

# Statutory Changes Related To Police Jurisdictions

## Act 2015-361

Municipal "control" within a police jurisdiction has been an issue of controversy for many years and for many reasons. **Act 2015-361**, which takes effect on September 1, 2015, represents a first step at trying to address some of the issues, particularly related to when and how a municipality can levy and assess licenses, fees, and taxes within the police jurisdiction. An overview of the most significant changes to current law are set out below. And a copy of the amended Code sections of interest to county revenue officers is attached.

### Alteration of Municipal Limits and Police Jurisdictions

The most important change in the law is that effective September 1, 2015, any alterations to a police jurisdiction based upon the annexation or deannexation of property shall be effective only once a year on January 1 for any annexation or deannexation finalized on or before the preceding October 1. **Ala. Code § 11-40-10(d)**.

Additionally, no later than January 1 of each year, a map showing the boundaries of the corporate limits and police jurisdiction of the municipality shall be submitted to the Atlas Alabama state website, provided use of that website is available at no cost to the municipality.

- For the county revenue officer, the important aspect of this change is that no ordinance, license, permit, or tax levy may be enforced against an individual within the police jurisdiction unless the municipality has complied with these notice requirements.

### Levying Business Licenses in Police Jurisdiction

Existing law found at **Ala. Code §11-51-91(a)** authorizes a municipality to levy a business license within the police jurisdiction of the municipality at one half (1/2) the amount charged to a business within the municipal corporate limits.

- The amount cannot be greater than the cost of services provided by the municipality within the police jurisdiction.

**Act 2015-361** amends this Code section to include the following additional requirements after September 1, 2015:

- All licenses adopted pursuant to **Ala. Code §11-51-91** shall be assessed to **all** businesses, trades, or professionals within the police jurisdiction.
- No license in the police jurisdiction shall take effect until a 30-day notice has been given as required in **Ala. Code § 11-45-8** and has been submitted to Atlas Alabama.
- No license may be imposed under **Ala. Code §11-51-91** in an expanded police jurisdiction until the January 1 following the annexation as provided in **Ala. Code § 11-40-10**.
- No ordinance can be enforced against an individual or entity affected by the ordinance unless the municipality has complied with these notice requirements.

**Ala. Code § 11-51-191(b)** currently provides that the municipality is not required to calculate the cost of services provided in the police jurisdiction, provided the total amount of revenues from the licenses collected in the police jurisdiction is not greater than the cost of services the municipality provides within the police jurisdiction. However, pursuant to **Act 2015-361**, the municipality will now have the following reporting requirements:

- To prepare an annual report with an accounting of all license revenues collected in the police jurisdiction.
- To provide a list of the services provided in the police jurisdiction.
- To provide a list of the service providers in the police jurisdiction.
- The report shall be completed within 90 days of the close of the fiscal year,
- A copy of the report shall be forwarded to the Office of Examiners of Public Accounts and made available to the public.

The law still provides that a business within the police jurisdiction of two or more municipalities which levy licenses shall pay the license fees to the municipality whose boundary measured to the nearest point is closest to the business.

#### Levying Municipal Taxes in Police Jurisdiction

**Ala. Code §11-51-206** still allows the municipality to levy and assess taxes within the police jurisdiction at one-half (1/2) the amount levied and assessed for like businesses within the corporate limits. **Act 2015-361** now requires that all taxes actually be levied and assessed and provides that no levy or assessment shall take effect until 30-day notice has been given.

- The notice is the same as required in **Ala. Code § 11-45-8**.
- The notice shall also be submitted to Atlas Alabama.
- The municipality must prepare an annual report with an accounting of all revenues collected in the police jurisdiction and provide both a list of the services provided in the police jurisdiction and a list of those providers.
- A copy of the report shall be forwarded to the Office of Examiners of Public Accounts and made available to the public.

Additionally, no tax levy or assessment may be imposed in an expanded police jurisdiction until the expansion is effective under **Ala. Code § 11-40-10(d)**.

## Excerpts from Act 2015-361 (*New language highlighted*)

### Ala. Code § 11-40-10.

(a) The police jurisdiction in municipalities having 6,000 or more inhabitants shall cover all adjoining territory within three miles of the corporate limits, and in municipalities having less than 6,000 inhabitants and in towns, the police jurisdiction shall extend also to the adjoining territory within a mile and a half of the corporate limits of the municipality or town.

(b) Ordinances of a city or town enforcing police or sanitary regulations and prescribing fines and penalties for violations thereof shall have force and effect in the limits of the city or town and on any property or rights-of-way belonging to the city or town. In order for an ordinance adopted after the effective date of this act to have force and effect in a police jurisdiction of a municipality or town, the municipal governing body shall provide a 30-day notice that the ordinance shall be effective in the police jurisdiction. The notice given shall be the same as required for adoption of an ordinance under Section 11-45-8. Additionally, if available at no cost to the municipality, the notice shall be submitted to the Atlas Alabama state website or any successor state-operated website providing information to businesses. No ordinance adopted after the effective date of the act amending this section may be enforced against an individual or entity in the police jurisdiction affected by the ordinance until and unless the municipality has complied with the notice requirements provided for in this section.

(c) The police jurisdiction of any municipality which pursuant to this section extends to include part of any island which has water immediately offshore adjacent to the boundary of the State of Florida, upon approval of the council of the municipality, shall extend to include the entire island including the water adjacent to the island extending to the existing police jurisdiction of the municipality and extending to the Florida state boundary where applicable.

(d) Any alterations to a police jurisdiction based upon the annexation or deannexation of property after September 1, 2015 shall be effective only once a year on the first day of January and shall take effect for any annexation or deannexation which was finalized on or before the preceding first day of October. No later than the first day of January in each year, a map showing the boundaries of the municipal limits and police jurisdiction of the municipality shall be submitted to, if available at no cost to the municipality, the Atlas Alabama state website or any successor state-operated website providing information to businesses. No ordinance, license, permit, or tax levy may be enforced against an individual or entity included in the alteration of the police jurisdiction unless the municipality has complied with the notice requirements provided for in this section.

(e) The annexation of property by general or local law may not extend the police jurisdiction of a municipality except as expressly provided in general or local law. Any extension of a police jurisdiction expressly provided for in general or local law is subject to subsection (d) and shall take effect only on the next January 1 following the annexation by general or local law.

(f) When any noncontiguous property has been annexed or is annexed into a municipality, the municipal governing body by resolution may elect not to exercise any jurisdiction or authority, including the assessment of any tax, in any portion of the police jurisdiction extended as a result of the annexation, notwithstanding any other law to the contrary.

**Ala. Code § 11-51-91.**

(a) Any municipality may adopt an ordinance to fix and collect licenses for any business, trade, or profession done within the police jurisdiction of the municipality but outside the corporate limits thereof; provided, that the amount of the licenses shall not be more than one half the amount charged and collected as a license for like business, trade, or profession done within the corporate limits of the municipality, fees and penalties excluded; and provided further, that the total amount of the licenses shall not be in an amount greater than the cost of services provided by the municipality within the police jurisdiction. All licenses adopted pursuant to this section shall be assessed to all businesses, trades, or professionals within the police jurisdiction. No license adopted after September 1, 2015 in the police jurisdiction shall take effect until a 30-day notice has been given of the adoption of the ordinance; provided, however, that no license may be imposed under this section in an expanded police jurisdiction until the police jurisdiction expansion is effective under subsection (d) of Section 11-40-10. The notice given shall be the same as required for adoption of an ordinance under Section 11-45-8. Additionally, if available at no cost to the municipality, the 30-day notice shall be submitted to the Atlas Alabama state website or any successor state-operated website providing information to businesses. No ordinance adopted after the effective date of the act amending this section may be enforced against an individual or entity affected by the ordinance unless the municipality has complied with the notice requirement provided in this section.

(b) No calculation shall be required to be made by the municipal officials or license officer for the cost of services to any particular business or classification of businesses within the police jurisdiction so long as the total amount of revenues from the licenses collected in the police jurisdiction is not an amount greater than the cost of services provided by the municipality to the police jurisdiction. Each municipality shall prepare an annual report which shall include an accounting of all license revenues collected in the police jurisdiction expanded after the effective date of the act amending this section and provide a list of the services provided by the municipality and a list of providers within the police jurisdiction. A copy of the annual report, which shall be completed within 90 days of the close of the fiscal year, shall be forwarded to the Office of Examiners of Public Accounts and shall be made available to the public.

(c) When the place at which any business, trade, or profession is done or carried on is within the police jurisdiction of two or more municipalities which levy the licenses thereon authorized by this section, the licenses shall be paid to, issued, and collected by that municipality only whose boundary measured to the nearest point thereof is closest to the business, trade, or profession. This section shall not have the effect of repealing or modifying the limitations in this article relating to railroad, express companies, sleeping car companies, telegraph companies, telephone companies, and public utilities and insurance companies and their agents. This section shall be given a liberal construction to effectuate its purpose and meaning.

**Ala. Code § 11-51-206.**

The council or other governing body shall have the authority to levy and assess by ordinance within the police jurisdiction of any municipality or town all taxes authorized by this article; provided, that said levy and assessment shall not exceed one-half the amount levied and assessed for like businesses, sales or uses conducted within the corporate limits, fees and penalties excluded. All taxes adopted pursuant to this section shall be levied and assessed. No levy or assessment of a tax adopted by ordinance after the effective date of the act amending this section shall take effect until a 30-day notice has been given of the adoption of the ordinance; provided, however, that no tax levy or assessment may be imposed under this section in an expanded police jurisdiction until the police jurisdiction expansion is effective under subsection (d) of Section 11-40-10. The notice given shall be the same as required for adoption of an ordinance in Section 11-45-8. Additionally, if available at no cost to the municipality, the 30-day notice shall be submitted to the Atlas Alabama state website or any successor state-operated website providing information to businesses. Each municipality shall prepare an annual report which shall include an accounting of all revenues collected in the expanded police jurisdiction after the effective date of the act amending this section and provide a list of the services provided by the municipality and a list of providers within the police jurisdiction. A copy of the annual report, which shall be completed within 90 days of the close of the fiscal year, shall be forwarded to the Office of Examiners of Public Accounts and shall be made available to the public.