

CITY OF NEWPORT  
169 SW COAST HWY  
NEWPORT, OREGON 97365

COAST GUARD CITY, USA



phone: 541.574.0629

fax: 541.574.0644

<http://newportoregon.gov>

mombetsu, japan, sister city

March 6, 2017

The Honorable Mark Hass, Chair  
Senate Finance and Revenue Committee  
900 Court St. NE, S-207  
Salem, Oregon 97301

**RE: Testimony on Senate Bill 202**

Chair Hass,

It has been brought to our attention that on March 8<sup>th</sup> your committee will be conducting a hearing on the above referenced bill, and we would respectfully request that you accept this letter as testimony from the City of Newport in opposition to the legislation.

The bill exempts local service districts from having to pay a license fee, privilege tax, rent or any other charge for use of public rights-of-way in an amount that exceeds the city's actual costs for administering the use. This would directly impact the City of Newport's relationship with the Central Lincoln People's Utility District ("District"), a local service district that provides electric service within the city limits. The City presently charges the District a franchise fee. That fee is used by the City to underground the District's overhead utilities.

We are opposed to the proposed legislation because:

- 1) It prevents the City from charging a fee for use of rights-of-way, many miles of which it had to pay fair market value to acquire, while allowing the District to impose fees on private utilities that collocate on its poles within these same rights-of-way.
- 2) The legislation, if passed, upsets a long established agreement the City has had with the District for reinvesting franchise fees into undergrounding overhead utility lines. This has allowed for an efficient and programmed approach to addressing targeted geographic areas in the City, not to mention upgrading the District's infrastructure in the process. Without the franchise fees, the City may have to resort to less effective ways of achieving its policy objectives.
- 3) The bills reference to allowing a city to recover its actual costs is vague as to its scope, and creates an unnecessary administrative burden. Newport's Public Works Department coordinates with the District on a regular basis as it maintains and upgrades the City's water,

sewer, storm drainage and street systems. This regularly requires that District infrastructure be relocated at City expense. Quantifying each and every one of these interactions is a difficult task that small jurisdictions, such as Newport, would have a hard time addressing.

If this legislation is to proceed, then we would respectfully request that the Committee modify the bill to address our concerns. It is unclear to us why this bill was brought forward. If there are issues with how existing franchise laws have been applied, then we would be happy to participate in a discussion about how the laws can be adjusted in a more nuanced manner to get at those specific concerns.

Thank you for your time and consideration.

Sincerely,



Sandra Roumagoux, Mayor  
City of Newport  
On Behalf of the Newport City Council

xc: Sen. Arnie Roblan  
Rep. David Gomberg