the ordinance unless the municipality has  
11 complied with the notice requirement provided in this section.

12 "(b) A Class 2 municipality may not levy a business,  
13 trade, or professional license in any area within its police  
14 jurisdiction but outside its corporate limits under this  
15 section if the municipality does not provide both fire and  
16 police services to the area.

17 ~~"(b)~~ (c) No calculation shall be required to be made  
18 by the municipal officials or license officer for the cost of  
19 services to any particular business or classification of  
20 businesses within the police jurisdiction so long as the total  
21 amount of revenues from the licenses collected in the police  
22 jurisdiction is not an amount greater than the cost of  
23 services provided by the municipality to the police  
24 jurisdiction. Each municipality shall prepare an annual report  
25 which shall include an accounting of all license revenues  
26 collected in the police jurisdiction expanded after September  
27 1, 2015, and provide a list of the services provided by the

1 municipality and a list of providers within the police  
2 jurisdiction. A copy of the annual report, which shall be  
3 completed within 90 days of the close of the fiscal year,  
4 shall be forwarded to the Department of Examiners of Public  
5 Accounts and shall be made available to the public.

6 ~~"(c)~~ (d) When the place at which any business,  
7 trade, or profession is done or carried on is within the  
8 police jurisdiction of two or more municipalities which levy  
9 the licenses thereon authorized by this section, the licenses  
10 shall be paid to, issued, and collected by that municipality  
11 only whose boundary measured to the nearest point thereof is  
12 closest to the business, trade, or profession. This section  
13 shall not have the effect of repealing or modifying the  
14 limitations in this article relating to railroad, express  
15 companies, sleeping car companies, telegraph companies,  
16 telephone companies, and public utilities and insurance  
17 companies and their agents. This section shall be given a  
18 liberal construction to effectuate its purpose and meaning."

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