

**Carson City  
Request for Board Action**

**Date Submitted:** 07/26/2011

**Agenda Date Requested:** 8/04/2011

**Time Requested:** 20 minutes

**To:** Mayor and Supervisors

**From:** Nick Providenti, Director of Finance

**Subject Title:** For Possible Action: Action to introduce on first reading, Bill # \_\_\_\_\_, 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 1% and natural gas services by .5% effective September 1, 2011.

(Nick Providenti)

**Staff Summary:** The revenue generated from this increase will help fund the costs passed down from the State of Nevada for assessments associated with Health and Human Services, Juvenile Services, and Parole and Probation as a result of the 2011 Legislative Session.

**Type of Action Requested:** (Check One)

- Resolution                       Ordinance  
 Formal Action/Motion         Other (Specify)

**Does this action require a Business Impact Statement:**  Yes     No

**Recommended Board Action:** I move to approve on first reading, Bill # \_\_\_\_\_, 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 1% and natural gas services by .5% effective September 1, 2011.

**Explanation of Recommended Board Action:** The proposed ordinance has been forwarded to the Chamber of Commerce, the Manufacturing & Industrial Association, Southwest Gas Corporation and NV Energy and to the general public through news reports. The proposed increases in business license (franchise) fees will help fund the costs passed down from the State of Nevada for assessments associated with Health and Human Services, Juvenile Services, Parole and Probation as a result of the 2011 Legislative Session.

**Applicable Statute, Code, Policy, Rule or Regulation:** Carson City Municipal Code Title 4

**Fiscal Impact:** After approval of second reading, revenues to the general fund are expected to increase \$722,540.

**Funding Source:** n/a

**Explanation of Impact:** will allow city to maintain services while paying additional costs passed down from the State of Nevada as a result of the 2011 Legislative Session.

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

Prepared By: Nick Proventi

Reviewed By: *Nick Proventi* Date: 7/26/11  
(Department Head)  
: *[Signature]* Date: 7/26/11  
(City Manager)  
: *[Signature]* Date: 7/26/11  
(District Attorney)  
: *Nick Proventi* Date: 7/26/11  
(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 Statutes.
  - 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 30<sup>th</sup> 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 30<sup>th</sup> 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 ~~[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 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 ~~{3.5}~~ 4.5 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.

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

PROPOSED on \_\_\_\_\_ (month) \_\_\_\_\_ (day), 2011

PROPOSED by Supervisor \_\_\_\_\_

PASSED \_\_\_\_\_ (month) \_\_\_\_\_ (day), 2011

VOTE:                    AYES: SUPERVISORS: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

NAYS: SUPERVISORS: \_\_\_\_\_

\_\_\_\_\_

ABSENT SUPERVISORS: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
ROBERT L. CROWELL, MAYOR

ATTEST:

\_\_\_\_\_  
ALAN GLOVER, CLERK/RECORDER

This ordinance shall be in force and effect from and after the 1<sup>st</sup> day of the month of September of the year, 2011.

Comparison of Gas and Electric Franchise/Business License Fees

Entity		Gas Franchise/Bus. Lic Fee	Electric Franchise/Bus. Lic Fee
Carson City		4.50%	3.50%
Douglas County	1	4.00%	4.00%
Washoe County		5.00%	5.00%
Reno	2	4.00%	4.00%
Sparks		5.00%	5.00%
Lyon County		5.00%	5.00%
Fernley	3	4.00%	3.00%
Clark County		5.00%	5.00%
Las Vegas		5.00%	5.00%
North Las Vegas		5.00%	5.00%

1 - Douglas County is seeking to increase amounts to 5% effective 1/1/2012 per A. Henderson of Douglas County - 2nd Reading scheduled for August 2011 although the amount may only go up to 4.5%.

2 - City of Reno increased the fees for gas and electric from 3% to 4% in June, 2011. It will increase to 5% in June, 2013 per interm Finance Director Jill Olsen.

3 - Per Laura Hoffman at SW Gas, the City of Fernley sent out notification of an ordinance to increase it's gas rates by 1% to a total of 5%.

Per Bob Pohl - NV Energy - the City of Fernley will increase to 4% effective 9/1/2011.