



Huntsville, Alabama

305 Fountain Circle
Huntsville, AL 35801

Cover Memo

Meeting Type: City Council Regular Meeting **Meeting Date:** 10/23/2025

File ID: TMP-6129

Department: Legal

Subject:

Type of Action: Approval/Action

Resolution authorizing the City Attorney to seek a forfeiture of the surety bond issued by Auto-Owners Insurance Company.

Resolution No.

Finance Information:

Account Number: N/A

City Cost Amount: N/A

Total Cost: N/A

Special Circumstances:

Grant Funded: N/A

Grant Title - CFDA or granting Agency: N/A

Resolution #: N/A

Location: (list below)

Address: N/A

District: District 1 ☐ District 2 ☐ District 3 ☐ District 4 ☐ District 5 ☐

Additional Comments: N/A

RESOLUTION NO. 25-_____

WHEREAS, Auto-Owners Insurance Company issued a surety bond in the amount of TWENTY-FIVE THOUSAND AND 00/100 DOLLARS (\$25,000.00) for the payment of liquor and other taxes to a certain taxpayer.

WHEREAS, the Principal failed to pay taxes in the amount of THIRTY-FOUR THOUSAND SEVEN HUNDRED SEVENTY-TWO AND 74/100 DOLLARS (\$34,772.74) for the taxing period of May 2023 through April 2025 and interest through August 2025; and

WHEREAS, the Finance Department has made every possible effort to collect the taxes due from the Principal.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Huntsville, Alabama, that the City Attorney's Office is hereby authorized, requested, and directed to seek a forfeiture of the surety bond issued by Auto-Owners Insurance Company; and

BE IT FURTHER RESOLVED by the City Council of the City of Huntsville, Alabama, that the Mayor, upon payment by Auto-Owners Insurance Company and in accordance with its bond, is hereby authorized, requested, and directed to execute a release and assignment agreement substantially in words and figures as Attachment "A", an executed copy of said document being permanently kept on file in the Office of the City Clerk of the City of Huntsville, Alabama.

ADOPTED this the 23rd day of October, 2025.

President of the City Council of
the City of Huntsville, Alabama

APPROVED this 23rd day of October, 2025.

Mayor of the City of
Huntsville, Alabama

ATTACHMENT "A"

KNOW ALL MEN BY THESE PRESENTS that the undersigned, for the sole consideration of TWENTY-FIVE THOUSAND AND 00/100 DOLLARS (\$25,000.00) to be paid by Auto-Owners Insurance Company from the bond of Case No. 410 (Bond Number 66399760), to the City of Huntsville, Alabama, releases and discharges Auto-Owners Insurance Company from the obligation of the bond to the extent of TWENTY-FIVE THOUSAND AND 00/100 DOLLARS (\$25,000.00) for the taxing period of May 2023 through April 2025 and interest through August 2025.

In further consideration of payment of TWENTY-FIVE THOUSAND AND 00/100 DOLLARS (\$25,000.00) of the above noted bond, the City of Huntsville, Alabama, hereby assigns to Auto-Owners Insurance Company any claim the City of Huntsville, Alabama, may have against Case No. 410, for delinquent or deficient taxes or license fees to the extent of the remitted amount of TWENTY-FIVE THOUSAND AND 00/100 DOLLARS (\$25,000.00) for the taxing period of May 2023 through April 2025 and interest through August 2025. The City of Huntsville, Alabama, retains any claim it may have against Case No. 410 for delinquent or deficient taxes or license fees greater than the amount of TWENTY-FIVE THOUSAND AND 00/100 DOLLARS (\$25,000.00) received from Auto-Owners Insurance Company for the taxing period of May 2023 through April 2025 and interest through August 2025.

IN WITNESS WHEREOF, the City of Huntsville, Alabama, has caused this document to be executed by its duly sworn officer this the 23rd day of October, 2025.

CITY OF HUNTSVILLE, ALABAMA

BY: _____
Tommy Battle
Its Mayor

ATTEST:

By: _____
Shaundrika Edwards
Its City Clerk