

**Carson City
Request for Board Action**

Date Submitted: 08/06/2013

Agenda Date Requested: 8/16/2013

Time Requested: 5 minutes

To: Mayor and Supervisors

From: Nick Providenti, Director of Finance

Subject Title: For Possible Action: Action to adopt, on second reading, Bill No. 117, Ordinance No. _____ an ordinance amending Carson City Municipal Code Title 4 Licenses and Business Regulations, chapter 4.04 Business Licenses, Section 4.04.107 Public Utilities by increasing business license fees on electric services by .5% effective October 1, 2013. (Nick Providenti)

Staff Summary: The revenue generated from this increase will be used to fund the costs needed in the Carson City General Fund to maintain services at their current levels.

Type of Action Requested: (Check One)

() Resolution (x) Ordinance
() Formal Action/Motion () Other (Specify)

Does this action require a Business Impact Statement: (x) Yes () No

Recommended Board Action: I move to adopt, on second reading, Bill No. 117, Ordinance No. _____ an ordinance amending Carson City Municipal Code Title 4 Licenses and Business Regulations, chapter 4.04 Business Licenses, Section 4.04.107 Public Utilities by increasing business license fees on electric services by .5% effective October 1, 2013.

Explanation of Recommended Board Action: The proposed ordinance has been forwarded to the Chamber of Commerce, the Manufacturing & Industrial Association, the Builders Association of Western Nevada and NV Energy and to the general public through news reports. The proposed increases in business license (franchise) fees will be used to fund the costs needed in the Carson City General Fund to maintain services at their current levels.

There was an error in the date on first reading of the ordinance change – the rate change will become effective on October 1, 2013, not September 1, 2013. NRS 354.59889 (2) requires the cumulative amount of any increases in fees imposed by a city or county during any period of 24 months must not exceed 1 percent of the gross revenue of any public utility to which the increase applies from customers located within the jurisdiction of that city or county. Carson City increased its business license fees on electric services by 1% on October 1, 2011, therefore this ordinance cannot go into effect until October 1, 2013.

Applicable Statute, Code, Policy, Rule or Regulation: Carson City Municipal Code Title 4, NRS 354.59889.

Fiscal Impact: After approval of second reading, revenues to the general fund are expected to increase \$240,000.

Funding Source: n/a

Explanation of Impact: will allow City to maintain services in the General Fund.

Alternatives: Do Not Approve; Modify; Give additional direction to staff.

Prepared By: Nick Providenti

Reviewed By:

(Department Head)

Date:

8/6/13

Date:

8/6/13

(City Manager)

Date:

8/6/13

(District Attorney)

Date:

8/6/13

(Finance Director)

Board Action Taken:

Motion _____ 1) _____ Aye/Nay

2) _____

(Vote Recorded By)

ORDINANCE NO. _____

BILL NO. _____

AN ORDINANCE AMENDING CARSON CITY MUNICIPAL
CODE TITLE 4 LICENSES AND BUSINESS REGULATIONS,
CHAPTER 4.04 BUSINESS LICENSES, AMENDING
SECTION 4.04.107 PUBLIC UTILITIES BY
INCREASING BUSINESS LICENSE FEES ON ELECTRIC
AND NATURAL GAS SERVICES AND OTHER MATTERS
PROPERLY RELATED THERETO.

THE BOARD OF SUPERVISORS OF CARSON CITY DO ORDAIN:

SECTION 1:

That Section 4.04.107 of the Carson City Municipal Code is hereby amended as follows:

Chapter 4.04.107 Public Utilities

1. Telecommunications Service.
 - a. Every business entity providing telecommunications service within the consolidated municipality of Carson City must obtain and pay for an annual business license. The fee for such license is payable not later than 30 calendar days after the end of each calendar quarter and shall be 5 percent of the total gross receipts commencing October 1, 1998
 - b. "Total gross receipts" means: (1) All revenue received by a public utility from customers located within the consolidated municipality of Carson City for all intrastate telecommunications services. (2) In the case of a public utility that provides "commercial mobile radio service" as defined in Part 20 of Title 47 of the Code of Federal Regulations, revenue received from the first \$15.00 charged monthly for each line of access for each of its customers located within the city.
 - c. "Public utility" will be defined as defined the Nevada Revised Statute 704.020 of the Nevada Revised Statues.
 - d. A license fee not received or postmarked within 30 calendar days after the end of each calendar quarter shall be delinquent and the licensee shall pay, in addition to the license fee, a penalty of 1 percent of the delinquent amount per month and interest of 1 percent of the delinquent amount per month.
 - e. Each telecommunications provider which derives or intends to derive intrastate revenue from customers located within the city shall, not later than 60 calendar days after the effective date of the ordinance codified in this section or 30 calendar days before the company begins to provide intrastate telecommunications service to those customers, whichever occurs later, provide to the city: (1) An acknowledgment that the company is operating or intends to operate within the city;

- and (2) The date that the company began or intends to begin to derive revenue from customers located within the city.
- f. Each company that is subject to this section shall, not later than 30 calendar days after the end of each calendar quarter, provide to the city a statement of the amount of revenue the telecommunications company derived during that calendar quarter from the sale of all intrastate telecommunication services to each of its customers located within the city.
 - g. Companies with fees due in an amount less than \$50.00 per quarter may, in writing, request special permission to submit revenue reports and payments on an annual basis coinciding with the city's fiscal year which ends on June 30th of each year. Section 4.04.107(d) does not apply to companies paying on an annual basis.
 - h. Annual payments for license fees not received or postmarked within 30 calendar days after June 30th of each fiscal year shall be delinquent and the licensee shall pay, in addition to the license fee, a penalty of 1 percent of the delinquent amount per month and interest of 1 percent of the delinquent amount per month.
2. Natural Gas Service.
- a. Every business entity providing natural gas service within the consolidated municipality of Carson City must obtain and pay for an annual business license. The fee for such license is payable not later than 30 calendar days after the end of each calendar quarter and shall be 5.0 percent of the total gross receipts.
 - b. "Total gross receipts" means revenue received from customers located within the consolidated municipality of Carson City for natural gas services. Revenue includes proceeds from the sale of natural gas to retail customers located within Carson City but does not include any proceeds from the sale of natural gas to a provider of electric energy which holds a certificate of public convenience and necessity issued by the Public Service Commission of Nevada.
 - c. A license fee not received or postmarked within 30 calendar days after the end of each quarter shall be delinquent and the licensee shall pay, in addition to the license fee, a penalty of 1 percent of the delinquent fee amount per month and interest of 1 percent of the delinquent amount per month.
 - d. Each natural gas provider which derives or intends to derive revenue from customers located within the city shall, not later than 60 calendar days before the company begins to provide natural gas service to those customers, whichever occurs later, provide to the city: (1) An acknowledgment that the company is operation or intends to operate within the city; and (2) The date that the company began or intends to begin to derive revenue from customers located within the city.
 - e. Each company that is subject to this section shall, not later than 30 calendar days after the end of each calendar quarter, provide to the city a statement of the amount of revenue the natural gas company

- derived during that calendar quarter from the sale of natural gas services to each of its customers located within the city.
- f. This section does not alter the terms of any existing franchise agreement between the city and any company providing natural gas services within the boundaries of the consolidated municipality of Carson City.
3. Electric Service
- a. Every business entity providing electric service within the consolidated municipality of Carson City must obtain and pay for an annual business license. The fee for such license is payable not later than 30 calendar days after the end of each calendar quarter and shall be ~~4.5~~ 5.0 percent of the total gross receipts.
- b. "Total gross receipts" means revenue received from customers located within the consolidated municipality of Carson City for electric services.
- c. A license fee not received or postmarked within 30 calendar days after the end of each quarter shall be delinquent and the licensee shall pay, in addition to the license fee, a penalty of 1 percent of the delinquent fee amount per month and interest of 1 percent of the delinquent amount per month.
- d. Each electric energy provider which derives or intends to derive revenue from customers located within the city shall, not later than 60 calendar days before the company begins to provide electrical energy service to those customers, whichever occurs later, provide to the city: (1) An acknowledgment that the company is operation or intends to operate within the city; and (2) The date that the company began or intends to begin to derive revenue from customers located within the city.
- e. Each company that is subject to this section shall, not later than 30 calendar days after the end of each calendar quarter, provide to the city a statement of the amount of revenue the electric energy company derived during that calendar quarter from the sale of electric energy services to each of its customers located within the city.
- f. This section does not alter the terms of any existing franchise agreement between the city and any company providing electric energy services within the boundaries of the consolidated municipality of Carson City.
4. Pursuant to NRS 354.59887, the fees imposed upon the business entity may be collected from a governmental entity of the state if that entity is a customer of the business entity.

5. The changes effecting Section 3. of Chapter 4.04.107 Public Utilites, will become effective on October 1, 2013.

That no other provisions of Title 4 of the Carson City Municipal Code are affected by this ordinance.

PROPOSED on _____(month)_____(day), 2013

PROPOSED by Supervisor _____

PASSED _____(month)_____(day), 2013

VOTE: AYES: SUPERVISORS: _____

NAYS: SUPERVISORS: _____

ABSENT SUPERVISORS: _____

ROBERT L. CROWELL, MAYOR

ATTEST

ALAN GLOVER, CLERK/RECORDER