

Ordinance No. **157321**

An Ordinance amending Title 7, Business Licenses, of the Code of the City of Portland, Oregon, by amending Sections 7.14.040 and 7.14.050 to increase the license fee for a public utility doing business within the City and eliminating a deduction.

The City of Portland ordains:

Section 1. The Council finds:

1. City Charter Section 10-105 provides that the Council shall have general supervision and power of regulation of all public utilities within the City of Portland and all persons and corporations engaged in the operation thereof.
2. City Charter Section 2-105(17) grants the City the authority to grant licenses to raise revenue for all lawful acts. *written testimony filed under CC 781 for 1985*
3. In 1946 the City of Portland adopted a Code provision for a license fee upon utility operation within the City. The fee was adopted because the City required additional revenue and the commissioners were of the opinion that the utilities enjoyed either a monopoly or a near-monopoly such as no other class of business in the City and also called heavily upon City services and facilities in order to carry out their operations and therefore should contribute a suitable amount towards the cost of running the City government. (Testimony of the Commissioner of Public Utilities before the City Council, June 17, 1946.)
4. During this same hearing the Commissioner of Public Utilities described the rates being charged by other leading Pacific Coast cities at the time and those rates ranged from 3% to 7.5%.
5. License fees for public utilities have only increased between .1 and 1% since 1946.
6. The City, in evaluating the benefits it provides to the utilities and its existing economic needs feels that it is just and equitable to charge an increased license fee to utilities doing business within the City.

NOW, THEREFORE, The Council directs:

- a. Title 7, Business Licenses, of the Code of the City of Portland, Oregon, is amended by amending Sections 7.14.040 and 7.14.050 to read as follows:

7.14.040 Fees and Payment.

The fee for such license shall be measured by a percentage of the gross revenues received by the utility for each quarter year period of licensed operation. Such percentage for each type of utility shall be as follows beginning October 1, 1985.

Electric Utility	5.0 percent
Gas Utility	5.0 percent
Sewer Utility	7.0 percent
Steam Utility	5.0 percent
Water Utility	7.0 percent
Telephone Utility	5.0 percent
Telegraph Utility	5.0 percent

The licensee shall compute the license fee by applying the percentage set for the type of operation in which such utility engaged, to the gross revenues, and shall pay to the Treasurer of the City the resultant fee on the following basis: on or before May 15 the fee for the period extending from January 1 through March 31, inclusive, of the same calendar year; on or before August 15 the fee for the period extending from April 1 through June 30, inclusive, of the same calendar year; on or before November 15 the fee for the period extending from July 1 through September 30, inclusive, of the same calendar year; on or before February 15 the fee for the period extending from October 1 through December 31, inclusive, of the preceding calendar year; but all such payments shall be subject to the deductions set forth in Section 7.14.050. A licensee commencing operations as provided in Section 7.14.030 shall make his initial payment on or before the payment date following the quarter year period within which operations are commenced. In the event a licensee terminates operations which come within the provisions of this Chapter, he shall make his final payment on or before the 45th day following the day of such termination.

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The amount of license fee to be paid the City under this Section shall not, except to the extent that it exceeds the maximums provided for in OAR 860-22-040(1), be shown as a separate item, computation or addition to the customer's bill by any public utility for its sales, services, or other charges, which are revenues used as a basis for computation of such City license fees.

7.14.050 Deductions.

The licensee may deduct from the license fee required in this Chapter the amount of any payments made or accrued to the City for the period upon which the license fee is computed, under any provision of franchise, permit, or ordinance in lieu of franchise, and the value of any services, including free telephone service rendered to the City under the terms of a franchise, permit or ordinance in lieu of franchise, but excluding the value of any right given to City to use poles, conduits, or ducts or other facilities in common with the licensee, nor may any licensee deduct any permit or inspection fee imposed under any code or ordinance of the City, and a telephone utility licensee may not deduct the fees agreed to be paid to the City for street telephone booths. This section shall not be deemed to relieve any licensee for paying in accordance with the provisions of a franchise, permit, charter provision or ordinance when the amount to be paid thereunder exceeds the amount of the license fee required under this Chapter.

Passed by the Council, **MAY 9 1985**

Mayor Clark
RSpetter:tp
May 1, 1985

Jewel Lansing
Auditor of the City of Portland
By

Elena Cervera
Deputy

850

Calendar No. *Sub - 781*

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Title

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MAY 2 1985

PASSED TO SECOND READING MAY 9 1985

MAY 01 1985

Filed _____

JEWEL LANSING
Auditor of the CITY OF PORTLAND

By Dennis Nelson
Deputy

THE COMMISSIONERS VOTED AS FOLLOWS:		
	Yeas	Nays
BOGLE	✓	
LINDBERG	✓	
SCHWAB		✓
STRACHAN	✓	
CLARK	✓	

INTRODUCED BY
Mayor Clark

NOTED BY THE COMMISSIONER
Affairs
Finance and Administration <i>TE Bud Clark</i>
Safety
Utilities
Works

BUREAU APPROVAL
Bureau:
Prepared By: <i>RSpetter/tp</i> Date: <i>May 1, 1985</i>
Budget Impact Review:
<input type="checkbox"/> Completed <input type="checkbox"/> Not required
Bureau Head:

CALENDAR
Consent <input type="checkbox"/> Regular <input type="checkbox"/>

NOTED BY
City Attorney
City Auditor
City Engineer

FOUR-FIFTHS CALENDAR	
BOGLE	
LINDBERG	
SCHWAB	
STRACHAN	
CLARK	