

## Request for City Council Action

**Date:** June 14, 2016

<b>Agenda Section:</b> General Business  <b>No.</b>	<b>Originating Department:</b>  City Manager
<b>Item:</b> Ordinance amending Title 7 of the Carbondale Revised Code as it relates to motor fuel tax  <b>No.</b> 6.2	<b>Approved:</b>

**Background:**

At the May 24, 2016 City Council meeting, the City Council held a discussion to consider new revenue sources that included additional motor fuel tax (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.

Motor fuel tax is applied on a per gallon of fuel basis. Every one cent per gallon of MFT produces approximately \$130,000 annually in MFT revenue that is collected in the motor fuel tax fund; a special revenue fund. Motor fuel tax fund revenues are used to maintain City streets and alleys and to fund community investment projects for street construction. At the May 24, 2016 City Council meeting, it was suggested that the MFT be increased as much as four cents (\$.04) per gallon which would produce an additional \$520,000 in revenue for the motor fuel tax fund. Attached for Council consideration is an ordinance amending Title 7 of the Carbondale Revised Code to increase the motor fuel tax by four cents per gallon effective July 1, 2016.

**Recommended Action:**

It is recommended that the City Council adopt an ordinance to amend Title 7 of the Carbondale Revised Code as it relates to motor fuel tax.

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**

**ADOPTED BY THE CITY COUNCIL  
OF THE CITY OF CARBONDALE, ILLINOIS  
THE 14<sup>TH</sup> DAY OF JUNE, 2016**

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

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**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**

**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)~~ seven cents (\$0.07) per gallon, effective July 1, 2005~~16~~. The proceeds resulting from the imposition of the ~~three cent (\$0.03)~~ seven cent (\$0.07) 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:

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Lenoard "Jamie" Snyder, City Attorney