

**ORDINANCE NUMBER 2024-405**

**AN ORDINANCE AMENDING SECTION 10-230 OF THE MADISON CITY CODE  
REGARDING DISPOSITION OF LODGING TAX PROCEEDS**

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

**WHEREAS**, in anticipation of providing a development incentive payment for a hotel project, the City of Madison City Council adopted Ordinance No. 2019-148, which further dedicated a portion of lodging tax proceeds to debt service on the Series 2018-C General Obligation Project Warrant for the Project Development Agreement dated September 14, 2018 (the “Margaritaville Project”); and

**WHEREAS**, the Margaritaville Project did not proceed, and the City Council desires to remove language dedicating lodging tax proceeds to said project;

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

**Section 1.** 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 has opened for business prior to May 1, 2019, outside of the Town Madison Cooperative District boundaries, revenues resulting from two percentage points of the total lodging taxes collected pursuant to this article, which equals 22.22 percent of lodging taxes collected, 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. Upon satisfying said debt service requirement, the remainder of the proceeds generated from the two percent plus \$1.00 per night portion of the lodging tax proceeds may be deposited into the general fund.
- (c) For any hotel that has opened or will open for business on or after May 1, 2019, outside of the Town Madison Cooperative District boundaries, all lodging tax

revenues levied in this chapter shall be appropriated to pay debt service on the Series 2018-A General Obligation Taxable Warrants. Upon satisfying said debt service requirement, the remainder of the lodging tax proceeds may be deposited into the general fund.

**Section 2.** This Ordinance shall become effective after its adoption and publication as provided by law.

**Section 3.** 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 Council that such invalidation shall not affect the validity of any other clause, phrase, sentence, paragraph, or provision thereof.

**READ, PASSED, and ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2024.**

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*John D. Seifert, II, 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 \_\_\_\_\_, 2024.**

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*Paul Finley, Mayor*  
City of Madison, Alabama