ORDINANCE NO. 2026-001

AN ORDINANCE AMENDING SECTION 23, ITEM 18 (PUBLIC UTILITIES) AND SECTION 25 (LICENSE FEES IN POLICE JURISDICTION) OF ORDINANCE NO. 2007-5, THE BUSINESS LICENSE CODE OF THE TOWN OF RAGLAND, ALABAMA, TO EXCLUDE MUNICIPAL WATER BOARDS OF THE TOWN FROM THE PUBLIC UTILITY PRIVILEGE LICENSE BEGINNING WITH LICENSE YEAR 2027

WHEREAS, on November 5, 2007, the Town Council of the Town of Ragland, Alabama (the "Council") adopted Ordinance No. 2007-5, the Business License Code of the Town of Ragland, Alabama, which has since been amended (the "Business License Code"); and

WHEREAS, Section 23, Item 18 of the Business License Code levies on each person operating a public utility in the Town, including waterworks, a privilege license of three percent (3%) of the utility's gross receipts for the preceding year of business transacted in the Town, and Section 25 levies one-half of that license on a like business conducted outside the Town but within its police jurisdiction; and

WHEREAS, Section 11-51-90(a), Code of Alabama 1975, authorizes the Council to license businesses carried on in the Town and to establish from time to time the applicable tax rate for each category of business license; and

WHEREAS, under Article 9 of Chapter 50 of Title 11, Code of Alabama 1975 (Sections 11-50-310 et seq.), a public corporation may be organized to operate a municipal water, sewer, gas, or electric system only on a resolution of the municipality's governing body authorizing its incorporation, and the governing body elects its directors; and

WHEREAS, a public corporation that the Council has authorized and whose directors the Council elects operates its water system for the Town and its residents rather than for private profit, and it pays any license levied on its gross receipts from the rates it charges the Town's residents and customers, so the license returns to the Town a charge that the Town's own residents ultimately bear; and

WHEREAS, these characteristics distinguish such a corporation from investor-owned utilities and from utilities whose governing boards the Council does not elect, and the Council finds that excluding such corporations as a class from the public utility privilege license is germane to the purposes of the Business License Code, rests on substantial distinctions, and will apply uniformly to every corporation now within the class or that later comes within it; and

WHEREAS, the Council intends this Ordinance to operate prospectively only, beginning with license year 2027, and not to release, remit, or affect any license, penalty, or interest for any earlier license year;

NOW, THEREFORE, BE IT ORDAINED by the Town Council of the Town of Ragland, Alabama, as follows:

Section 1. Amendment of Item 18. Section 23, Item 18 of the Business License Code is amended to read as follows:

"18. Public Utilities:

(a) Levy. Each person operating any public utility in the Town, such as electric light or power companies which supply electricity for light or power, gas companies, waterworks, except telephone and telegraph companies, railroad, sleeping car companies, express companies, and Municipal Water Boards, shall pay to the Town a privilege license of three (3%) percent of the gross receipts of said utility for the preceding year of business transacted in the Town (Maximum authorized, Code of Ala. 1975, §11-51-129).

(b) Municipal Water Board. In this Code, "Municipal Water Board" means a public corporation that (1) is organized under Article 9 of Chapter 50 of Title 11, Code of Alabama 1975 (Sections 11-50-310 et seq.), for the Town; (2) has directors elected by the Town Council; and (3) operates a water system, as defined in Section 11-50-310, Code of Alabama 1975, in the Town or its police jurisdiction. The term includes every public corporation that meets these requirements now or later.

(c) Scope of exclusion. No license is due under this Item 18, under Item 15 (Miscellaneous), or under Section 25 of this Code from a Municipal Water Board for operating a water system described in subsection (b)(3), or measured by the gross receipts from that operation. A Municipal Water Board remains subject to every other license that applies to any other business it conducts, and to every other provision of this Code."

Section 2. Amendment of Section 25. Section 25 of the Business License Code is amended by adding the following sentence at the end: "This Section does not apply to a Municipal Water Board, as defined in Section 23, Item 18(b), with respect to its operation of a water system described in Item 18(b)(3) or the gross receipts from that operation."

Section 3. Application. This Ordinance applies to the license for the license year beginning January 1, 2027, which is measured by gross receipts for calendar year 2026, and to the license for each later license year.

Section 4. Savings. Nothing in this Ordinance releases, remits, compromises, or otherwise affects (a) any license, penalty, or interest under Section 23, Item 18 or Section 25 of the Business License Code for any license year before 2027, including the license for license year 2026, which is measured by gross receipts for calendar year 2025; (b) the Town's power to assess, collect, or enforce any of those obligations; or (c) any right to a refund or credit under Section 20 of the Business License Code or other applicable law.

Section 5. Remaining Provisions Unaffected. Except as expressly amended by this Ordinance, the Business License Code remains in full force and effect, including Section 23, Item 18 and Section 25 as applied to every person other than a Municipal Water Board.

Section 6. Severability. If any section, sentence, clause, or phrase of this Ordinance is held invalid by a court of competent jurisdiction, that holding shall not affect the remaining provisions, which the Council would have adopted without the invalid portion.

Section 7. Repealer. All ordinances or parts of ordinances in conflict with this Ordinance are repealed to the extent of the conflict.

Section 8. Effective Date. This Ordinance shall take effect upon its publication as provided in Section 11-45-8, Code of Alabama 1975.

ADOPTED AND APPROVED this 9th day of November 2026.

/s/ Brian Phillips

Brian Phillips, Mayor

ATTEST:

/s/ Penny Owens

Penny Owens, Town Clerk

CERTIFICATE OF PUBLICATION

I, Penny Owens, Town Clerk of the Town of Ragland, Alabama, certify that the foregoing is a true and correct copy of Ordinance No. 2026-001, adopted by the Town Council at its regular meeting held on 9th day of November 2026. On 10th day of November 2026, I published the Ordinance by posting a copy in three public places within the Town: Town Hall, the Ragland Post Office, and Metro Bank. On the same date I placed a copy on the Town's website. Under Section 11-45-8, Code of Alabama 1975, the Ordinance took effect five days after posting on 16th November 2026. The postings will be maintained for not less than thirty 30 days.

/s/ Penny Owens

Penny Owens, Town Clerk