

CHAPTER 42A. RENTAL CAR SERVICES AT THE ROCHESTER INTERNATIONAL AIRPORT.

42A. RENTAL CAR SERVICES AT THE ROCHESTER INTERNATIONAL AIRPORT

42A.01. Legislative Findings, Definitions, and Authority. Subdivision 1. Off-Airport Privilege Fee. The City owns, operates, maintains, and develops the Rochester International Airport with, in part, federal grants, state grants, passenger facility charges, and user fees. Off-Airport, non-tenant Rental Car Businesses are authorized to provide Rental Car Services at the Airport for the accommodation of passengers arriving at or departing from the Airport from a location based off the Airport. As the recipient of Federal Aviation Administration grants, the Airport is required to establish a fee structure that will make the Airport as self-sustaining as possible under the circumstances. The City desires to establish fees to be collected from an Off-Airport non-tenant Rental Car Business in order to offset the costs of operation of the Airport, and to establish consistency by those providing services at the Airport. These goals contribute toward the achievement of financial self-sufficiency at the Airport.

Subd. 2. Customer Facility Charge. The City has undertaken a capital improvement program to facilitate major customer service improvements at the Airport including the planning and development of a redeveloped terminal building. The City owns, operates, maintains and develops the Airport with, in part, federal grants, passenger facility charges and user fees. Customer Facility Charges have become common financing tools for airport improvements. The City of Rochester believes it would be beneficial to provide the updated and expanded terminal and associated airport improvements to the traveling public including updating the rental car terminal facilities. The City desires to a establish Customer Facility Charge to be collected from a Rental Car Business customer in order to offset the costs of operating, maintaining, and developing the Airport.

Subd. 3. The City adopts this ordinance in furtherance of its authority under Minn. Stat. §360.038, subd. 6 to “determine the charges or rental for the use of any [airport] properties under its control and the charges for any services or accommodations and the terms and conditions under which such properties may be used.”

42A.02. Definitions. Subdivision 1. The term “Airport” means the Rochester International Airport owned and operated by the City of Rochester, a Minnesota municipal corporation and a Minnesota municipality.

Subd. 2. The term “Customer Facility Charge” means a charge for every Day covered by every Rental Car Contract entered into by each Provider.

Subd. 3. The term “Day” means the time from midnight to the next

CHAPTER 42A. RENTAL CAR SERVICES AT THE ROCHESTER INTERNATIONAL AIRPORT.

midnight.

Subd. 4. The term “Gross Revenue” means all fees and charges collected by a Rental Car Business from all activities and services performed at the Airport including business conducted at the fixed base operator or within a three mile radius of the Airport (including but not limited to reservations made through travel agencies and reservations made by telephone, on-line reservations, facsimile, telegraph and other means of communications) and including but not limited to all base, time and mileage fees and charges from customers picked up at the Airport, plus all premiums and other fees and charges (regardless of how they may be denominated) for personal accident insurance coverage, personal effects insurance coverage, personal effects protection insurance coverage, liability insurance supplement, additional liability insurance coverage, and all other types and kinds of insurance coverages and policies (regardless of how they are denominated, regardless of the parties covered, and regardless of the risks insured against), plus all sums for insurance waivers, collision damage waivers, and loss damage waivers, whether cash or credit, and whether collected or uncollected, plus all sums or other fees and charges provider receives, or is entitled to receive, for refueling motor vehicles rented to customers, plus all sums or other fees and charges Provider receives, or is entitled to receive, for the rental of any optional equipment such as cell phones, GPS devices, luggage or ski racks and infant seats plus all sums or other fees and charges provider receives, or is entitled to receive, for additional drivers. “Gross Revenue” shall not include (a) federal, state or municipal sales tax separately stated and collected from customers by the Provider, whether now or hereinafter levied or imposed separately stated on the rental agreement and collected from customers of Provider; or (b) any sums collected as a Customer Facility Charge.

Subd. 5. The term “Non-Tenant Provider” means a Rental Car Business providing its services to persons arriving or departing from the Rochester International Airport from a location not found upon Airport property.

Subd. 6. The term “Off-Airport Privilege Fee” means a fee imposed upon a Non-Tenant Provider’s Gross Revenue.

Subd. 7. The term “Provider” means a Non-Tenant Provider or a Tenant Provider.

Subd. 8. The term “Rental Car Business” means any person engaged in the business of providing Rental Car Services.

Subd. 9. The term “Rental Car Contract” means a contract for Rental Car Services between a Provider and a customer.

Subd. 10. The term “Rental Car Services” means the rental of motor

CHAPTER 42A. RENTAL CAR SERVICES AT THE ROCHESTER INTERNATIONAL AIRPORT.

vehicles to the traveling public.

Subd. 11. The term “Tenant Provider” means a Rental Car Business providing its services to persons arriving or departing from the Rochester International Airport from a location found upon Airport property.

42A.03. Determination of Gross Revenue. Subdivision 1. Gross Revenue shall be deemed received at the time the Rental Car Contract is executed giving rise to Non-Tenant Provider’s right to collect said monies, regardless of whether said transaction was conducted in person, by telephone or by mail, whether the transaction was for cash or credit, and if for credit, regardless of whether the Non-Tenant Provider ultimately collects the monies owed for said transaction from the customer involved. Gross Revenue are amounts which the Non-Tenant Provider receives or is entitled to receive, either initially or by amendment, whichever is greater.

Subd. 2. For purposes of Gross Revenue determination, revenue shall be deemed to have been related to customers picked up at the Airport if the customer arrived at either Airport within a 24-hour period immediately preceding the rental, even though the customer arrived at the providers location on their own or the motor vehicle is dropped off by the customer elsewhere.

42A.04. Imposition of Fees. The Common Council may impose an Off-Airport Privilege Fee upon a Non-Tenant Provider’s Gross Revenue. The Common Council may impose a Customer Facility Charge per Day covered by a Rental Car Contract. The amount of the Fee or Charge will be determined by Council resolution.

42A.05. Collection, Delivery, and Use of Fees. Subdivision 1. Each Provider will collect a Customer Facility Charge. Each Non-Tenant Provider will collect an Off-Airport Privilege Fee.

Subd. 2. The Customer Facility Charge shall be held in trust by the Provider for the benefit of the Airport and shall be remitted monthly to the City in accordance with procedures established by the Airport Executive Director.

Subd. 3. On or before the 20th day of each month, the Non-Tenant Provider shall provide the collected Off-Airport Privilege Fee to the manager of the Rochester International Airport. The Non-Tenant Provider must produce a statement showing the amount of Gross Revenue related to passengers picked up at the Airport. If the Fee is not paid within the calendar month of the due date, the Non-Tenant Provider shall pay a late charge equal to one and one-half (1 1/2 %) per month of the unpaid balance, accruing from the due date until paid.

CHAPTER 42A. RENTAL CAR SERVICES AT THE ROCHESTER INTERNATIONAL
AIRPORT.

Subd. 4. The Airport Executive Director is authorized to establish and implement the procedures necessary for the collection of these fees.

(4206, 8/17/15)