ORDINANCE NO. 2026-247

AN ORDINANCE AMENDING CHAPTER 10, ARTICLE VIII OF THE MADISON CITY CODE TO PROVIDE FOR A LODGING TAX RATE OF TEN PERCENT (10%)

WHEREAS, in anticipation of funding the multi-purpose venue and ballpark, now known as Toyota Field, the City of Madison City Council ("City Council") adopted Ordinance No. 2017-277, which raised the City's lodging tax to 9%, plus $2.00 per room per night and dedicated the increased portion of the lodging tax (the 2% portion plus $1.00 per room per night) to debt service on the ballpark warrants; and

WHEREAS, Ordinance No. 2026-083 amended Section 10-230 regarding the disposition of lodging tax proceeds in anticipation of future improvements to Toyota Field as described in Ordinance Number 2026-082 authorizing an Amended and Restated Venue Lease, License, and Management Agreement with BallCorps, LLC; and

WHEREAS, the City Council desires to further increase the rate of lodging taxes by one percentage point and allocate the resulting increased revenue to the general fund of the City, while preserving existing dedications for the disposition of lodging tax proceeds;

BE IT ORDAINED by the City Council of the City of Madison, Alabama, as follows:

Section 1. That Section 10-224 of the *Code of Ordinances of the City of Madison*, entitled "Levy of lodging tax" is hereby amended in its entirety as follows:

(a) There is hereby levied and imposed, in addition to all other taxes of every kind now imposed by law, a privilege or license tax upon every person engaging in:

(1) The business of renting or furnishing any room to transients in any hotel, motel, inn, tourist camp, tourist cabin, or any other place in which rooms or lodgings or regularly furnished to transients for a consideration, such tax being an amount equal to **ten percent** of the charge for such room or lodging, including the charge for use or rental of personal property and services furnished in such rooms, plus $2.00 per room per night, provided that charges for property sold or services furnished which are required to be included in the computation of the tax levied in Code of Alabama (1975), Title 40, Chapter 23, Article 1, Division 1, such article being commonly referred to as the state sales tax statutes, shall not be included in computing the tax herein levied; or

(2) The business of renting or furnishing space for accommodation of trailers for a consideration, such tax to be in an amount equal to **ten percent** of the charge for such trailer space, plus $2.00 per space per night, provided, however, that charges made by persons in the business of renting trailer space for use of washing machines, electrical power, garbage collection, water supply, and other such charges shall not be included in the measure of such tax, but only the charge for trailer space proper shall so be included.

Section 2. That Section 10-230 of the *Code of Ordinances of the City of Madison*, entitled "Lodging Tax: Disposition of Proceeds" is hereby amended in its entirety as follows:

(a) Except as otherwise provided in this Section 10-230, all lodging taxes received or collected by the city under the provisions of this article shall be deposited in the city's general fund, subject to appropriation by the City Council for any lawful purpose of the city.

(b) For any hotel that opened for business prior to May 1, 2018, outside of the Town Madison Cooperative District boundaries, revenues resulting from the two percentage point (2%) portion of the total lodging taxes collected pursuant to this article, as well as $1.00 of the per-night fee, must be appropriated to pay debt service on the Series 2018-A General Obligation Taxable Warrants or other debt issued to pay for ballpark capital improvements, as provided in the Amended and Restated Venue Lease, License, and Management Agreement with BallCorps, LLC, authorized by Ordinance Number 2026-082. Upon satisfying said debt service requirement, the remainder of the proceeds generated from the lodging tax proceeds dedicated in this Section 10-230(b) may be deposited into the general fund.

(c) For any hotel that has opened or will open for business on or after May 1, 2018, outside of the Town Madison Cooperative District boundaries, **revenues resulting from the nine (9) percentage point portion of the total lodging taxes collected pursuant to this article, as well as $2.00 of the per-night fee,** shall be appropriated to pay debt service on the Series 2018-A General Obligation Taxable Warrants or other debt issued to pay for ballpark capital improvements, as provided in the Amended and Restated Venue Lease, License, and Management Agreement with BallCorps, LLC, authorized by Ordinance Number 2026-082. Upon satisfying said debt service requirement, the remainder of the lodging tax proceeds dedicated in this Section 10-230(c) may be deposited into the general fund.

(d) For any hotel <u>inside</u> the boundaries of the Town Madison Cooperative District, lodging tax revenues shall be appropriated to pay debt services as follows:

a. For the first three (3) hotels that opened inside the boundaries of the Town Madison Cooperative District, **revenues resulting from the nine (9) percentage point portion of the total lodging taxes collected pursuant to this article, as well as $2.00 of the per-night fee,** shall be dedicated to ballpark debt service on the Series 2018-A General Obligation Taxable Warrants or other debt issued to pay for ballpark capital improvements, as provided in the Amended and Restated Venue Lease, License, and Management Agreement with BallCorps, LLC, authorized by Ordinance Number 2026-082.

b. For any other hotels that have opened or will open within the boundaries of the Town Madison Cooperative District after January 1, 2025:

i. Seven (7) percentage points plus $1 per night shall be dedicated to debt service on the General Obligation Economic Development Warrants, Series 2022, authorized by Ordinance No. 2022-334.

ii. Two (2) percentage points and $1 per night of lodging taxes shall be dedicated to ballpark debt service on the Series 2018-A General Obligation Taxable Warrants or other debt issued to pay for Venue improvements, as provided in the Amended and Restated Venue Lease, License, and Management Agreement with BallCorps, LLC, authorized by Ordinance Number 2026-082.

c. Upon satisfying said debt service requirements, the remainder of the lodging tax proceeds dedicated in this Section 10-230(d) may be deposited into the general fund.

(e) Upon the retirement of the debt of the Series 2018-A General Obligation Taxable Warrants, the Series 2022 General Obligation Economic Development Warrants, or any other economic development warrants that the City Council may authorize for ballpark capital improvements, the lodging tax proceeds dedicated in this Section 10-230 shall be deposited in the city's general fund, subject to appropriation by the City Council for any lawful purpose of the city.

<u>Section 3.</u> This Ordinance shall be effective on **October 1, 2026**, following its date of adoption and proper publication once in a newspaper of general circulation in the City of Madison following its adoption.

Section 4. If any clause, phrase, sentence, paragraph, or provision of this ordinance shall be invalidated by a court of competent jurisdiction, it is the intent of the City Council that such invalidation shall not affect the validity of any other clause, phrase, sentence, paragraph, or provision thereof.

Section 5. A certified copy of this Ordinance shall be forwarded to the Alabama Department of Revenue in compliance with Section 11-51-210(e) of the *Code of Alabama* (1975).

READ, PASSED, and ADOPTED this ____ day of _____________, 2026.

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Maura Wroblewski, Council President
City of Madison, Alabama

ATTEST:

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Lisa D. Thomas, City Clerk-Treasurer
City of Madison, Alabama

APPROVED this ____ day of _______________, 2026.

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Ranae Bartlett, Mayor
City of Madison, Alabama