

**ORDINANCE No. 186366**

Amend Utility License Law to adjust rate for water and sewer utility license fees (Ordinance; amend Code Chapter 7.14)

The City of Portland ordains:

Section 1. The Council finds:

1. Ordinance No. 178717 as amended, passed by the Council on September 1, 2004, amended the Utility License Law (Portland City Code 7.14) so that annual utility license fee payments made by the Bureau of Environmental Services and the Portland Water Bureau were limited to a maximum of \$12,809,321 and \$4,184,153, respectively, until those fee payments equaled 5% of gross revenues.
2. At the time the Council considered Ordinance No. 178717, water and sewer utility license fee rates were 7.5% of gross revenues, while other utilities including electric, gas, and cable, paid a utility license fee of 5% of gross revenues. The Council recognized a greater growth in the water and sewer license fee payments than for other revenue sources based on accelerated growth in water, sanitary sewer and stormwater rates in response to major capital projects and expanded program responsibilities. The Council directed the Office of Cable Communications and Franchise Management (now known as the Office for Community Technology, Revenue Bureau) to develop a consistent utility license fee structure of all utilities operating in the City of Portland.
3. Since 2004, annual water and sewer utility license fee payments have been gradually reduced from 7.5% to 5% of gross revenues through implementation of Ordinance No. 178717.
4. Water and sewer utility license fees have now reached the point where their actual fee payments equal 5% of gross revenues, as was the original intention when the Council passed Ordinance No. 178717.
5. The water and sewer utility license fees set forth in the Utility License Law should be amended to 5% of gross revenues to reflect the actual rate being paid.
6. This amendment to the Utility License Law serves to realize the Council's 2004 policy goal of a consistent rate for utility license fees.

NOW, THEREFORE, the Council directs:

- a. Section 7.14.060 is amended as follows:

**7.14.060 Fees and Payment.**

A. Except as provided in Sections 7.14.065 and Section 7.14.070, the fee for a utility license shall be measured by a percentage of the gross revenues earned by the utility for each quarter year period of licensed operation. The percentage for each type of utility shall be as follows:

Electrical Utility 5.0 percent  
 Gas Utility 5.0 percent  
 Sewer Utility ~~7.5 percent~~ 5.0 percent  
 District Heating or Cooling Utility 5.0 percent  
 Water Utility ~~7.5 percent~~ 5.0 percent  
 Telecommunications Utility 5.0 percent  
 Cable Communications Utility 5.0 percent

The licensee shall compute the license fee by multiplying the percentage applicable to the type of operation in which such utility engages, by the gross revenues received during the quarter.

B. The licensee shall pay the utility license fee to the Bureau 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. All such payments shall be subject to the deductions set forth in Section 7.14.070.

C. A licensee commencing operations as provided in Subsection 7.14.050 C. shall make the initial payment to the Bureau on or before the payment date following the first quarter year period after commencing operations. In the event a licensee terminates operations which come within the provisions of the Utility License Law, the final payment shall be made on or before the 45th day following the date of such termination.

b. Section 7.14.065 of the Portland City Code is hereby repealed.

Passed by the Council:

DEC 04 2013

Mayor Charlie Hales  
 Prepared by: MBH/BW  
 Date Prepared: 11.6.13

**LaVonne Griffin-Valade**  
 Auditor of the City of Portland  
 By

  
 Deputy

1129 1158

Agenda No.  
**ORDINANCE NO. 186366**  
Title

Amend Utility License Law to adjust rate for water and sewer utility license fees (Ordinance; amend Portland City Code Chapter 7.14)

<p><b>INTRODUCED BY</b> Commissioner/Auditor: <b>Mayor Charlie Hales</b></p> <p><b>COMMISSIONER APPROVAL</b> <i>[Signature]</i> Mayor—Finance and Administration - Hales</p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish</p> <p>Position 3/Affairs - Saltzman</p> <p>Position 4/Safety - Novick</p> <p><b>BUREAU APPROVAL</b> Bureau: Revenue Bureau OMF CAO: Jack D. Graham Bureau Head: Thomas W. Lannon <i>[Signature]</i></p> <p>Prepared by: MBH Date Prepared: Nov 7, 2013</p> <p>Financial Impact &amp; Public Involvement Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/></p> <p>Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p><b>City Auditor Office Approval:</b> required for Code Ordinances</p> <p><b>City Attorney Approval:</b> <i>Toni</i> required for contract, code, easement, franchise, comp plan, charter</p> <p><b>Council Meeting Date</b> November 27, 2013 <i>Benjamin Walters</i></p>	<p>CLERK USE: DATE FILED <u>NOV 22 2013</u></p> <p style="text-align: right;">LaVonne Griffin-Valade Auditor of the City of Portland</p> <p>By: <i>[Signature]</i> Deputy</p> <p><b>ACTION TAKEN:</b> <b>NOV 27 2013 PASSED TO SECOND READING DEC 04 2013 9:30 A.M.</b></p>
--	---

<b>AGENDA</b>
<p><b>TIME CERTAIN</b> <input type="checkbox"/></p> <p>Start time: _____</p> <p><b>Total amount of time needed:</b> _____ (for presentation, testimony and discussion)</p>
<p><b>CONSENT X</b></p>
<p><b>REGULAR</b> <input type="checkbox"/></p> <p><b>Total amount of time needed:</b> _____ (for presentation, testimony and discussion)</p>

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
	YEAS	NAYS
1. Fritz	1. Fritz <input checked="" type="checkbox"/>	
2. Fish	2. Fish <input checked="" type="checkbox"/>	
3. Saltzman	3. Saltzman <input checked="" type="checkbox"/>	
4. Novick	4. Novick <input checked="" type="checkbox"/>	
Hales	Hales <input checked="" type="checkbox"/>	