SPECIAL
COUNCIL MEETING
July 5, 1972

A special meeting of the Elkton Town Council was called by the Mayor Edward F. Garber July 5, 1972 at 8:00 P.M. in the Council Chambers. The following councilmen were present: Mr. R. E. Davis, Mr. E. O. Karow, Mr. H. A. Leet, Mr. W. H. McGahey, Mr. A. R. Thompson and Mr. H. A. Workman. Norma R. Leap, Clerk was also present.

Mayor Garber explained the purpose of the meeting was to discuss the 15% Utility Tax which had passed on a First Reading at the June 12, 1972 regular council meeting.

Mr. Thompson stated that the Finance Committee had met and discussed the tax and setting limits on the amounts to be taxed.

The following citizens were present and took part in the discussion: Mr. and Mrs. Berkely Brooks, Mrs. Margaret LaConia, Mrs. Anita Lambert, Mr. Edgar Jenkins, Jr. and Mr. Hudson of the Daily News Record.

Mr. Thompson presented an ordinance which the Finance Committee recommended to levy a tax on purchase of utility services, fixing the amount of tax, providing for its collection and prescribing penalties for the violation of this ordinance.

Mr. H. A. Workman moved, seconded by Mr. W. H. McGahey to amend the First Reading to place a 15% Utility Tax on the municipal owned electric bills and the corporate limit telephone bills to read as follows:

AN ORDINANCE LEVYING A TAX ON PURCHASE OF UTILITY SERVICES FIXING THE AMOUNT OF TAX, PROVIDING FOR ITS COLLECTION AND PRESCRIBING PENALTIES FOR THE VIOLATION OF THIS ORDINANCE.

WHEREAS, it is necessary that provision be made to levy the tax hereinafter set forth and provide for the collection thereof for the purpose of providing funds for municipal purposes,

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE TOWN OF ELKTON, VIRGINIA;

Section 1. The following words and phrases when used in this ordinance shall for the purposes of this ordinance have the following respective meanings, except where the context clearly indicated a different meaning.

(a) PERSON. The word "person" shall include individuals, firms, partnerships, associations, corporations and combinations of individuals of whatever form and character.

(b) UTILITY SERVICE. The phrase "utility service" as used in this ordinance, shall mean and include local telephone service (excluding long distance messages), electric service and gas service (excluding bottle or liquid gas), whether generally termed a utility service or not, furnished in the corporate limits of the Town of Elkton, Virginia.

(c) PURCHASER. The word "purchaser" shall include every person who purchases a utility service.

(d) SELLER. The word "seller" shall include every person, whether a public service corporation or not, who sells or furnishes a utility service.

(e) RESIDENTIAL USER. The term "residential user" shall mean the owner or tenant of private residential property or tenant of an apartment who pays for utility service in or for said property.

(f) COMMERCIAL OR INDUSTRIAL USER. The term "commercial or industrial user" shall mean the owner or tenant of property used for commercial or industrial purposes, including the owner of master metered apartment buildings, who pays for utility service for said property.

Section 2. There is hereby imposed and levied by the Town of

Elkton, Virginia upon each and every purchaser of a utility service, a tax in the amount of Fifteen Per Centum (15%) of the charge (exclusive of any Federal Tax thereon) made by the seller against the purchaser with respect to each utility service, which tax in every case shall be collected by the seller from the purchaser and shall be paid by the purchaser unto the seller for the use of the Town of Elkton, Virginia at the time the purchase price or such charge shall become due and payable under the agreement between the purchaser and the seller. Provided, however, that in the event any monthly bill submitted by any seller for any residential utility service shall exceed Ten Dollars ($10.00) for a residential user, there shall be no tax computed on so much of said bill as shall exceed Ten Dollars ($10.00); in the event any monthly bill submitted by any seller for a commercial or industrial user of any utility service shall exceed One Hundred Dollars ($100.00) there shall be no tax computed on so much of said bill as shall exceed One Hundred Dollars ($100.00); except that there shall be no tax computed on bills submitted for electric service for heating water and space heating where a separate meter is used solely for water heating and space heating service or on bills submitted for unmetered electric service. In the event bills are submitted by any seller for service for two months there shall be no tax computed on so much of said bill as shall exceed Twenty Dollars ($20.00) for a residential user of electric utility service, or Two Hundred Dollars ($200.00) for a commercial or industrial user of electric utility service.

Section 3. It shall be the duty of every seller in acting as the tax collecting medium or agency for the Town of Elkton, Virginia to collect from the purchaser for the use of the Town the tax hereby imposed and levied at the time of collecting the purchase price charged therefor and the taxes collected during each calender month shall be reported by each seller to the Town Treasurer and each seller shall remit the amount of tax shown by said report to have been collected to the Town Treasurer on or before the last day of the second calender month thereafter, together with the name and address of any purchaser who has refused to pay his tax. The required reports shall be in the form prescribed by the Town Treasurer. The tax levied or imposed under this ordinance with respect to the purchase of any gas or electric service, shall become effective on bills rendered on meter readings, on and after August 1, 1972, and with respect to local telephone service on charges first appearing on bills rendered August 1, 1972, and thereafter.

Section 4. Each and every seller shall keep complete records showing all purchases in the Town, which records shall show the price charged against each purchaser with respect to each purchase, the date thereof, and the date of payment thereof, and the amount of tax imposed hereunder, and such record shall be kept open for inspection by the duly authorized agents of the Town at reasonable times, and the duly authorized agents of the Town shall have the right, power and authority to make such transcripts thereof during such times as they may desire.

Section 5. The United States of America, the State of Virginia, and the political subdivisions, boards, commissions and authorities thereof, are hereby exempted from the payment of the tax imposed and levied by this ordinance with respect to the purchase of utility services used by such governmental agencies.

Section 6. The tax hereby imposed and levied on purchasers with respect to local exchange telephone service shall apply to all charges made for local exchange telephone service, except local messages which are paid for by inserting coins in coin operated telephones. The term "local exchange telephone service" shall mean any service taxable as local telephone service according to federal laws in force and effect at the time of the enactment of this ordinance.

Section 7. Any purchaser failing, refusing or neglecting to pay the tax hereby imposed or levied and any seller violating the provisions hereof, and any officer, agent or employee of any seller violating the provisions hereof, shall upon conviction, be subject to a fine of not more than One Hundred Dollars ($100.00). Each failure, refusal, neglect or violation and each day's continuance thereof, shall constitute a separate offense.

The vote was recorded as follows:

Davis	-	yea	McGahey	-	yea
Karow	-	yea	Thompson	-	yea
Leet	-	yea	Workman	-	yea

Mayor Garber stated that there will be a Public Hearing Monday night at the regular council meeting on the Utility Tax Ordinance.

As there was no further business, the meeting adjourned.

MAYOR: Edward F. Garber
Edward F. Garber, Mayor

RECORDER: Norma R. Leap
Norma R. Leap, Clerk