

D R A F T

SUMMARY

Requires certain municipal utilities to return surplus earnings to counties in which customers in unincorporated communities reside in same circumstances and at same rate that apply when customers reside in city.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to surplus earnings of certain municipal utilities; amending ORS
3 225.270; and prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 225.270 is amended to read:

6 225.270. (1)(a) When any city [*which*] **that** owns [*or*], operates **or char-**
7 **ters** a municipal electric power plant or system or distributing system, has
8 paid principal and interest to date on all indebtedness incurred in connection
9 [*therewith*] **with the plant or system**, and has created and accumulated an
10 adequate depreciation and replacement reserve in the judgment of the officer
11 having control of [*such*] **the** plant or system, the city shall, for the purpose
12 of reducing general property taxes within [*such*] **the** city, pay to itself not
13 less than three percent of the annual gross operating revenue of [*such*] **the**
14 plant or system, or a volumetric charge based upon the amounts of electricity
15 delivered, transmitted or distributed to retail electricity consumers regard-
16 less of the source.

17 (b) [*The*] **A** volumetric charge **paid under this subsection** shall not be
18 less than the equivalent of three percent of the gross operating revenues of
19 the [*municipality*] **municipal** utility in 1999.

20 (c) The city shall adjust a volumetric charge to end users such that

1 charges established for different customer classes bear the same approximate
2 relationship as the gross revenues per kilowatt hour paid by the classes in
3 1999.

4 **(2)(a) If a municipal electric power plant or system or distributing**
5 **system owned, operated or chartered by a city receives revenue from**
6 **customers residing in an unincorporated community, the city shall**
7 **make payments in the circumstances described in subsection (1)(a) of**
8 **this section to the county in which the customers reside on the same**
9 **basis as the city makes payments to itself under subsection (1)(a) and**
10 **(b) of this section.**

11 **(b) This subsection applies to a municipal electric power plant or**
12 **system or distributing system that provides service to an incorporated**
13 **community with a population greater than 100,000.**

14 **SECTION 2. This 2013 Act takes effect on the 91st day after the date**
15 **on which the 2013 regular session of the Seventy-seventh Legislative**
16 **Assembly adjourns sine die.**

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