

## ■ Fees

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and council for not making more of an effort to inform them of the proposed changes before they were voted on.

According to the council's minutes, Ordinance No. 2006-002 was brought up for a vote at the Nov. 26, 2006 meeting and passed unanimously with all five council members present and voting "yes" — Katina Manley, Tony Cherry, Mitchell James, Al Hampton and Rhonda Goodman.

The new ordinance, as well as Alabama law in general, prevents the council from discussing specific amounts paid by businesses because of privacy issues, attorney Glen Padgett said at the beginning of the meeting, and asked that persons not discuss specific dollar amounts.

Padgett said he has arranged for a representative of AlaTax, the private company that the town contracts with for the collection of taxes and business license fees, to be at Town Hall on Thursday, March 8th to discuss the new ordinance one-on-one with local business owners.

"The Business Council of Alabama and the Legislature got together and decided this," Mayor Fendley told the group.

Dale Allen, of D&E Truck and Trailer Repair, wanted to know if every town in Choctaw County is going to the new, higher fee schedule.

Fendley said he would rather not answer questions of a legal nature.

"I've been going to different places to look for grants and money to bring back to the Town of Pennington for streets, parks, and other improvements, but we don't have the matching money," Fendley said. "If we can make Pennington grow it will help everyone's business."

Allen, however, said that it looks to the existing business owners that they are being punished financially.

"That's kind of hard to see," he said of the mayor's reasoning. "If I was looking to place a business here and I saw that the business license fee had tripled or quadrupled, why would I want to put a business here?"

Fendley said the town has calls "every week" from prospective businesses that want to locate in the town, which is also home to one of the regions largest industries and employers — Georgia Pacific Corporation's Naheola Mill.

"We just don't have the infrastructure that these new businesses require," Fendley said.

Mike Norwood, who owns Pennington Grocery, asked why the town made the move early. State law requires the change to be implemented by Dec. 31st, 2007.

"We went to it a year early here in our town so that we can start getting money that's available for streets and other needs," Fendley replied.

Norwood said he understands that it takes money to run the town.

"But so does my business," he said. "My business was a vacant building when I bought it, and I came in and brought jobs to this town, but the bottom line is, I can't afford what this is going to cost me. We were not warned about this, and we didn't budget for it. We get chewed out about our

prices already being too high every day. It's a 'catch 22' situation."

The mayor said that since the ordinance was advertised and posted in public places for two weeks, business owners, "had plenty of time to protest" before any action was taken.

Norwood said when he did find out about the move, he called and left messages for the mayor but that he never received a call back.

"We're just trying to move the town forward," Fendley said.

"Sure, let's move the town forward, but let's not shut down the businesses we have in the process," Norwood replied. "My 'gross receipts' are a lot different than my 'gross profits', I can assure you. My license last year was \$450, and I can't even tell you what its going to be this year. We don't have any options, so we are coming to you to ask for help. We are being persecuted for being in business here."

Norwood rebuked officials for not doing a better job of notifying business owners about the pending move.

"I do not have the profit margin there to handle an increase like this," Norwood said. "I need help."

Ricky Luker said that he received a letter in early January telling him that the change had been made.

"We weren't prepared for going from a flat rate business license fee as in the past to this new way," he said.

And, as Allen interjected, "it's a pretty drastic change between the two." Allen said he feels that he has no say in the matter because even though his business is located in Pennington, he lives in Butler.

Council Member Tony Cherry said that he does not want business owners to feel like they are being persecuted.

"You have a voice, you can call on us and talk to us," he said. "I sympathize with some of what you are saying. Let's try to get with the mayor and set up a work session to discuss this. I don't want to see Mr. Norwood close his business, or any of the rest of you, God knows I don't. We're going to work something out, I can promise you."

Allen asked if the town is so concerned now, why weren't local business owners considered before the decision was made.

"We started discussing it last summer, and we voted on it in November. Our council meetings are open to the public, every first Monday at 7 p.m.," Fendley said.

Council Member Al Hampton said he thinks Ala-Tax should come and meet with the Council as a whole.

"We might could do something for this year but state legislators are going to have to change the law," Fendley said.

Norwood said he was glad to see news media present at the meeting.

"Maybe it will keep other people in other towns from being blindsided like we were," he said. "I don't think even some of you council members had all the facts."

Allen likewise said he could not get the mayor to call him back.

"I have been advised by our attorney to not be talking about this," Fendley said.

Sherman Faile, Manager of Marco Warehouse,

said he had a real issue with a stipulation in the new law that gives municipalities the right to come into a private business and demand to audit their books.

"We've been here for almost 29 years, we have provided jobs, we have paid our taxes, and we have abided by the law," Faile said.

"Also, the federal government does not base any license fee on gross revenues, and neither does the state," Faile said. "How can a town do something that the state and federal governments can't do?"

He asked if there is a "cap" on the amount that a town can set for a license fee.

"All of us as businesses are with you in wanting the town to grow, but this seems to be an unfair assessment," he said. "If you double my tax over a five year period, I don't complain. But if you do it times ten in one year, I'm going to complain, loudly."

No business in Pennington can live with the increases, Faile stated.

Even though he is manager of the Marco Warehouse, Faile said that even he is not privy to the "gross receipts" information of his company.

"So why is it any of your business?" he asked "That's a privacy concern. How are you going to protect that information? Gross receipts are not public information."

He also wanted to know how much AlaTax earned as a commission for collecting the license fees.

Town Clerk Vanessa Woodard said they are paid a flat \$5 per license fee.

Faile said that since the state doesn't base any business license fee on "gross receipts" he doesn't understand why towns can do so.

"You'll have to ask the State Legislature what their intent was when they passed this act," attorney Glenn Padgett commented. "We're just trying to follow the law."

Faile also asked if the fee schedules as approved by the Council were the only options or if there were alternatives.

"There are several sets of 'schedules' in this ordinance," he said. "There is gross receipts, square footage, number of employees. What are the options?"

Padgett said that such questions would have to be directed to Ala-Tax.

"So, what you are telling us is, you have imposed something on us that you yourself don't understand, is that right?" Allen asked. "You are robbing the people that are here already. What chaps the whole crew here tonight is that you have stepped off into something that you don't even understand yourselves."

Council Member Tony Cherry agreed.

"I fully sympathize with you on that," he said. "We as a council and mayor need to come to a consensus and work something out to resolve this issue quickly but not making a hasty decision that we will regret."

Fendley said the town didn't come up with the figures in the ordinance.

"It was a sample that was sent to us," he said.

Padgett said the model ordinance came from the Alabama League of Municipalities.

"So ya'll had no input at all in this?" Allen

asked.

The mayor responded, "no."

After the meeting, however, the *Sun* checked with an attorney for the Alabama League of Municipalities, who said that the sample ordinance which is posted on their website is intended as a guide only. In fact, a disclaimer posted on that website clearly states that municipalities do not have to adopt the ordinance "as written."

"Each municipality has the right to set its own rates," attorney Lori Lein, Deputy General Counsel for the League, told the *Sun*. She said the language of the model ordinances and the rates set out therein are intended merely as a guide and that the League does not tell towns what to charge or what formula to use.

"Cities have always had the authority to charge whatever they wanted, and that has not changed," she said. "We keep getting blamed for this but the League of Municipalities had nothing to do with the passage of this act. It was pushed by the Business Council of Alabama and other retail groups."

"There are a lot of things in the Act that are mandatory, but councils do have the discretion of setting rates to fit their local needs," she said. "They have to follow the categories, but the actual dollar amounts they charge are solely up to the council."

At the meeting Monday evening, Norwood said he has been trying to understand why businesses were hit with increases of 1000% of more.

"The bottom line is, if we recruit new businesses we are going to have to do some infrastructure work," Fendley said. "We have got to have some property, run sewer lines, and there's no need in us going and paying money for property if we don't have money for roads and sewer lines. Any grants will require 10 to 20 percent in matching funds and we can't guarantee that. We may have it and we may not. We want the town to progress. People want to build here, we've talked to some of them. Everyone that comes here tell us we are in the ideal location. We're on a railroad, on a major river, and a state highway runs through town."

But, Fendley added, he isn't going out and recruit businesses by promising them something that the town can't deliver on.

"It's not a good idea to apply for grants when we don't have the matching money to put with it," he said. "I don't know what that solution is. The town has a lot of potential, people calling and looking at us."

Cherry said he wants the council to come up with a solution. "I would hate to see these existing stores close," he said.

Business owners who would like to meet with Ala-Tax representatives at Town Hall on March 8th should call Padgett at 334-636-9704 to set up an appointment time.

(PUB. NOTE: The *Sun* will have some editorial comments to male on this situation in our Mid-week edition which will be on sale next Tuesday. -- Tommy.)

## ■ Promise

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tion, the Alabama PTA, the Council for Leaders in Alabama's Schools, as well as the SSA.

The Promise Campaign is being launched in an effort to get legislators to reconsider when they are tempted to sign measures such as tax cuts or diversions of funds that could compromise the ETF.

"We anticipate many pressures on legislators in the upcoming session to fund many good projects," said Lockwood, "But a good project becomes a bad project if it takes funding away from the ETF. Signing a promise to protect the ETF will make it easier for legislators to say no-they can say they have already committed to protecting the ETF."

The largest operating fund in the state, the Education Trust Fund was set up for the support, maintenance and development of public education, as well as to provide assistance with debt service and capital improvements of educational facilities. Appropriations coming from the ETF include a long list of education-related expenditures, from funds allotted to the State Department of Education to those designated for local K-12 school systems and the state's colleges and universities, to name a few. Funding from the ETF is also provided to non-state agencies that provide educational services such as the arts, health counseling and education, and youth development.

Appropriations of funds distributed through the ETF totaled more than \$11 billion for the 2006-07 fiscal year.

Funds are earmarked for the ETF from such sources as beer taxes, income taxes, sales taxes, store license fees, hydroelectric taxes, and utility taxes, among others. Revenue from these sources brings in from \$4 billion to \$5 billion for the ETF each year.

Until 2001, the ETF also received funds from tobacco taxes and leasing/rental taxes. Those funds were transferred to the state's General Fund beginning in January of that year.

During the 2006-07 fiscal year, funds designated for the ETF were decreased from the expected \$5,530,000,000 to \$5,498,500,000, with the decreases coming from \$28 million in income tax cuts and \$3.5 million in loss of receipts from the sales tax holiday.

In the coming week, a host of events will be held to garner support for the Promise Campaign, including possible events in Choctaw County. Watch the *Sun* for more information on local Promise campaign events involving schools and legislators.

### Coming in the Tuesday MIDWEEK issue:

- Federal judge rules in favor of local E-911 District
- Editorial commentary on the furor over Pennington's new business license fee schedule
- Coverage of the March 5 meeting of the Choctaw Co. Commission

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## ■ Calendar

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**Saturday, March 10th**  
CHOCTAW BOW HUNTERS, Relay For Life Bow Tournament, Gilbertown Bow Range, 10 a.m. All proceeds will go to Relay For Life. A \$15 entry fee is required for all entries. For more information or questions contact Janet Downey at 205-673-2253.

DAYLIGHT SAVING TIME BEGINS at 2 a.m. on Sunday, March 11th. Remember to set your clocks, watches and other timed appliances FORWARD one hour before going to bed on Saturday evening, March 10th.

**Sunday, March 11th**  
PASTOR KENNEDY GRAY'S 29th ANNIVERSARY, Oak Grove Missionary Baptist Church, 2 p.m. Rev. Obadiah Clemons of Lauderdale, MS will be the guest speaker.

**Monday, March 12th**  
THE CHOCTAW CO. DEPT. OF HUMAN RESOURCES Board of Directors will meet at noon in the

Board Room of the county office located at 1003 S. Mulberry Avenue.

**Tuesday, March 13th**  
CHOCTAW CO. RETIRED TEACHERS meeting, 10 a.m., Rush Medical Clinic in Gilberttown.  
CHOCTAW CO. BOARD OF EDUCATION MEETING, 5:30 p.m., Southern Choctaw Elementary School, Gilberttown.

**Wednesday, March 14th**  
RECORDING ARTISTS BILL AND VICKI SKY will present a special program of gospel music at Mt. Pisgah Baptist Church, Melvin, 7 p.m. The Skys have appeared on TBN and PTL networks and others. No admission charge but love offerings will be accepted. For more information, Call 601-776-0308.

**Saturday, March 17th**  
BENEFIT PROGRAM for Akeria and Janae Williams and Jeanifer Monghan, New Mt. Mariah M.B. Church, Nanafalia, 6:30 p.m. Rev. Alphonso Bowen, Pastor and Sis. Sheila Spears, Chairperson.