

**CITY OF CORINTH, TEXAS
ORDINANCE NO. 21-06-03-17**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CORINTH, TEXAS, AMENDING TITLE XI, "BUSINESS REGULATIONS", OF THE CITY'S CODE OF ORDINANCES TO ADD A NEW CHAPTER, CHAPTER 119 TO BE ENTITLED, "SHORT-TERM MOTOR VEHICLE RENTAL TAX", TO REFLECT THE ADOPTION OF A SHORT TERM MOTOR VEHICLE RENTAL TAX WITHIN THE CITY TO FUND AN APPROVED VENUE PROJECT, AS APPROVED BY THE VOTERS IN THE MAY 2021 SPECIAL ELECTION; PROVIDING FOR THE INCORPORATION OF PREMISES; PROVIDING FOR AN AMENDMENT; PROVIDING A CUMULATIVE REPEALER CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A PENALTY CLAUSE; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Corinth, Texas, (the "City"), is a home rule municipality acting under its Charter adopted by the electorate pursuant to Article XI, Section 5 of the Texas Constitution and Chapter 9 of the Texas Local Government Code; and

WHEREAS, Chapter 334 of the Texas Local Government Code, as amended, (the "Act"), authorizes a municipality to designate various community-related capital improvements and related infrastructure as a "venue" and to designate a method of financing the planning, acquisition, establishment, development, and construction of the venue subject to: (1) a determination by the Texas Comptroller ("Comptroller"), that approval and implementation of the venue project will not have a significant negative fiscal impact on state revenue; and (2) approval by a majority of the qualified voters of the City of Corinth, Texas, voting at an election on the matter; and

WHEREAS, by letter sent to the City on February 8, 2021, the Comptroller certified that implementation of the venue project, and imposition of a short term motor vehicle rental tax to fund the project, will not have a significant negative impact on state revenue; and

WHEREAS, on May 1, 2021, a special election was held within the City and a majority of the qualified voters approved a ballot proposition on the question of providing for the venue project and adopting a new short-term motor vehicle rental tax, at a rate of five percent (5%), to fund the venue project.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CORINTH, TEXAS:

SECTION 1
INCORPORATION OF PREMISES

The above and foregoing recitals are found to be true and correct and are incorporated into the body of this Ordinance for all purposes.

SECTION 2
AMENDMENT

That Article XI, "Business Regulations", of the City's Code of Ordinances is hereby amended by adopting a new chapter, Chapter 119, "Short-Term Motor Vehicle Rental Tax", to be read in its entirety as follows:

CHAPTER 119: - SHORT-TERM MOTOR VEHICLE RENTAL TAX

§ 119.01 – DEFINITIONS.

(A) As used in this chapter:

- (1) "Gross rental receipts" means the value received or promised as consideration to the owner of a motor vehicle for rental of the vehicle, but does not include:
 - a. separately stated charges for insurance;
 - b. charges for damages to the motor vehicle occurring during the rental agreement period;
 - c. separately stated charges for motor fuel sold by the owner of the motor vehicle; or
 - d. discounts.

- (2) "Motor vehicle" means a self-propelled vehicle designed principally to transport persons or property on a public roadway and includes a passenger car, van, station wagon, sports utility vehicle, and truck. The term does not include a:
 - a. trailer, semitrailer, house trailer, truck having a manufacturer's rating of more than one-half ton, or road-building machine;
 - b. device moved only by human power;
 - c. device used exclusively on stationary rails or tracks;
 - d. farm machine; or
 - e. mobile office.

- (3) "Motor vehicle tax venue project fund" means the account established by the city by resolution for the deposit of the tax revenue collected under this chapter.

- (4) "Owner of a motor vehicle" means:
 - a. a person named in the certificate of title as the owner of the vehicle; or
 - b. a person who has the exclusive use of a motor vehicle by reason of a rental and holds the vehicle for re-rental.

(5) "Place of business of the owner" means an established outlet, office, or location operated by the owner of a motor vehicle or the owner's agent or employee for the purpose of renting motor vehicles and includes any location at which three or more rentals are made during a year.

(6) "Rental" means an agreement by the owner of a motor vehicle to authorize for not longer than 30 days the exclusive use of that vehicle to another for consideration.

(B) Except as provided by subsection (A), the words used in this chapter and defined by Chapter 152 of the Texas Tax Code, as amended, have the meanings assigned by Chapter 152 of the Texas Tax Code, as amended.

§ 119.02 – TAX IMPOSED.

There is hereby levied and imposed a tax at the rate of five percent (5%) on the gross rental receipts from the rental of a motor vehicle, except that the same exceptions provided for in subchapter E of chapter 152 of the Texas Tax Code, as amended, shall apply to the tax imposed by this chapter. The tax imposed under this chapter must be collected on every rental occurring on or after July 1, 2021.

§ 119.03 – COLLECTION OF TAX.

(A) The owner of a motor vehicle subject to the tax imposed under this chapter shall collect the tax for the benefit of the city. As provided in Chapter 334 of the Local Government Code, the owner shall add the short-term motor vehicle rental tax imposed by this chapter to the rental charge.

(B) The amount of the total tax is computed by multiplying the five percent tax rate by the amount of the rental charge. If the product results in a fraction of a cent less than one-half of one cent, the fraction of a cent is not collected, if the fraction of a cent is one-half of one cent or more, the fraction shall be collected as one cent.

(C) All gross rental receipts of an owner of a motor vehicle from the rental of the motor vehicle are presumed to be subject to the tax imposed by this chapter, except for gross receipts for which the owner has accepted in good faith a properly completed exemption certificate pursuant to section 119.06 of this chapter.

(D) The city attorney may bring suit against a person who fails to collect a tax under this chapter and to pay it over to the city or its designee as required by this chapter.

§ 119.04 – REPORTS AND REMITTANCES.

(A) On the fifteenth day of the month following each month in which a tax is required to be collected under this chapter, every owner of a motor vehicle required by this

chapter to collect the tax shall pay the tax due on all rentals in the preceding month to the city manager or designee.

- (B) Every owner of a motor vehicle collecting a tax under this chapter may deduct a one percent collection fee from the gross amount of tax collected on all rentals in the preceding month if the tax is paid to and received by the city manager no later than the fifteenth day of the month following the month in which the taxes are required to be collected. If the fifteenth day falls on a weekend or holiday, the city manager or designee must receive the tax by the next business day. If the tax is paid by mail, the date of receipt by the city manager or designee is the date postmarked by the United States Postal Service.

§ 119.05 – CONSUMMATION OF RENTAL.

A rental of a motor vehicle occurs where transfer of possession of the motor vehicle occurs.

§ 119.06 – EXEMPTIONS APPLICABLE.

The exemptions provided by subchapter E, Chapter 152, Tax Code, apply to the tax authorized by this chapter.

§ 119.07 – RECORDS.

- (A) The owner of a motor vehicle used for rental purposes shall keep for four (4) years records and supporting documents containing the following information on the amount of:

- (1) gross rental receipts received from the rental of the motor vehicle; and
- (2) the tax imposed under this subchapter and paid to the municipality or county on each motor vehicle used for rental purposes by the owner.

- (B) Mileage records are not required.

§ 119.08 – FAILURE TO KEEP RECORDS.

An owner of a motor vehicle commits an offense if the owner fails to make and retain complete records for the four-year period required by section 119.06.

An offense under this section is a misdemeanor punishable by a fine of not less than \$25.00 or more than \$500.00.

§ 119.09 – PENALTIES/INTEREST FOR LATE FILING.

Any owner of a motor vehicle required to collect the tax imposed by this chapter who fails to file a report as required by this chapter or who fails to pay a tax imposed by this chapter when due

forfeits five percent (5%) of the amount due as a penalty, and if such person fails to file the report or pay the tax within thirty (30) days after the day on which the tax or report is due, the person forfeits an additional five percent (5%).

A delinquent tax draws interest at the rate of twelve percent (12%) per annum beginning sixty (60) days from the due date.

§ 119.10 – SHORT TERM MOTOR VEHICLE RENTAL TAX VENUE PROJECT FUND.

The City shall establish a fund known as the venue project fund. The city manager or designee shall deposit into this venue project fund:

(A) the proceeds of the short-term motor vehicle rental tax paid to the city; and

(B) any other money required by law to be deposited into the fund.

§ 119.11 – USE OF PROCEEDS.

The revenue derived from the tax imposed under this chapter shall be deposited in the short motor vehicle rental venue project fund. Money in the venue project fund may be used only for the purposes specified in, and in accordance with, chapter 334 of the Texas Local Government Code, as amended.

§ 119.12 – RULES AND REGULATIONS.

The city manager or designee is authorized to make any rules and regulations necessary to effectively collect the tax. The city manager or designee shall, upon giving reasonable notice, have access to all books and records necessary to enable the city manager or designee to determine the correctness of any report filed as required by this chapter and the amount of taxes due under this chapter.

§ 119.13 – PENALTIES.

(A) An owner of a motor vehicle commits an offense if that person:

- (1) Fails to collect the tax imposed by this chapter;
- (2) Fails to file a report as required by this chapter;
- (3) Fails to pay the tax when payment is due; or
- (4) Files a false report.

(B) An offense under this section is a misdemeanor punishable by a fine of not less than \$25.00 or more than \$500.00.

SECTION 3
CUMULATIVE REPEALER

This Ordinance shall be cumulative of all other Ordinances of the City of Corinth and shall not repeal any of the provisions of such Ordinances except for those instances where there are direct conflicts with the provisions of this Ordinance or where expressly repealed hereby. Ordinances or parts thereof in force at the time this Ordinance shall take effect and that are inconsistent with this Ordinance are hereby repealed to the extent that they are inconsistent with this Ordinance.

SECTION 4
SEVERABILITY

If any section, subsection, clause, phrase, or provision of this Ordinance, or the application thereof to any person or circumstance, shall to any extent be held by a court of competent jurisdiction to be invalid, void, or unconstitutional, the remaining sections, subsections, clauses, phrases, and provisions of this Ordinance, or the application thereof to any person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

SECTION 5
SAVINGS/CONFLICT

In the event of a conflict between the provisions of this Ordinance and any other regulation or rule prescribed by charter, another ordinance, resolution or other authorization of the City, the provisions of this ordinance shall control. Notwithstanding the foregoing, all rights and remedies of the City are expressly saved as to any and all complaints, actions, claims, or lawsuits, which have been initiated or have arisen under or pursuant to such conflicting Ordinance, or portion thereof, on the date of adoption of this Ordinance shall continue to be governed by the provisions of that Ordinance and for that purpose the conflicting Ordinance shall remain in full force and effect.

SECTION 6
PENALTY

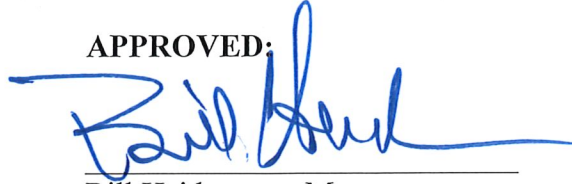
Any person, firm or corporation who violates any provision of this Ordinance or the Code of Ordinances, as amended hereby, shall be subject to a fine not to exceed the sum of five hundred dollars (\$500.00) for each offense, and each and every day any such offense shall continue shall be deemed to constitute a separate offense.

SECTION 7
PUBLICATION/EFFECTIVE DATE

This Ordinance shall take effect upon its publication as required by law. The City Secretary is directed to publish the caption and penalty of this Ordinance as required by the City Charter and state law.

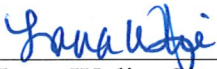
**DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF
CORINTH, TEXAS on this the 3rd day of June 2021.**

APPROVED:



Bill Heidemann, Mayor
City of Corinth, Texas

ATTEST:



Lana Wylie, City Secretary



APPROVED AS TO FORM AND LEGALITY: TEXAS



Patricia A. Adams, City Attorney