



Office of the Mayor
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May 10, 2012

To: Urbana City Council

From: Laurel Prussing *L.P.*

Re: Amendment to Increase Local Motor Fuel Tax to 4 cents per gallon

Under the existing ordinance the Local Motor Fuel Tax will go from the current 2.4 cents per gallon to 2.8 cents on July 1, 2012.

As you know the price of gasoline in Champaign and Urbana has been the same for the past two years that the Urbana tax has been in effect. This is similar to the experience of other Illinois communities—the price in the city with the tax has been the same as the neighboring city with no tax.

The City of Champaign 4 cent per gallon tax became effective May 1. Again, there is no difference in the price at the pump between Champaign and Urbana. Therefore, I am recommending that we increase the Urbana rate to 4 cents effective July 1, 2012.

This will provide us with additional funding for maintaining local streets without increasing the price at the pump for Urbana customers compared with those in Champaign.

The Council will decide the funding priorities for the use of these funds on local streets during the budget process.



ORDINANCE NO. 2012-05-048

AN ORDINANCE AMENDING URBANA CITY CODE CHAPTER 22, SECTION 22-31

(Local motor fuel tax)

WHEREAS, the City of Urbana ("City") is a home rule unit of local government pursuant to Article VII, Section 6, of the Illinois Constitution, 1970, and may exercise any power and perform any function pertaining to its government and affairs, including the power to tax; and

WHEREAS, the City Council heretofore has enacted Urbana City Code Section 22-31 to levy and impose a tax upon the purchase of each gallon of motor fuel, or fraction thereof, sold at retail within the corporate limits of the City; and

WHEREAS, the City Council finds that the best interests of the City are served by amending said section.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Urbana, Champaign County, Illinois, as follows:

Section 1.

Urbana City Code Chapter 22, "Taxation," Article III, "Local Motor Fuel Tax," Section 22-31, is hereby amended with the underlined text indicating new language and the strikethrough text indicating deletions as follows:

Sec. 22-31. - Tax imposed.

(a) There is 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, irrespective of the unit of measure in which it is actually sold, a tax at the rate of two-four cents (\$0.0204) per gallon. ~~from and after October 1, 2010.~~

~~(b) Effective July 1, 2011, the tax imposed under this subsection shall be increased by four-tenths of one cent (\$0.004). On July 1 of each year thereafter, until and including July 1, 2013, the tax rate in effect in the preceding year shall be increased by four-tenths of one cent (\$0.004). Each increase shall be automatic unless the city council by ordinance foregoes or waives an increase prior to said July 1 date. Beginning in the year 2014, the annual increase, if any, shall be determined by the city council in conjunction with a review of the annual adjustment of city fees.~~

(eb) The tax herein levied shall be paid in addition to any and all other taxes and charges. The tax herein imposed is not based on the selling or purchase price or gross receipts from the sale or purchase of motor fuel.

(dc) The ultimate incident of and liability for payment of the tax is to be borne by the retail purchaser of motor fuel. Nothing in this article shall be construed to impose a tax upon the occupation of persons engaged in the retail sale of motor fuel.

(ed) It shall be the duty of every retail gasoline dealer to secure the tax from the purchaser at the time the dealer collects the purchase price for the motor fuel and to pay over the tax to the finance department, as provided in this article.

(Ord. No. 2010-08-070, § 1, 8-16-10; Ord. No. 2010-10-101, § 1, 11-1-10)

Section 2.

This ordinance will take effect on July 1, 2012.

Section 3.

Those sections, paragraphs, and provisions of the Urbana City Code that are not expressly amended or repealed by this Ordinance are hereby re-enacted, and it is expressly declared to be the intention of this Ordinance not to repeal or amend any portions of the Urbana City Code other than those expressly set forth as amended or repealed in this Ordinance. The invalidity of any section or provision of this Ordinance hereby passed and approved shall not invalidate other sections or provisions thereof.

Section 4.

This Ordinance shall not be construed to affect any suit or proceeding pending in any court, or any rights acquired, or a liability incurred, or any cause or causes of action acquired or existing prior to the effective date of this Ordinance; nor shall any right or remedy of any character be lost, impaired, or affected by this Ordinance.

Section 5.

The City Clerk is directed to publish this Ordinance in pamphlet form by authority of the corporate authorities, and this Ordinance shall be in full force and effect from and after its passage.

This Ordinance is hereby passed by the affirmative vote, the "ayes" and "nays" being called, of a majority of the members of the Council of the City of Urbana, Illinois, at a meeting of said Council.

PASSED BY THE CITY COUNCIL this ____ day of _____, _____.

AYES:

NAYS:

ABSENT:

ABSTAINED:

Phyllis D. Clark, City Clerk

APPROVED BY THE MAYOR this ____ day of _____, _____.

Laurel Lunt Prussing, Mayor