



**Testimony by Wilsonville Mayor Tim Knapp in Opposition to SB 202:  
*Proposed Legislation Harms Local Taxpayers by Subsidizing Utilities,  
Jeopardizes Local Government Finances and Public Services***

Scheduled for public hearing on March 8, 2017, before the  
Senate Committee on Finance and Revenue

**To Chair Hass, Vice-Chair Boquist and Members of the Committee:**

On behalf of the City of Wilsonville City Council, I am testifying in opposition to SB 202 that threatens city authority to manage and receive fair and just compensation for use of municipal public rights-of-way, which provide a major revenue source for local governments.

SB 202 would restrict franchise fees charged by cities or other governments to a misdirected “cost recovery” standard that does not recognize the actual costs, including lost opportunity costs, and the value of fully assembled, integrated public rights-of-way. That is, public resources were used over time to acquire and manage public rights-of-way based on an expected rate-of-return that SB 202 up-ends. SB 202 discourages governments to expend precious public funds on acquiring rights-of-way that allows others to use at a subsidized rate.

The public owns and maintains the resource of rights-of-way, maintaining not only pavement and grass on top, but also maintaining standards and locational maps for what goes below ground so incompatible uses are separated and various companies or sectors don’t unjustly monopolize the public right-of-way, thereby pushing out a competitor or needed service. Additionally, fully assembled bits of property that constitute the public rights-of-way are of considerable value that would be costly and time-consuming for each utility to acquire.

The City of Wilsonville charges standard franchise fees to all utilities—private or public—on a non-discriminatory basis. The City’s franchise fees are applied in an equitable fashion to municipal-owned utilities, including city water and waste-water utility services.

Both public and private entities are “consuming” a public good in the form of a right-of-way, and there are both real and societal costs that the franchise fees attempt to encapsulate.

The City of Wilsonville respectfully urges a DO NOT PASS vote on SB 202. Thank you for your time and consideration.

Sincerely,

A handwritten signature in blue ink that reads 'Tim Knapp'.

Tim Knapp, Mayor  
City of Wilsonville