



Louisville Metro Government

Legislation Text

File #: O-106-19, Version: 2

ORDINANCE NO. _____, SERIES 2019

AN ORDINANCE AMENDING CHAPTER XX OF THE LOUISVILLE METRO CODE OF ORDINANCES BY CREATING A NEW SECTION REGARDING THE MOTOR VEHICLE RENTAL LICENSE FEE. (AS AMENDED)

SPONSORED BY: COUNCIL PRESIDENT JAMES AND COUNCIL MEMBERS HOLLANDER, WINKLER AND ACKERSON

WHEREAS, The Kentucky Revised Statute (“KRS”) § 68.200 enables Louisville Metro Government to adopt a motor vehicle rental license fee on the rental of motor vehicles as described below;

WHEREAS, Louisville Metro Government faces significant revenue shortfalls as a result of its increased pension obligations to the state; and

WHEREAS, Louisville Metro Council creates a new chapter of Louisville Metro Code of Ordinances to establish a motor vehicle rental license fee on the rental of motor vehicles.

NOW, THEREFORE, BE IT ORDAINED BY THE LEGISLATIVE COUNCIL OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT AS FOLLOWS:

SECTION I: A new chapter of the Louisville Metro Code of Ordinances (“LMCO”) is hereby enacted to read as follows: **MOTOR VEHICLE RENTAL LICENSE FEE**

SECTION II: A new chapter of the LMCO XX is hereby enacted to read as follows:

§ XX.01 DEFINITIONS.

For the purpose of this chapter, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

GROSS RENTAL CHARGE as defined in KRS § 138.462(4).

MOTOR VEHICLE as defined in KRS § 186.010(8)(a).

RETAILER as defined in KRS § 139.010.

REVENUE COMMISSION. Louisville/Jefferson County Metro Revenue Commission as established in LMCO § 32.450, *et seq.*

§ XX.02 LEVY OF LICENSE FEE.

Louisville Metro Government hereby levies a motor vehicle rental license fee on the rental of motor vehicles in the amount of 3% of the gross rental charges from rental agreements for periods of 30 days or less (the “license fee”). The license fee applies to rentals by retailers who receive more than 75% of their gross revenues generated in Jefferson County from gross rental charges.

§ XX.03 EXEMPTED ACTIVITIES.

The license fee imposed in this chapter does not include revenues from rental of motor vehicles when:

- (1) the declared gross weight of the motor vehicle exceeds 11,000 pounds; or
- (2) the rental is part of the services provided by a funeral director for a funeral; or
- (3) the rental is exempted from the state sales and use tax pursuant to KRS § 139.470.

§ XX.04 COLLECTION OF LICENSE FEE.

(A) On behalf of Louisville Metro Government, the Revenue Commission shall collect and receive payment of the license fee imposed by this chapter.

(B) Every retailer subject to the license fee imposed by this chapter shall pay the license tax on or before the thirtieth day after the end of each calendar quarter. The payment of the license fee shall be accompanied on the same date by the filing of a completed return on a form furnished by or obtainable from the Revenue Commission that contains such information as may be needed by the Revenue Commission for the complete and accurate enforcement and implementation of this chapter.

(C) The Revenue Commission is authorized to take all appropriate actions to collect and enforce payment of the license fee imposed by this chapter and according to its authority in LMCO § 32.450, et seq. The Revenue Commission may adopt regulations as it deems appropriate for the implantation and enforcement of the license fee imposed by this chapter.

(D) Every retailer subject to the license fee imposed by this chapter shall maintain books, records, and other information adequate to support the returns required to be filed under this chapter as well as the amounts of license fees due and shall make those books, records, and other information available upon request to the Revenue Commission and its officials, agents, and employees. The Revenue Commission and its officials, agents, and employees shall have the authority to perform such audits, investigations, or inspections of any retailer or other person as may be necessary or appropriate to enforce, confirm, or verify the payment or collection of the license fee imposed by this chapter, as well as the accuracy and completeness of the returns required to be filed under this chapter.

§ XX.05 DEPOSIT AND ALLOCATION OF REVENUE.

The Revenue Commission will deposit all license fee revenue collected pursuant to this chapter (including all license fees, penalties, interest, overpayments, and other revenues collected or otherwise derived hereunder) in a separate account known as the Motor Vehicle License Account. Revenue from the license fee may only be spent on economic development activities as defined in KRS § 68.200.

(A) The Revenue Commission will deposit all license fee revenue collected pursuant to this chapter (including all license fees, penalties, interest, overpayments, and other revenues collected or otherwise derived hereunder) in a separate account known as the Motor Vehicle License Account. Revenue from the license fee may only be spent on economic development activities as defined in

KRS § 68.200.

(B) Metro Council may provide recommendations to the mayor regarding the expenditures pursuant to 68.200 prior to the Mayor's annual submission of the budget.

(C) Revenue received from the Motor Vehicle License Account by an entity engaged in economic development activities shall be identified in the annual budget presented to the Metro Council per LMCO § 30.03.

§ XX.98 SEVERABILITY.

If any provision of this chapter as now or later amended or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions that can be given effect without the invalid provision or application.

§ XX.99 PENALTY.

Any retailer who fails to remit and pay the motor vehicle rental license fees required under § XX.04 to Louisville Metro Government when the same become due shall be charged a penalty of 5% if the delay is not more than one month, or fraction thereof, with an additional 5% for each additional month or fraction thereof, but not over a total of 25% of the amount of such unpaid license fees; and interest shall be payable on all license fees and penalties imposed by this chapter which remain unpaid at a rate equal to the tax interest rate from the date such amounts were due until the date paid.

SECTION III: This Ordinance shall take effect upon its passage and approval.

H. Stephen Ott Metro Council Clerk

David James President of the Council

Greg Fischer Mayor

Approved Date

APPROVED AS TO FORM AND LEGALITY:

Michael J. O'Connell
Jefferson County Attorney

By: _____

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