

Request for City Council Action

Date: June 14, 2016

Agenda Section: General Business No.	Originating Department: City Manager
Item: Ordinance Amending Title 7 of the Carbondale Revised Code as it relates to Motor Fuel Tax Extending the One Cent Per Gallon Tax Expiring June 30, 2016 No. 6.1	Approved:

Background:

In 2005, the City Council approved an increase of one cent per gallon to the motor fuel tax (MFT) to provide additional tax revenue to support the debt service needed for the 2006 General Obligation Street Improvement Bonds that were issued to finance a city-wide street resurfacing project. The additional one cent of MFT is set to expire on June 30, 2016. This one cent of MFT currently produces approximately \$130,000 annually.

At the May 24, 2016 City Council meeting, the City Council held a discussion to consider extending the expiring one cent MFT in addition to other new revenue sources that included additional MFT, a new food and beverage tax, and a package liquor tax. Collectively, the revenue that these taxes would produce could help the City finance community investment program projects and would also provide additional funding to reduce police and fire pension liability.

The FY17 budget was approved on April 19, 2016 and included revenue that the expiring one cent MFT produces. In order to maintain estimated funding in the motor fuel tax fund, the expiring one cent tax would need to be extended.

Recommended Action:

It is recommended that the City Council adopt an ordinance to amend Title 7 of the Carbondale Revised Code to extend the one cent per gallon MFT that is set to expire on June 30, 2016.

Engineering Approval Obtained	Finance Approval Obtained	Legal Approval Obtained	Approval Obtained	Manager's Approval Obtained
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Council Action: Motion by _____ 2nd by _____ to _____

**CITY OF CARBONDALE, ILLINOIS
ORDINANCE NO. 2016-**

**AN ORDINANCE AMENDING TITLE SEVEN OF THE CARBONDALE REVISED
CODE AS IT RELATES TO MOTOR FUEL TAX EXTENDING THE ONE CENT TAX
EXPIRING ON JUNE 30, 2016**

ADOPTED BY THE CITY COUNCIL

OF THE CITY OF CARBONDALE, ILLINOIS

THE 14TH DAY OF JUNE, 2016

**Published in pamphlet form by authority of the City Council of the City of Carbondale,
Jackson County, Illinois, this 15th day of June, 2016.**

CERTIFICATE OF PUBLICATION

**I, Jennifer R. Sorrell, the duly qualified and acting City Clerk of the City of
Carbondale, Illinois, and the official custodian of the records of said City, do hereby certify
that this Ordinance was published in pamphlet form by authority of the City Council on
the 15th day of June, 2016.**

Jennifer R. Sorrell, City Clerk

ORDINANCE NO. 2016-

AN ORDINANCE AMENDING TITLE SEVEN OF THE CARBONDALE REVISED CODE AS IT RELATES TO MOTOR FUEL TAX EXTENDING THE ONE CENT TAX EXPIRING ON JUNE 30, 2016

WHEREAS, the City of Carbondale, Illinois is a home rule unit of local government under the Illinois Constitution, 1970, Article VII, Section 6; and

WHEREAS, pursuant to Article VII, Section 6(a), of the Illinois Constitution, 1970, the City of Carbondale may exercise any power and perform any function pertaining to its government and affairs including, but not limited to, the power to regulate for the protection of the public health, safety, morals and welfare; and

WHEREAS, Title Seven of the Carbondale Revised Code regulates the finance, taxation, and business affairs of the businesses within the city limits of the City of Carbondale; and

WHEREAS, Section 7-10-A. regulates the tax imposed on the purchase of each gallon of motor fuel, or fraction thereof, sold at retail within the city limits of the City of Carbondale; and

WHEREAS, the City Council of the City of Carbondale finds it in the best interest of the City of Carbondale to amend Title 7, Chapter 10, Section 2, Paragraph A of the Carbondale Revised Code as it relates motor fuel tax levied within the Carbondale city limits.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CARBONDALE, ILLINOIS, AS FOLLOWS:

SECTION 1. That Title 7, Chapter 10, Section 2, Paragraph A of the Revised Code of the City of Carbondale is hereby amended to read as follows:

- A. There is hereby levied and imposed upon the purchase of each gallon of motor fuel, or fraction thereof, sold at retail within the corporate limits of the city of Carbondale, a tax at the rate of three cents (\$0.03) per gallon, effective July 1, 2005~~16~~. The proceeds resulting from the imposition of the three cent (\$0.03) tax, including penalties, shall be

credited to and deposited in the local improvement fund. ~~On June 30, 2016, and thereafter, a tax at the rate of two cents (\$0.02) per gallon is to be levied and imposed upon the purchase of each gallon of motor fuel, or fraction thereof, sold at retail within the corporate limits of the city of Carbondale to be credited to and deposited in the local improvement fund.~~

SECTION 2. All of the remaining Sections of Title Seven of the Carbondale Revised Code shall remain in full force and effect.

SECTION 3. That all ordinances and parts thereof in conflict herewith are expressly repealed and are of no other force and effect.

SECTION 4. The repeal of any ordinance by this Ordinance shall not affect any rights accrued or liability incurred under said repealed ordinance to the effective date hereof. The provisions of this Ordinance, insofar as they are the same or substantially the same as those of any prior ordinance, shall be construed as a continuation of said prior ordinance.

SECTION 5. That it is the intention of the City Council of the City of Carbondale that this Ordinance and every provision thereof shall be considered separable and the invalidity of any section, clause, or provision of this Ordinance shall not affect the validity of any other portion of this Ordinance.

SECTION 6. That the City Council of the City of Carbondale finds that the subject matter of this ordinance pertains to the government and affairs of the City of Carbondale and is passed pursuant to the provisions of Article VII, Section 6(a) of the 1970 Illinois Constitution.

SECTION 7. That this Ordinance shall take effect upon its passage, approval, recording, and publication in pamphlet form in accordance with law.

APPROVED: _____
John M. Henry, Mayor

ATTEST: _____
Jennifer R. Sorrell, City Clerk

APPROVED AS TO LEGALITY AND FORM:

Lenoard "Jamie" Snyder, City Attorney