

**AN ORDINANCE
AUTHORIZING THE IMPOSITION OF A RENTAL CAR USER FEE WITHIN
CHARLESTON COUNTY ON ALL PASSENGER VEHICLES RENTED AND
OTHER MATTERS RELATING THERETO.**

WHEREAS, Charleston County (the "County"), a political subdivision of the State of South Carolina, has the power to impose uniform service charges and user fees ("User Fee") pursuant to S.C. Code Ann. § 4-9-30(5) and other laws of this State, and the Charleston County Aviation Authority (the "Authority") consents to the County imposing a user fee in the Airport District; and

WHEREAS, the County desires to impose a 5% User Fee for a period of twenty-five years to be applied to the gross receipts on all passenger vehicles rented within Charleston County (the "Rental Car User Fee") to establish an Air Service Development Fund ("Air Service Fund" or the "Fund"); and

WHEREAS, the County proposes to use the revenue derived from the Rental Car User Fee wholly for airport or aeronautical purposes which shall include providing support and finance capital improvements and other projects related to the airports within the Airport District and related aviation and other transportation infrastructure, amenities, and facilities, as well as economic development; and

WHEREAS, Charleston County Council ("County Council") desires to designate the Authority as a Fiscal Agent to administer the Fund (in whole or in part), where appropriate; and

WHEREAS, by way of the improved infrastructure, amenities, and facilities, and enhanced economic development set forth herein, the Charleston Area Convention and Visitors Bureau believes that the economic impact would greatly increase the number of vehicles rented within Charleston County, as well as increase the number of visitors who spend money on accommodations, retail establishments, restaurants, and other commercial facilities in Charleston County; and

WHEREAS, expenditures from the Fund will lead to increased mobility and efficiency in transit systems and infrastructure, more affordable airfares for the residents of Charleston County, and other aviation-related projects.

NOW, THEREFORE, BE IT ORDAINED by County Council in meeting duly assembled as follows:

SECTION I. FINDINGS INCORPORATED

The above-referenced recitals and findings are incorporated herein by reference and made a part of this Ordinance.

SECTION II. PURPOSE

The purpose of this Ordinance is to create an Air Service Development Fund to benefit taxpayers and the public. The revenue generated by this Ordinance shall be utilized wholly for airport or aeronautical services, specifically to support capital improvements related to the airports within the Airport District and related transportation infrastructure, promote air services and economic development through the provision of air service incentives, development, and

advertising that facilitate additional flight options and increase competition for air travel (the "Projects").

County Council has determined that the transportation infrastructure improvements, economic development and air services promotion of Charleston County is significantly enhanced by the County's ability to create or improve aviation and other transportation infrastructure, amenities, and facilities, as well as economic development, to include creating competition and lower airfares for carriers who use the Charleston International Airport and other Authority facilities. As stated herein, County Council is authorized by Section 4-9-30(5), Code of Laws of South Carolina 1976, as amended, "to levy . . . uniform service charges . . . and make appropriations for functions and operations of the county including, but not limited to . . . transportation and economic development . . ." The uniform service charge that is imposed shall be termed the Rental Car User Fee.

SECTION III. RENTAL CAR USER FEE

A. Amount of Fee. For a period of twenty-five years, every individual person or business entity as described in this section, engaged in renting, leasing, or letting passenger vehicles for compensation (hereinafter "Rental Car Agency") shall collect from each and every individual person or business renting, leasing, or letting a passenger vehicle for 90 consecutive days or less within Charleston County (hereinafter "Customer") a uniform Rental Car User Fee of 5% on the Gross Receipts (as defined in this Ordinance) collected by the Rental Car Agency, and said Fee shall be remitted to Charleston County in accordance with this Ordinance. The Rental Car User Fee revenues shall be wholly utilized for airport or aeronautical purposes to fund the cost of the Projects contemplated in Section II of this Ordinance.

B. Definitions. For purposes of this Ordinance, the following terms are defined as follows:

(1) *Rental Car Agency* means an individual person or business entity as described herein that provides the service of renting, leasing or letting passenger vehicles for compensation, whether the provision of such service is a primary, secondary, or incidental business of such person or entity from time to time.

(2) *Passenger Vehicle* means a motor vehicle designed primarily for the carriage of passengers, including, but not limited to, vehicles commonly classified as sedans, coupes, convertibles, station wagons, sport utility vehicles, passenger vans, suburban type vehicles, pick-up trucks, and panel vans, but does not include a vehicle licensed as a taxicab or panel trucks and other cargo vehicles designed and rented primarily for the transportation of cargo.

(3) *Fiscal Agent(s)* means an entity or organization designated by County Council as the fiscal agent for the Air Service Fund, in whole or in part.

(4) *Gross Receipts* means all monies paid or payable to or considerations of determinable value received by the Rental Car Agency, after discounts and coupons deducted at the time of rental, for all charges, including, but not limited to, time and mileage charges and separately stated fees for rental of Passenger Vehicles and other related or incidental services. The only exclusions shall be any Federal, State, County, City or local sales or other similar taxes or surcharges separately stated to and collected from the customer, any amounts received as insurance proceeds or otherwise for damage to automobiles or other property, and revenue from wholesale transfer of salvage vehicles.

C. Five Percent of Gross Receipts--Monthly Returns and Payments (2020 and Subsequent Years). The 5% Rental Car User Fee ("5% Fee") shall be paid and determined as follows for the calendar year 2020 (or any part thereof) and all subsequent years of this 5% Fee: The 5% Fee shall be paid by the Customer to the Rental Car Agency who, in turn, remits the Fee to the

Charleston County Department of Revenue Collections monthly, due and payable on the dates described in this Section, for the preceding monthly periods as listed, calculated at the rate of 5% of the Gross Receipts for each and every Passenger Vehicle rented. The Rental Car Agency shall provide reports to the Charleston County Department of Revenue Collections, on forms prescribed by the County, giving such information as may be necessary to determine the amount of the Rental Car User Fee due, and which shall be attested to by an authorized representative of the Rental Car Agency.

The 5% Fee and reports shall be due and payable to the Charleston County Department of Revenue Collections no later than the 20th day of the following month (e.g., the January 5% Fee and report is due and payable no later than February 20th). If the 20th day falls on a day that Charleston County is closed for business, the report and 5% Fee will be due the next business day.

D. Collection and Administration. The revenues from the Rental Car User Fee collected under this Ordinance must be remitted by the Rental Car Agency to the Charleston County Department of Revenue Collections and credited to the Air Service Fund, which shall be separate and distinct from the general fund of the County. After deducting a 5% administrative fee for program administration, the County shall distribute the revenues, or a portion thereof, to the Fiscal Agent(s) to be used by the County and/or the Fiscal Agent(s) for the purposes stated in this Ordinance.

Monies from the Fund shall be allocated as follows: upon collection, 80% shall be disbursed to the Authority annually, and 20% shall be disbursed by annual appropriation of Council. Provided, however, the County may increase the allocation to the Authority to finance any financial obligation of the Authority for the Projects. A Fiscal Agent may charge an administrative fee subject to the approval of the County Council to fulfill the purposes and objectives of this Ordinance.

If a Rental Car Agency (as defined herein) believes the amount due and payable is incorrect and/or that the Rental Car Agency is not subject to the 5% Fee as provided for herein, the Rental Car Agency must first make payment of the 5% Fee to have standing to challenge the 5% Fee's application to the Rental Car Agency. The Rental Car Agency may file an appeal of its 5% Fee and seek a refund of the same (in whole or in part) in the same manner as prescribed for in the Charleston County Business License Ordinance.

E. Examination of Books and Records. All Rental Car Agencies are required to maintain records and books necessary to compile and report the gross receipts received by the person or business (Rental Car Agency) for each and every passenger vehicle rented, leased, let, or otherwise.

The Charleston County Department of Revenue Collections shall have the right at all reasonable times during business hours to make inspections, examine and audit the books and records of the Rental Car Agency within Charleston County to verify the accuracy of such books and records. The Rental Car Agency must provide other information reasonably requested to verify the accuracy of such books and records. In addition, the Rental Car Agency may be subject to penalties for violation of this section in the same manner as prescribed for in the Charleston County Business License Ordinance.

F. Violations/Penalties for Nonpayment. Failure to remit payment of the 5% Fee may result in, but is not limited to, suspension and/or revocation of the Rental Car Agency's Business License. In addition, the Rental Car Agency may be subject to penalties and late charges for non-payment or late payment of any Fee due under this section in the same manner as prescribed for in the Charleston County Business License Ordinance.

Any business violating any provision of this ordinance shall be deemed guilty of an offense and shall be subject to a fine of up to \$500.00 or imprisonment for not more than thirty (30) days or both, upon conviction. Each day of violation shall be considered a separate offense. Punishment for violation shall not relieve the offender of liability for delinquent payments, penalties and costs provided for herein.

SECTION IV. FISCAL AGENT

County Council hereby authorizes a Fiscal Agent to act as fiscal agent for the Air Service Development Fund (in whole or in part) generated from the Rental Car User Fee for the purposes stated in this Ordinance. County Council hereby designates the Charleston County Aviation Authority as Fiscal Agent to administer the Air Service Fund for the purposes stated herein.

SECTION V. SEVERABILITY

If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portion of this Ordinance.

SECTION VI. EFFECTIVE DATE

This Ordinance shall take effect 60 days following third reading by County Council. ADOPTED and APPROVED in meeting duly assembled this 8th day of December, 2020.



CHARLESTON COUNTY, SOUTH CAROLINA

By: C. Brantley Moody
C. Brantley Moody
Vice Chairman of Charleston County Council

ATTEST:
By: Kristen L. Salisbury
Kristen L. Salisbury
Clerk to County Council

First Reading: November 10, 2020
Public Hearing: December 8, 2020
Second Reading: November 19, 2020
Third Reading: December 8, 2020