

**HB395 ENROLLED**



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



## HB395 Enrolled

1 Enrolled, An Act,

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

6 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

20 Section 2. (a) There are exempted from the provisions  
21 of the tax levied by this act and from the computation of the  
22 amount of the tax levied or payable all of the following:  
23 Charges for property sold or services furnished which are  
24 required to be included in the tax levied by the state sales  
25 tax act; charges for the rental of rooms, lodgings, or  
26 accommodations to a person for a period of 30 continuous days  
27 or more; or otherwise pursuant to the exemption provision of  
28 Alabama's Transient Occupancy Tax, Section 40-26-1 of the Code



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29 of Alabama 1975. A subsequent amendment or change to the  
30 Alabama Transient Occupancy Tax shall also have the effect of  
31 similarly changing the exemption provision of this section.

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

36 Section 3. (a) The tax levied by this act, except as  
37 otherwise provided, shall be due and payable to the Department  
38 of Revenue on or before the 20th day of the month following  
39 the month in which the tax accrues. Notwithstanding any  
40 provision of this act providing for the responsibility of the  
41 county to collect and administer the tax provided in this act,  
42 the county may contract with an agent to perform all or any  
43 part of its duties pursuant to this act. On or before the 20th  
44 day of each month, every person on whom the tax is levied  
45 shall render to the Department of Revenue, on a form  
46 prescribed by the department, a true and correct statement  
47 showing the gross proceeds of the business subject to the tax  
48 for the preceding month, together with other information as  
49 the county requires. At the time of making the monthly report,  
50 the taxpayer shall compute and pay to the county the amount of  
51 tax shown due. A person subject to the tax who conducts  
52 business on a credit basis may defer reporting and paying the  
53 tax until after the person has received payment of the items,  
54 articles, or accommodations furnished. In the event the  
55 taxpayer defers reporting and paying the taxes, he or she  
56 shall thereafter include in each monthly report all credit



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57 collections made during the preceding month and shall pay the  
58 amount of taxes computed thereon at the time of filing the  
59 report.

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

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

78 Section 4. All provisions of the state lodging tax  
79 statutes with respect to payment, assessment, and collection  
80 of the state lodging tax, making of reports and keeping and  
81 preserving records, interest after due date of tax, or  
82 otherwise; the adoption of rules with respect to the state  
83 lodging tax; and the administration and enforcement of the  
84 state lodging tax statutes, which are not inconsistent with



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85 the provisions of this act when applied to the tax levied by  
86 this act, shall apply to the levied tax. The Department of  
87 Revenue shall have and exercise the same powers, duties, and  
88 obligations with respect to the district taxes levied as  
89 imposed on the department by the state lodging tax statutes.  
90 All provisions of the state lodging tax statutes that are made  
91 applicable to this act, to the taxes levied, and to the  
92 administration of this act are incorporated herein by  
93 reference and made a part as if fully set forth.

94 Section 5. The Department of Revenue shall charge and  
95 deduct from the proceeds of the tax levied an amount equal to  
96 the contracted amount for the collections, provided the charge  
97 does not exceed five percent of the total amount of tax  
98 collected. Following that deduction, the agent shall pay the  
99 remainder of the tax proceeds to the county.

100 Section 6. The net proceeds from the tax levied by this  
101 act shall be deposited into the Houston County General Fund  
102 and shall be used by the county for economic development  
103 purposes and for the funding of recreational facilities in the  
104 county.

105 Section 7. Sections 1 to 6, inclusive, of this act  
106 shall become operative only if approved by a majority of the  
107 qualified electors of Houston County who vote in an election  
108 to be held on the day of the 2024 General Election. The notice  
109 of the election shall be given by the judge of probate, which  
110 notice shall be published once a week for three successive  
111 weeks before the day of the election, and the election shall  
112 be held, conducted, and the results canvassed in the manner as



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113 other county elections. The question shall be, "Do you favor  
114 the adoption of Act No. \_\_\_\_\_, of the 2024 Regular Session of  
115 the Alabama Legislature, which authorizes the Houston County  
116 Commission to levy a lodging tax in Houston County with the  
117 proceeds earmarked for economic development and funding  
118 recreational facilities? Yes ( ) No ( )." The county shall pay  
119 any costs and expenses not otherwise reimbursed by a  
120 governmental agency which are incidental to the election. If a  
121 majority of the votes cast in the election are "Yes," Sections  
122 1 to 6, inclusive, of this act shall become operative  
123 immediately. If the majority of the votes are "No," this act  
124 shall have no further effect. The Judge of Probate of Houston  
125 County shall certify the results of the election to the  
126 Secretary of State.

127 Section 8. This act shall become effective June 1,  
128 2024.

