ORDINANCE NO: 26-988

BE IT ORDAINED by the City Council of the City of Huntsville, Alabama, that the Code of Ordinances of the City of Huntsville, Alabama (hereinafter referred to as "City Code") is amended as follows:

Section 1. Chapter 15, Article I, Section 15-5 of the City Code is hereby amended to read as follows:

Sec. 15-5. Right of appeal to administrative hearing officer or circuit court.

(a) The city has elected to divest the Alabama Tax Tribunal of jurisdiction over appeals of final assessments or denied refunds in whole or part, of the sales, use, rental, and lodgings taxes levied or collected under article III of this chapter. Accordingly, the city has established an appeal process to an administrative hearing officer that functions in a manner similar to the procedures prescribed for appeals to the Alabama Tax Tribunal or to circuit court, as provided by the state statute.

(b) A taxpayer may appeal a final assessment, a denied refund, or a preliminary assessment that has been entered but not withdrawn or finalized within the prescribed 5-year period, involving sales, use, rental, or lodgings taxes levied or assessed under article III of this chapter to either (i) the administrative hearing officer (see section 15-6(b) regarding commencing a proceeding with the administrative hearing officer) or (ii) to the Circuit Court of Madison County, Alabama, or to the circuit court of the county in which the taxpayer resides or has a principal place of business in Alabama, in accordance with the procedures and requirements applicable to such appeals provided in Section 40-2A-7 Code of Ala. 1975. For purposes of any appeal filed by a taxpayer pursuant to article III of this chapter, the term "department" means the finance department and the term "secretary of the department" means the city finance director, as used in Section 40-2A-7 Code of Ala. 1975.

Section 2. Chapter 15, Article I, Section 15-6, Subsection (b) of the City Code is hereby amended to read as follows (with the remainder of Section 15-6 remaining unmodified and in full force and effect):

(b) *Pleadings.*

(1) A taxpayer may commence a proceeding with the administrative hearing officer by filing with the city finance department a notice of appeal: (i) of a final assessment protesting the city finance director's determination imposing a liability for a tax, penalty, or interest involving a sales, use, rental, or lodgings tax levied under article III of this chapter; or (ii) from the finance director's denial of a refund involving a sales, use, rental, or lodgings tax levied under article III of this chapter; or (iii) of a preliminary assessment involving a sales, use, rental, or lodgings tax levied under article III of this chapter that has been entered but not withdrawn or finalized by the finance director within five years from the date of entry. The notice of appeal shall be

filed in accordance with the time periods required by Section 40-2A-7 Code of Ala. 1975. The administrative hearing officer shall not have authority to hear appeals from a tax determination involving a business license tax levied or assessed under article II, a liquor privilege license tax levied or assessed under article IV, a sale of liquid fuel privilege license tax levied or assessed under article V, and a tobacco privilege license fee levied or assessed under article VII, of this chapter.

(2) The notice of appeal filed by the taxpayer shall be filed with the city finance department and shall identify the final assessment, denied refund, or non-withdrawn or non-finalized preliminary assessment, which is the subject of the appeal, the position of the appealing party (taxpayer), the basis on which relief should be granted, and the relief sought. A notice of appeal that does not include all of the above information shall be sufficient to invoke the jurisdiction of the administrative hearing officer. The administrative hearing officer may require a taxpayer to file an amended notice of appeal if more information is deemed necessary.

(3) Upon receipt of the notice of appeal, the city finance director shall assign an administrative hearing officer to the case. Upon the administrative hearing officer's acceptance of the appeal, the finance director shall: (i) forward the original appeal to him; (ii) notify the city attorney in writing that an appeal has been filed, provide him with a copy of the appeal (with attachments) and the name of the administrative hearing officer accepting the assignment of the appeal; and (iii) mail a copy of such notification (except for the copy of the appeal), along with the name of the administrative hearing officer, to the taxpayer or its authorized representative. The city attorney, on behalf of the finance director, shall file his answer with the administrative hearing officer no later than 45 days after the city attorney's receipt of the notification from the city finance director that an appeal has been filed and the name of the administrative hearing officer accepting the appeal. Upon written request, the administrative hearing officer may grant up to 45 additional days to file an answer. The answer shall state the facts and the issues involved and the city finance director's position relating thereto. The administrative hearing officer may require the city finance director to file an amended answer if more information is deemed necessary. The city finance director shall serve a copy on the taxpayer's representative or, if the taxpayer is not represented, on the taxpayer, and shall file proof of such service with the answer.

(4) The taxpayer may file a reply with the administrative hearing officer within 30 days after receipt of the answer. The taxpayer shall serve a copy on the city attorney and shall file proof of such service with the reply. When a reply has been filed, or, if no reply has been filed, then 30 days after the filing of the answer, the controversy shall be deemed at issue and will be scheduled for hearing.

(5) The notice of appeal and any subsequent pleadings submitted by the parties shall be deemed to conform to the evidence submitted by the parties. If an issue is raised or evidence is presented at a hearing that was not previously pled or raised, the opposing party may, at the discretion of the hearing officer, be allowed time to address

the issue or evidence, either through brief, or at a subsequent hearing in the case, as fairness dictates.

Section 3. Chapter 15, Article II, Division 4, Section 15-75 of the City Code, is hereby amended to read as follows:

Sec. 15-75. Determination of amounts due; preliminary and final assessments; review; appeal; refund for overpayment.

(a) *Basis for entry of preliminary assessment.* If the city finance director determines that the amount of any business license tax reported on or remitted with a business license remittance form is incorrect, if no business license remittance form is filed within the time prescribed, or if the information provided on the form is insufficient to allow the city finance director to determine the proper amount of business license tax due, the city finance director may calculate the correct amount of the tax based on the most accurate and complete information reasonably obtainable. The city finance director may thereafter enter a preliminary assessment for the correct amount of business license tax, including any applicable penalty and interest. Nothing contained herein shall limit or restrict the city's right to seek injunctive relief under Code of Ala. 1975, §§ 11-51-150 *et seq*.

(b) *Immediate entry of final assessment.* In the event any of the following occurs: (1) the amount of the license tax reported on a remittance form is undisputed by the city finance director; (2) the taxpayer consents in writing to any deficiency; or (3) the taxpayer consents in writing to the amount of the preliminary assessment, then the city finance director may, immediately enter a final assessment for the amount of the tax due, plus any applicable penalty and interest.

(c) *Method and limitation period for entry.*

(1) All preliminary and final assessments of business licenses issued by the city finance director shall be executed by the city finance director or by those to whom he has delegated the right to execute said assessments. Such execution may be written by hand or facsimile signature, or by any other method which constitutes a valid method for executing any form of official document.

(2) Any preliminary assessment shall be entered within four years from the due date of the business license form, or four years from the date the form is filed, whichever is later, except as follows:

a. A preliminary assessment may be entered at any time if no license form is filed as required, or if a false or fraudulent license form is filed with the intent to evade the business license tax.

b. A preliminary assessment may be entered within six years from the due

date of the license form or six years from the date the license form is filed with the finance department, whichever date occurs last, if the taxpayer omits or fails to report an amount in excess of 25 percent of its gross receipts or other applicable business license tax base.

c. A preliminary assessment may be entered within five years from the due date of the license form, or five years from the date the form is filed, whichever is later, if the taxpayer or its authorized agent fails or refuses to execute and return to the city finance department a written extension of the statute of limitations on issuing preliminary assessments for up to eight months, as requested by the city finance department or its agent, within 30 days after receipt of the request for extension by the taxpayer or its authorized agent.

(3) The preliminary assessment entered by the city finance director, or a copy thereof, shall promptly upon entry be mailed by the city finance department to the taxpayer's last known mailing address by either first class U.S. mail or certified U.S. mail with return receipt requested, but at the option of the city finance department, the preliminary assessment may be delivered to the taxpayer by personal delivery.

(d) *Petition for review of preliminary assessment; entry of final assessment.*

(1) If a taxpayer disagrees with a preliminary assessment as entered by the city finance director, the taxpayer may file a petition for review with the city finance department, within 30 days from the date of entry of the preliminary assessment setting out the specific objections to the preliminary assessment. If a petition for review is timely filed, or if the city finance director otherwise deems it necessary, the city finance director, or his delegate, shall schedule a conference with the taxpayer for the purpose of allowing the taxpayer or its representatives and the representatives of the city to present their respective positions, discuss any omissions or errors, and to attempt to agree upon any changes or modifications to their respective positions.

(2) If a petition for review:

a. Is not timely filed; or

b. Is timely filed, and upon further review the city finance director determines that the preliminary assessment is due to be upheld in whole or in part, the city finance director may make the assessment final in the amount of business license tax due as computed by the city finance director, with applicable interest and penalty computed to the date of entry of the final assessment. The city finance director shall, whenever practicable, complete his review of the taxpayer's petition for review and applicable law within 90 days following the later of the date of filing of the petition or the conference, if any.

(3) The final assessment entered by the city finance director, or a copy thereof, shall

promptly upon entry be mailed to the taxpayer's last known mailing address:

a. By either first class U.S. mail or certified U.S. mail with return receipt requested in the case of assessments of business license tax of $500.00 or less; or

b. By certified U.S. mail with return receipt requested in the case of assessments of business license tax of more than $500.00.

In either case and at the option of the city finance department, the final assessment, or a copy thereof, may be delivered to the taxpayer by personal delivery.

(e) *Petition for refund.*

(1) Any taxpayer may file a petition for refund with the city finance department for any overpayment of business license tax erroneously paid to the city. If a final assessment for the tax has been entered by the city finance director, a petition for refund of all or a portion of the tax may be filed only if the final assessment has been paid in full prior to or simultaneously with the filing of the petition for refund.

(2) A petition for refund shall be filed with the city finance department within a) three years from the date that the business license form was filed, or b) two years from the date of payment of the business license tax which is the subject of the petition, whichever is later, or if no form was timely filed, two years from the date of payment of the business license tax.

(3) The city finance director shall either grant or deny a petition for refund within six (6) months from the date the petition is filed, unless the period is extended by written agreement of the taxpayer and the city finance director acting on behalf of the city. The taxpayer shall be notified of the city finance director's decision concerning the petition for refund by first class U.S. mail or by certified U.S. mail, return receipt requested, sent to the taxpayer's last known mailing address. If the city finance director fails to grant a full refund within the time provided herein, the petition for refund shall be deemed to be denied.

(4) If the petition is granted, or the city finance director or a court otherwise determines that a refund is due, the overpayment shall be promptly refunded to the taxpayer by the city finance director, together with interest to the extent provided in section 15-4 of this chapter. If the city finance director or a court determines that a refund is due, the amount of overpayment plus any interest due thereon may first be credited by the city finance director against any outstanding final tax liabilities due and owing by the taxpayer to the city, and the balance of any overpayment shall be promptly refunded to the taxpayer. If any refund or part thereof is credited to any other tax by the city finance director, the taxpayer shall be provided with a written detailed statement showing the amount of overpayment, the amount credited for payment to

other taxes, and the amount refunded.

(f) *Appeals.* A taxpayer may appeal a tax determination involving a business license tax levied or assessed under article II, a liquor privilege license tax levied or assessed under article IV, a sale of liquid fuel privilege license tax levied or assessed under article V, and a tobacco privilege license fee levied or assessed under article VII, of this chapter, in accordance with and subject to applicable state laws, which may include the rules of the Alabama Tax Tribunal.

(g) The provisions of this section 15-75 shall also be applied to the taxes levied and assessed under articles IV, V, and VII of this chapter.

Section 4. Severability. The severability provisions of section 1-8 of the City Code shall apply to this ordinance.

Section 5. Effective Date. This ordinance shall become effective upon its adoption, approval and publication.

ADOPTED this the 5th day of November 2026.

/s/ David Little
President of the City Council
of the City of Huntsville, Alabama

APPROVED this the 5th day of November 2026.

/s/ Tommy Battle
Mayor of the City of Huntsville,
Alabama