



## RESOLUTION 2015-064

### ESTABLISHING DEFINITION OF GROSS REVENUE FOR UTILITY OPERATORS PRIVILEGE TAX UNDER FY 2015-16 SCHEDULE OF MASTER FEES AND CHARGES

**WHEREAS**, Sherwood Municipal Code Chapter 12.16 requires every utility operator, except those utility operators with a valid franchise agreement from the city, to obtain a license from the city to construct, place or locate any utility facilities in the rights of way of the City ("ROW"); and

**WHEREAS**, Chapter 12.16 also requires every utility operator to pay a privilege tax for use of the rights of way in an amount set by Resolution of the City Council, which privilege tax payment is reduced by any franchise fees paid pursuant to a franchise agreement; and

**WHEREAS**, Chapter 12.16.120 describes the privilege tax as a percentage of gross revenue, to include all revenue of any kind earned by providing service within the City (excluding uncollectable amounts), "unless the City Council, by resolution, determines otherwise;" and

**WHEREAS**, the City Council has determined that the definition of "gross revenue" adopted by the Oregon Public Utility Commission in OAR 860-022-0040(2) provides a more accurate and appropriate calculation of gross revenue for utilities that provide electrical services; and

**WHEREAS**, the purpose of this Resolution is to facilitate the administration of the FY2015-16 schedule of Master Fees and Charges as relates to the privilege tax imposed on utility service providers within the City.

#### **NOW, THEREFORE, THE CITY OF SHERWOOD RESOLVES AS FOLLOWS:**

**Section 1. Approval.** For purposes of calculating the privilege tax under the FY2015-16 schedule of Master Fees and Charges, Section D.2, gross revenue shall be defined as follows:

- A. For a telecommunications utility (as defined in ORS 759.005), gross revenue is defined in ORS 221.515.
- B. For an electric utility provider, gross revenue is defined in OAR 860-022-0040(2).
- C. For all other utility providers, gross revenue is defined in SMC 12.16.120.A.1.


**Section 2. Effective Date.** This Resolution shall take effect after its approval and adoption.

**Duly passed by the City Council this 4<sup>th</sup> day of August, 2015.**



Krisanna Clark, Mayor

Attest:



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Sylvia Murphy, MMC, City Recorder