

**CITY OF DAPHNE, ALABAMA
ORDINANCE 2026-03**

**AN ORDINANCE AMENDING THE CITY OF DAPHNE'S
GASOLINE EXCISE TAX ORDINANCE NO. 1990-20**

WHEREAS, the City of Daphne currently levies a municipal gasoline excise tax of one cent (\$0.01) per gallon pursuant to its authority under Alabama law; and

WHEREAS, the mileage of public streets, rights-of-way, and related transportation infrastructure within the corporate limits of the City has increased substantially in recent years due to continued residential and commercial development, as well as multiple annexations expanding the City's boundaries; and

WHEREAS, the cost of constructing, maintaining, resurfacing, and repairing public streets, sidewalks, drainage structures, and traffic-control devices has materially increased due to inflation in construction materials, equipment, and labor; and

WHEREAS, the City's long-range capital plans identify ongoing and anticipated needs for improved roadway capacity, pavement preservation, intersection upgrades, multimodal connectivity, and other transportation-related projects necessary to protect public safety and support continued economic growth; and

WHEREAS, increasing the municipal gasoline excise tax from one cent (\$0.01) per gallon to three cents (\$0.03) per gallon will provide additional dedicated revenue needed to meet these transportation infrastructure demands and to maintain safe and efficient public streets for the traveling public; and

WHEREAS, any additional local motor-fuel tax amount levied after August 1, 2023 is required by Alabama law to be used exclusively for roadway, bridge, and transportation-related purposes, and the City intends to allocate and expend the incremental revenue accordingly; and

WHEREAS, the City Council finds that the proposed rate adjustment is in the best interest of the City, is reasonably related to the increased costs of providing and maintaining public streets and related infrastructure, and is necessary to promote the health, safety, and welfare of the citizens of Daphne.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DAPHNE, ALABAMA as follows:

SECTION 1. AMENDMENT TO SECTION 13-31, LEVY OF TAX.

Section 13-31 of the City of Daphne Code of Ordinances, entitled "Levy of Tax," is hereby amended to read as follows:

There is hereby levied and imposed an excise tax of three cents (\$0.03) per gallon on persons, corporations, copartnerships, companies, agencies or associations engaged in the business of selling, distributing, storing or withdrawing from storage for any purpose whatever gasoline or other liquid motor fuels or devises or substitutes therefor within the corporate limits of the city. Every distributor, retail dealer, or storer of gasoline is required to pay an excise tax in such amount upon the selling, distributing, or withdrawing from storage for any use gasoline in the city. The excise tax levied hereby shall not and is not levied and shall not be collected upon the sales of gasoline in interstate commerce, provided that if the excise tax imposed hereby upon the sale, distribution, or withdrawal from storage of such shall have been paid by a distributor or a retail dealer or by a storer, such payment shall be sufficient, the intention being that the tax shall not be paid but once. The excise tax imposed under this article shall apply to dealers or distributors or other persons storing and distributing the same or allowing the same to be withdrawn from storage, whether such withdrawal is for sale or other use; provided that sellers of gasoline paying the tax herein provided may pay the same computed and paid on the basis of their sales as herein provided and storers and distributors shall compute and pay such tax on the basis of their withdrawals or distributions. The tax herein imposed shall be in addition to all excise or other taxes imposed on gasoline, or on the business of selling, distributing, storing or withdrawing from storage for any purpose gasoline by the state or any other agency or subdivision of the state or the United States.

SECTION 2. INCORPORATION IN THE CODE OF ORDINANCES.

The provisions of this ordinance shall be included in and incorporated in the Code of Ordinances of Daphne, Alabama, as an addition or amendment thereto, and shall be renumbered, if appropriate, to conform to the uniform numbering system of the Code.

SECTION 3. NO OTHER CHANGES.

The remaining provisions of Ordinance 1990-20, and those surviving provisions of Ordinance 1987-6 not previously amended, shall remain in full force and effect.

SECTION 4. SEVERABILITY.

The provisions, sections, paragraphs, sentences, clauses, phrases, and parts thereof of this ordinance are severable, and if any provision, section, paragraph, sentence, clause, phrase, or part thereof of this ordinance shall be declared unconstitutional or invalid by a court of competent jurisdiction, then such ruling shall not affect any other provision, section, paragraph, sentence, clause, phrase, or part thereof, since the same would have been enacted by the Council without the incorporation of any such unconstitutional or invalid provision, section, paragraph, sentence, clause, phrase, or part thereof.

SECTION 5. NOTICE TO ALABAMA DEPARTMENT OF REVENUE.

Pursuant to Ala. Code § 11-51-210(e), no later than January 31, 2026, the City Clerk shall cause a certified copy of this ordinance to be delivered to the Alabama Department of Revenue as required by law.

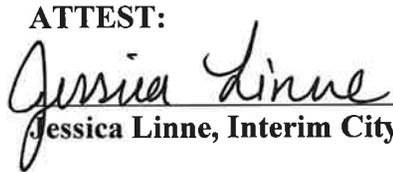
SECTION 6. EFFECTIVE DATE.

This ordinance shall become effective upon its adoption and publication as required by law. The tax imposed by this ordinance shall go into effect on April 1, 2026.

ADOPTED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF DAPHNE, ALABAMA on this the 20th day of January, 2026.



Robin LeJeune, Mayor

ATTEST:


Jessica Linne, Interim City Clerk