

ORDINANCE NO. 1194-03-19

**AN ORDINANCE APPENDING ARTICLE 1.14 OF THE CITY OF HONDO
CODE OF ORDINANCES TO INCLUDE 1.14.10 REGARDING AVIATION
FUEL CREDIT ACCOUNT AGREEMENTS; PROVIDING FOR
SEVERABILITY AND SETTING AND EFFECTIVE DATE.**

WHEREAS, the City of Hondo, Texas (“City”) is duly incorporated Home Rule City, operating and existing under the constitution and laws of the State of Texas and duly adopted Home Rule Charter of the City; and,

WHEREAS, the City owns and operates The South Texas Regional Airport at Hondo (“Airport”); and

WHEREAS, the Airport operates an aviation fueling service for the sale and dispensing of aviation fuel at the Airport; and,

WHEREAS, some Airport tenants and other users have requested the ability to purchase the aviation fuel on an open account with the City; and,

WHEREAS, the City finds that establishing policies for the sale of aviation fuel on account will be beneficial to the ongoing operation and future development of the Airport.

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

SECTION 1. AMENDMENT.

- A. Chapter 1, Article 1.14, “Airport”, of the Hondo Code of Ordinances is appended to include Section 1.14.10 “Aviation Fuel Credit Account Agreements” and shall read as follows:

Sec. 1.14.10 AVIATION FUEL CREDIT ACCOUNT AGREEMENTS

- (a) Council may adopt one or more standard forms for the application of credit and credit agreement governing the sale of aviation fuel on open account at the Airport (“Form Agreement”). Upon approval of the Form Agreement, airport tenants and aviation fuel customers shall be required to enter into a Form Agreement for all future aviation fuel sales. Provided however, airport tenants and aviation fuel customers that have entered into aviation fuel sales agreement with city at the time the Form Agreement is adopted will not be required to enter into a Form Agreement until the expiration or lawful termination of its existing agreement for the sale of aviation fuel.
- (b) City will collect a Credit Application Fee for establishment of a new aviation fuel account. City Manager may reject credit applications for applicants who fail to demonstrate creditworthiness for establishing a new account. City will also collect the fees and charges as provided under the terms of the Form Agreement and as reflected

in City Code Appendix A, "Fee Schedule", Article A10.000. For initial transition purposes, City Manager will have the discretion to waive the Credit Application Fee for the Airport's existing fuel customers and tenants with a proven history of good and timely payment at the time the Form Agreement was approved. The sale price for aviation fuel under the Form Agreement will be established by the Director of Aviation.

(c) City Manager is authorized to negotiate and enter into credit agreements for the sale of aviation fuel at the airport that conform to the council-approved Form Agreement and standard fee and fuel pricing. City Manager may authorize credit agreement with a maximum credit limit of \$1,000.00 per month for individual/personal accounts and \$5,000.00 for commercial accounts. Council at its discretion may authorize the City Manager to enter into credit agreements for the sale of aviation fuel substantially deviating from the terms of the Form Agreement; offer special or discounted fees and fuel rates; and credit limits in excess of those provided herein.

B. Appendix A, Fee Schedule, Article A10.000 Airport is appended to include the following:

Aviation Fuel Sales:

Credit Application Fee a. Commercial b. Individual/Personal	\$50.00 \$15.00
Replacement Card Fee	\$10.00
Returned check fee	\$40.00
Service Charge c. Commercial d. Individual/Personal	\$30.00 \$20.00
Service Charge for Unpaid Balance a. Commercial b. Individual/Personal	18% per annum or highest allowed under law, whichever is lower

SECTION 2: ADOPTION OF FORM AGREEMENT. Council hereby adopts the forms included in Appendix 1 "Credit Application & Credit Agreement – Individual" and Appendix 2 "Credit Application & Credit Agreement – Commercial," as form agreements for the sale of aviation fuel at the Airport.

SECTION 3. SEVERABILITY. If any section, sentence, clause or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

SECTION 4. INCORPORATION OF RECITALS. The City Council finds the recitals in the preamble of this Ordinance are true and correct and incorporates them as findings of fact.

SECTION 5. REPEALER. All ordinances, parts of ordinances, or resolutions in conflict herewith are expressly repealed.

SECTION 6. EFFECTIVE DATE. This ordinance shall take effect immediately from and after its adoption and it is so ordained.

PASSED AND APPROVED this 25th day of March, 2019.



James W. Danner Sr.
Mayor

ATTEST:



Miguel Cantu
City Secretary





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