

RESOLUTION NO. 2022-19

A Resolution Establishing an In-Lieu-Of Tax Payment of Six Percent (6%) by the Water and Light Commission to the City of McMinnville from the Electric Utility and Repealing Resolution Nos. 1988-31, 1990-4, and 2003-14.

RECITALS:

Whereas, the Water and Light Commission is authorized and empowered by City Charter to act on behalf of the City in the management, operation, and acquisition of electricity; and

Whereas, ORS 225.270 provides that a municipal electric utility shall pay to the City not less than three percent (3%) of the annual gross operating revenue of such utility; and

Whereas, since 1961, the Water and Light Commission has paid to the City in-lieu-of tax payments at a rate of six percent (6%); and

Whereas, in 1988, the City Council, via Resolution No. 1988-31, established an in-lieu-of tax payment by the Water and Light Commission of six percent (6%) of annual gross operating revenue except for heavy industrial users that had a rate of four and one-half percent (4.5%); and

Whereas, in 1990, the City Council, via Resolution No. 1990-4, again required an in-lieu-of tax payment by the Water and Light Commission of six percent (6%) of annual gross operating revenue, but it reduced the rate for heavy industrial users from four and one-half percent (4.5%) to three percent (3%); and

Whereas, the City Council, via Resolution No. 2003-14, established that each Water and Light customer within the heavy industry class shall be charged, at maximum, the total actual fee revenue collected from that heavy industry customer plus three percent (3%), and each subsequent year increase could not exceed three percent (3%); and

Whereas, the City seeks to reinstate its in-lieu-of tax payment of six percent (6%) of annual gross operating revenue across all electric utility customer classes.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF McMINNVILLE, OREGON, as follows:

1. Staff will negotiate with McMinnville Water and Light and Cascade Steel to phase in an increase the in-lieu-of tax payment by the Water and Light Commission to the City of McMinnville from three

percent (3%) to six percent (6%) of annual gross operating revenue collected from heavy industry class customers, which increase must be fully implemented by no later than September 1, 2023.

2. Resolution Nos. 1988-31, 1990-4, and 2003-14 are hereby repealed.
3. That this resolution shall take effect on July 1, 2022 and shall continue in full force and effect until modified, revoked, or replaced.

Adopted by the Common Council of the City of McMinnville at a regular meeting held the 26th day of April, 2022 by the following votes:

Ayes: Drabkin, Garvin, Geary, Menke, Peralta, Chenoweth

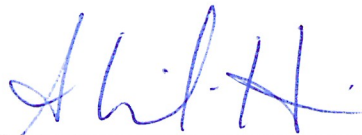
Nays: _____

Approved this 26th day of April 2022.



MAYOR

Approved as to form:



City Attorney

Attest:



City Recorder