

Senate Bill 840

Sponsored by COMMITTEE ON FINANCE AND REVENUE

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Finds and declares utilities' occupancy of streets, highways and other public property within cities of this state matter of statewide concern.

Caps franchise agreement payments and privilege taxes imposed on utilities for purpose of occupying streets, highways and other public property within cities at five percent of gross revenue earned by utility within city.

Establishes limits for other charges and fees imposed by cities on utilities.

Broadens types of communications services on which municipalities may impose privilege tax. Lowers privilege tax rate imposed on gross revenues of communications service providers. Broadens definition of "gross revenues."

A BILL FOR AN ACT

1
2 Relating to entities owing moneys for providing services in cities; creating new provisions; amending
3 ORS 221.420, 221.450, 221.505, 221.510, 221.515 and 759.219; and repealing ORS 221.415.

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

UTILITIES

SECTION 1. The Legislative Assembly finds and declares that:

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9 **(1) Utilities' occupancy of the streets, highways and other public property within the**
10 **cities of this state is a matter of statewide concern;**

11 **(2) Consistency in regulating utilities' occupancy of the streets, highways and other**
12 **public property within the cities of this state ensures that ratepayers are treated fairly;**

13 **(3) Consistency in regulating utilities' occupancy of the streets, highways and other**
14 **public property within the cities of this state is necessary to achieve this state's economic**
15 **development goals;**

16 **(4) Sections 1 to 5 of this 2017 Act provide appropriate compensation for the cities of this**
17 **state for costs associated with regulating utilities' occupancy of the streets, highways and**
18 **other public property of the cities of this state; and**

19 **(5) Sections 1 to 5 of this 2017 Act serve to recognize utilities' rights to occupy the**
20 **streets, highways and other public property of the cities of this state.**

SECTION 2. As used in sections 1 to 5 of this 2017 Act:

21 **(1) "Actual cost" means:**

22 **(a) Expenses associated with oversight of a utility's activities, inspection of a utility's**
23 **occupancy or maintenance or repair of a street, highway or other public property, including**
24 **city facilities, for reasons related to a utility's activities; and**

25 **(b) Administrative expenses associated with the expenses described in paragraph (a) of**
26 **this subsection.**
27

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 (2) "Heating company" means a person that furnishes heat, but not electricity or natural
 2 gas, to the person's customers.

3 (3) "Local government" has the meaning given that term in ORS 174.116.

4 (4) "Public utility" has the meaning given that term in ORS 757.005.

5 (5) "Utility" means:

6 (a) A public utility;

7 (b) A heating company;

8 (c) An electric cooperative organized under ORS chapter 62;

9 (d) A people's utility district organized under ORS chapter 261; and

10 (e) Any entity against which a privilege tax may be levied under ORS 221.450.

11 **SECTION 3.** (1)(a) This section is intended to establish the authority of a city to deter-
 12 mine by contract, or to prescribe by ordinance or otherwise, the payment of charges and fees
 13 under ORS 221.420 (2)(a), and the authority of a city to levy and collect a privilege tax under
 14 ORS 221.450.

15 (b) Except as expressly authorized by subsection (2) of this section, a city may not de-
 16 termine by contract, or prescribe by ordinance or otherwise, the payment of charges or fees
 17 for purposes described in ORS 221.420 (2)(a).

18 (c) Except as expressly authorized under subsection (3) of this section, a city may not
 19 levy and collect a privilege tax for purposes described in ORS 221.450.

20 (d) A city may not impose and collect a charge or a fee from any person that uses a fa-
 21 cility of a utility to provide services to customers of the utility for a purpose that is related
 22 to the use.

23 (2) For purposes of ORS 221.420 (2)(a), a city may determine by contract, or prescribe by
 24 ordinance or otherwise, a franchise fee, upon the payment of which a utility may occupy the
 25 streets, highways and other public property of the city, in an amount that does not exceed
 26 five percent of the gross revenue earned by the utility within the city.

27 (3) For purposes of ORS 221.450, a city may levy and collect a privilege tax from a utility
 28 described in ORS 221.450, upon the payment of which a utility may occupy the streets, high-
 29 ways and other public property of the city, in an amount that does not exceed five percent
 30 of the gross revenue earned by the utility within the city.

31 (4) For purposes of subsections (2) and (3) of this section, "gross revenue" does not in-
 32 clude any gross revenue derived from interstate commerce or business of the federal gov-
 33 ernment of the United States.

34 **SECTION 4.** (1) If a utility is a unit of local government, or an intergovernmental body
 35 formed by two or more units of local government, then a city may charge the utility,
 36 whether as a fee, tax or other type of payment, only the actual cost of occupying a street,
 37 highway or other public property, provided that the actual cost is not based on calculations
 38 that are more than three years old.

39 (2) A city may not charge a utility that is a unit of local government, or that is an
 40 intergovernmental body formed by two or more units of local government, under this section
 41 if the city has entered into a franchise agreement with the utility pursuant to ORS 221.420
 42 (2)(a) or has levied a privilege tax against the utility pursuant to ORS 221.450.

43 **SECTION 5.** (1) If a city has entered into a franchise agreement with a utility pursuant
 44 to ORS 221.420 (2)(a), or levied a privilege tax against a utility pursuant to ORS 221.450, the
 45 city and the utility shall bear the costs of relocating a facility of the utility as follows:

1 (a) The utility shall bear the relocation costs to the extent that the relocation is required
 2 to accommodate a capital project or other development funded by the city, the primary
 3 purpose of which is to address a matter of public health and safety.

4 (b) The city shall bear the relocation costs to the extent that the relocation is required
 5 to accommodate a capital project or other development funded by the city, the primary
 6 purpose of which is to promote education, recreation or beautification of the city;

7 (c) To the extent that the relocation is required to accommodate a capital project or
 8 other development funded by a third party, the utility has the right to recover the relocation
 9 costs from the third party. To provide for the recovery of relocation costs, the city shall
 10 incorporate the cost of reimbursing the utility into the conditions and requirements of the
 11 applicable city permits issued to the third party for purposes of the project or other devel-
 12 opment.

13 (2) If a city has entered into a franchise agreement with a utility pursuant to ORS 221.420
 14 (2)(a), or levied a privilege tax against a utility pursuant to ORS 221.450, the city may not
 15 assess a separate permit fee against the utility for construction and repairs of a facility of
 16 the utility or for any activity of the utility that requires a street opening, except that the
 17 city may assess a separate permit fee against the utility for any construction or repairs of
 18 a facility of the utility or for any activity of the utility that requires a street opening if,
 19 during the calendar year that the city assesses the permit fee, the aggregate of actual costs
 20 for administrative, engineering and inspection expenses of the city that are associated with
 21 the construction or repairs of facilities of the utility or with activities of the utility that re-
 22 quire a street opening exceed 50 percent of the amount that the city receives from the utility
 23 during that calendar year under the franchise agreement or pursuant to the privilege tax.

24 **SECTION 6.** ORS 221.420 is amended to read:

25 221.420. *[(1) As used in this section:]*

26 *[(a) "Public utility" has the meaning for that term provided in ORS 757.005.]*

27 *[(b) "Commission" means the Public Utility Commission of Oregon.]*

28 *[(c) "Council" means the common council, city council, commission or any other governing body of*
 29 *any municipality wherein the property of the public utility is located.]*

30 *[(d) "Municipality" means any town, city or other municipal government wherein property of the*
 31 *public utility is located.]*

32 *[(e) "Service" is used in its broadest and most inclusive sense and includes equipment and*
 33 *facilities.]*

34 *[(f) "Heating company" means any person furnishing heat but not electricity or natural gas to its*
 35 *customers.]*

36 (1) For purposes of this section, "service" is intended to be used in its broadest and most
 37 inclusive sense, and includes the equipment and facilities of a utility.

38 (2) Subject to ORS 758.025 and section 3 of this 2017 Act, a city may:

39 (a) Determine by contract, or prescribe by ordinance or otherwise, the terms and conditions,
 40 including the payment of charges and fees, upon which *[any public utility, electric cooperative,*
 41 *people's utility district or heating company, or Oregon Community Power,]* a utility may be permitted
 42 to occupy the streets, highways or other public property within *[such]* the city *[and]*.

43 (b) Exclude or eject *[any]* a public utility or heating company *[therefrom.]* from the city.

44 *[(b)]* (c) Require *[any]* a public utility, by ordinance or otherwise, to make *[such]* modifications,
 45 additions and extensions to *[its]* the physical equipment, facilities or *[plant or service]* plants or

1 **services of the utility that are located or offered** within *[such]* the city as *[shall be]* **are** rea-
 2 sonable or necessary in the interest of the public, and designate the location and nature of *[all]* **the**
 3 additions and extensions, the time within which *[they]* **the additions and extensions** must be com-
 4 pleted, and *[all]* **the** conditions under which *[they]* **the additions and extensions** must be con-
 5 structed.

6 *[(c)]* **(d)** Fix by contract, prescribe by ordinance[,], or **provide for** in any other lawful manner,
 7 the rates, charges or tolls to be paid to, or that may be collected by, *[any]* **a** public utility, or the
 8 quality and character of each kind of product or service to be furnished or rendered by *[any]* **a**
 9 public utility *[furnishing any product or service within such city]*. *[No]* **A** schedule of rates, charges
 10 or tolls, fixed in the manner provided *[in]* **by** this paragraph, *[shall be so]* **may not be** fixed for a
 11 *[longer]* period *[than]* **exceeding** five years. *[Whenever it is proposed by any city to enter into any*
 12 *contract, or to enact any ordinance, or other municipal law or regulation concerning the matters spec-*
 13 *ified in this paragraph,]* **Before a city enters into a contract, enacts an ordinance or otherwise**
 14 **acts pursuant to this paragraph, the city must file** a copy of *[such]* **the** proposed contract, or-
 15 dinance or other municipal law or resolution *[shall be filed]* with the Public Utility Commission *[of*
 16 *Oregon]* before the *[same]* **contract, ordinance or other municipal law or resolution** may be
 17 lawfully signed or enacted[, *as the case may be, and*]. The commission *[shall thereafter have]* **has** 90
 18 days **from the date of the filing** within which to examine *[into]* the terms *[thereof]* **of the contract,**
 19 **ordinance or other municipal law or resolution**. If the commission is of the opinion that *[in any*
 20 *respect]* the provisions of the proposed contract, ordinance or other municipal law or resolution are
 21 not in the public interest, the commission shall file, in writing, with the *[clerk or other]* **city** officer
 22 who has *[the]* custody of the files and records of the city[,], the commission's reasons *[therefor]* **that**
 23 **the provisions of the proposed contract, ordinance or other municipal law or resolution are**
 24 **not in the public interest**. If the objections are filed within *[said period of 90 days, no]* **the 90-day**
 25 **period, the** proposed contract, ordinance or other municipal law or *[regulation shall be valid or go*
 26 *into effect until it]* **resolution may not become effective until the proposed contract, ordinance**
 27 **or other municipal law or resolution** has been *[submitted to or]* ratified by *[the]* **a** vote of the
 28 electors of the city. Unless and until a city exercises *[its]* **the city's** powers as provided in this
 29 paragraph, the commission is vested with all powers with respect to the matters specified in this
 30 paragraph. If the schedule of rates, charges and tolls or the quality and character of *[each kind of]*
 31 **a** product or service is fixed by contract, ordinance or other municipal law or regulation *[and]* in
 32 the manner provided *[in]* **by** this paragraph, the commission has no power or jurisdiction to interfere
 33 with, modify or change *[it]* **the schedule of rates, charges and tolls or the quality and character**
 34 **of each kind of product or service** during the *[period fixed thereby]* **term of the contract, ordi-**
 35 **nance or other municipal law or resolution**. Upon the expiration of *[said period such powers shall*
 36 *again be]* **the term, all powers with respect to matters specified in this paragraph are** vested
 37 in the commission, to be exercised by the commission unless *[and until]* a new schedule of rates,
 38 **charges or tolls** or the quality and character *[for such service or product]* **of a product or service**
 39 is fixed *[or prescribed]* by contract[,], **or** ordinance or *[other municipal law or regulation in the manner*
 40 *provided in this paragraph]* **provided for in any other lawful manner**.

41 *[(d)]* **(e)** Provide for a penalty for noncompliance with the provisions of any charter provision,
 42 ordinance or resolution adopted by the city in furtherance of the powers specified in this subsection.

43 **SECTION 7.** ORS 221.450 is amended to read:

44 221.450. Except as provided in ORS 221.655, **and subject to section 3 of this 2017 Act,** the city
 45 council or other governing body of *[every]* **an** incorporated city may levy **a privilege tax against,**

1 and collect a privilege tax from, Oregon Community Power and *[from every]* **an** electric cooperative
 2 **organized under ORS chapter 62**, people’s utility district **organized under ORS chapter 261**,
 3 privately owned public utility, telecommunications carrier as defined in ORS 133.721 or heating
 4 company. The privilege tax may be **levied and** collected only if the entity is operating for a period
 5 of 30 days **or more** within the city **and occupying the streets, highways and other public**
 6 **property of the city** without a franchise from the city. *[and actually using the streets, alleys or*
 7 *highways, or all of them, in such city for other than travel on such streets or highways. The privilege*
 8 *tax shall be for the use of those public streets, alleys or highways, or all of them, in such city in an*
 9 *amount not exceeding five percent of the gross revenues of the cooperative, utility, district or company*
 10 *currently earned within the boundary of the city. However, the gross revenues earned in interstate*
 11 *commerce or on the business of the United States Government shall be exempt from the provisions of*
 12 *this section. The privilege tax authorized in this section shall be for each year, or part of each year,*
 13 *such utility, cooperative, district or company, or Oregon Community Power, operates without a fran-*
 14 *chise.]* **The privilege tax may be levied and collected during each year, or during each part**
 15 **of a year, that the entity occupies the streets, highways and other public property of the city**
 16 **without a franchise from the city.**

17 18 COMMUNICATIONS SERVICE PROVIDERS

19
20 **SECTION 8.** ORS 221.505 is amended to read:

21 221.505. The Legislative Assembly recognizes that significant changes have occurred in the
 22 regulation, technology and marketing of *[telecommunications carriers as defined in ORS 133.721 over*
 23 *the past decade]* **communications services**. It is the intent of the Legislative Assembly in adopting
 24 the privilege tax authorized by ORS 221.505 to 221.515 and 759.219 to respond to these changes by
 25 establishing a uniform base for municipal charges for street use by *[telecommunications carriers]*
 26 **communications service providers.**

27 **SECTION 9.** ORS 221.510 is amended to read:

28 221.510. (1) As used in *[this section]* **ORS 221.505 to 221.515:**

29 *[(a) “Telecommunications carrier” has the meaning given that term in ORS 133.721.]*

30 *[(b) “Commission” means the Public Utility Commission of Oregon.]*

31 **(a) “Communications service provider” means:**

32 **(A) A competitive telecommunications provider as defined in ORS 759.005;**

33 **(B) A telecommunications utility as defined in ORS 759.005;**

34 **(C) An unincorporated association or cooperative corporation providing intrastate tele-**
 35 **communications service; or**

36 **(D) A provider of interconnected Voice over Internet Protocol service.**

37 *[(c) (b) “Council” means the common council, city council, commission or any other governing*
 38 *body of any municipality [wherein the property of the telecommunications carrier is located].*

39 **(c) “Gross revenues” means the revenues derived from the provision of telecommuni-**
 40 **cations service or from interconnected Voice over Internet Protocol service provided to**
 41 **customers in a municipality but does not include:**

42 **(A) Net uncollectibles from the revenues;**

43 **(B) Any amount billed as a separate tax or surcharge for amounts payable to any federal,**
 44 **state or local government authority, whether imposed on the customer or on the communi-**
 45 **cations service provider, including any privilege tax imposed under this section or ORS**

1 **221.515;**

2 (C) Any amount billed for Internet access as defined in ORS 305.822; or

3 (D) Any amount billed for communications equipment or other property.

4 (d) “Interconnected Voice over Internet Protocol service” means a service that:

5 (A) Enables real-time, two-way voice communications;

6 (B) Requires a broadband connection from the user’s location;

7 (C) Requires Internet protocol-compatible customer premises equipment; and

8 (D) Permits users to receive calls that originate on, and to terminate calls to, the public
9 switched telephone network.

10 [(d)] (e) “Municipality” means any town[, *municipality*] or other municipal government [*wherein*
11 *property of the telecommunications carrier is located*].

12 [(e) “Service” is used in its broadest and most inclusive sense and includes equipment and
13 facilities.]

14 (f) “Privilege tax” means any tax, fee or assessment of any kind, imposed or collected
15 by the council of a municipality on or from a communications service provider for the use
16 of the public streets, alleys or highways in the municipality, including but not limited to:

17 (A) Franchise fees;

18 (B) License fees; or

19 (C) Nonmonetary consideration, such as the construction or free use of telecommuni-
20 cations service or interconnected Voice over Internet Protocol service facilities and equip-
21 ment.

22 (g) “Telecommunications service” has the meaning given that term in ORS 759.005.
23 “Telecommunications service” does not include Internet access as defined in ORS 305.822.

24 (2) Every municipality may, solely on a competitively neutral and nondiscriminatory basis:

25 (a) Determine by contract or franchise agreement, or prescribe by ordinance or otherwise, the
26 terms and conditions, including payment of a privilege tax to the extent authorized by ORS 221.515
27 [*and other charges and fees*], upon which [*any telecommunications carrier*] a **communications ser-**
28 **vice provider** may be permitted to occupy the **public** streets, **alleys**, highways or other public
29 property within [*such*] **the** municipality [*and exclude or eject any telecommunications carrier*
30 *therefrom*].

31 (b)(A) Require [*any telecommunications carrier*], by ordinance or otherwise, [*to*] **that, in the in-**
32 **terest of the public, a communications service provider** make [*such*] **reasonable or necessary**
33 modifications, additions and extensions to [*its*] **the** physical equipment, facilities or plant [*or*
34 *service*] **used by the communications service provider to provide communications services**
35 within [*such*] **the** municipality [*as shall be reasonable or necessary in the interest of the public,*]; and

36 (B) Designate the location and nature of [*all*] **the modifications**, additions and extensions, the
37 time within which they must be completed and all conditions under which they must be constructed.

38 (c) Provide for a penalty for noncompliance with the provisions of any charter provision, ordi-
39 nance or resolution adopted by the municipality in furtherance of the powers specified in this sub-
40 section.

41 **SECTION 10.** ORS 221.515 is amended to read:

42 221.515. (1) The council of every municipality in this state may [*levy*] **impose** and collect from
43 every [*telecommunications carrier operating within the municipality and actually using the streets, al-*
44 *leys or highways, or all of them, in such municipality for other than travel, a privilege tax for the use*
45 *of those streets, alleys or highways, or all of them, in such*] **communications service provider pro-**

1 **viding communications services to customers within the municipality a privilege tax for the**
 2 **privilege of using the public rights of way to provide communications services in the municipi-**
 3 **pality [in an amount which].**

4 **(2) Except as provided in subsection (3) of this section, the amount of a privilege tax**
 5 **imposed under this section** may not exceed *[seven]* **five** percent of the gross revenues of the
 6 *[telecommunications carrier]* **communications service provider** currently earned within the bound-
 7 aries of the municipality. The privilege tax *[authorized in this section]* shall be for each year, or part
 8 of *[each]* a year, that *[such telecommunications carrier]* **the communications service provider** op-
 9 erates within the municipality.

10 *[(2) As used in this section, "gross revenues" means those revenues derived from exchange access*
 11 *services, as defined in ORS 403.105, less net uncollectibles from such revenues.]*

12 **(3)(a) This subsection applies to a municipality that decreases the municipality's privilege**
 13 **tax rate to five percent under subsection (2) of this section for the one-year period beginning**
 14 **on January 1, 2018.**

15 **(b) If revenue from the privilege tax imposed as described in paragraph (a) of this sub-**
 16 **section is less than 95 percent of the privilege tax revenue actually collected by the municipi-**
 17 **pality for the one-year period beginning on January 1, 2016, the municipality may, no later**
 18 **than December 31, 2019, adopt an ordinance or resolution imposing the privilege tax at a rate**
 19 **that is not greater than the lesser of:**

20 **(A) The rate that would have made the privilege tax revenue actually collected by the**
 21 **municipality for the one-year period beginning on January 1, 2018, equal 95 percent of the**
 22 **privilege tax revenue actually collected by the municipality for the one-year period beginning**
 23 **on January 1, 2016; or**

24 **(B) Seven percent.**

25 **(c) In any judicial proceeding challenging the rate imposed pursuant to this subsection,**
 26 **the municipality shall bear the burden of demonstrating that the increase is consistent with**
 27 **this subsection.**

28 *[(3)]* **(4)(a) A [telecommunications carrier] communications service provider** paying the privi-
 29 lege tax authorized by this section *[shall]* **may** not be required to pay any additional fee, compen-
 30 sation or **other** consideration*[, including the free use or construction of telecommunications facilities*
 31 *and equipment,]* to the municipality for *[its]* use **by the communications service provider of the**
 32 public streets, alleys*[,] or highways[, or all of them,]* and *[shall]* **may** not be required to pay any
 33 additional tax or fee on the gross revenues that are the measure of the privilege tax. *[As used in*
 34 *this subsection, "use" includes, but is not limited to, street openings, construction and maintenance of*
 35 *fixtures or facilities by telecommunications carriers.]*

36 **(b) [As used in this subsection, "additional fee, compensation or consideration" does not include**
 37 **commissions paid for siting public telephones on municipal property.] Notwithstanding paragraph**
 38 **(a) of this subsection, in addition to a privilege tax imposed under this section, a municipality**
 39 **may charge a communications service provider:**

40 **(A) A commission for siting public telephones on municipal property;**

41 **(B) Separate fees for street openings, construction and inspection or maintenance of**
 42 **fixtures and facilities; and**

43 **(C) Separate fees for the privilege of providing communications services in the municipi-**
 44 **pality.**

45 **(c)(A) [To the extent that separate fees are imposed by the municipality on telecommunications**

1 carriers for street openings, construction, inspection or maintenance of fixtures or facilities, such fees
 2 may be deducted from the privilege tax authorized by this section. However, telecommunications carri-
 3 ers shall not deduct charges and penalties imposed by the municipality for noncompliance with charter
 4 provisions, ordinances, resolutions or permit conditions from the privilege tax authorized by this sec-
 5 tion.] **A communications service provider may deduct separate fees imposed by the munic-
 6 ipality under paragraph (b)(C) of this subsection from any privilege tax imposed by the
 7 municipality under this section.**

8 **(B) A communications service provider may deduct any privilege tax imposed by the
 9 municipality under this section from any separate fees imposed under paragraph (b)(C) of
 10 this subsection.**

11 **(d) The total amount of a privilege tax imposed under this section and fees imposed under
 12 paragraph (b) of this subsection may not exceed five percent of the gross revenues of the
 13 communications service provider earned within the boundaries of the municipality for the
 14 tax period.**

15 [(4)] (5) [For purposes of this section, "telecommunications carrier" has the meaning given that
 16 term in ORS 133.721.] **A municipality may not restrict a communications service provider from
 17 recovering the amounts payable by the communications service provider as a privilege tax
 18 under this section from the communications service provider's customers receiving services
 19 subject to the privilege tax.**

20 **(6) A cable operator as defined in ORS 30.192 paying a franchise fee as defined in 47 U.S.C.
 21 542, as in effect on January 1, 2016, to a municipality under a franchise as defined in 47 U.S.C.
 22 522, as in effect on January 1, 2016, may not be required to pay additional taxes or fees on
 23 the gross revenues that are the measure of the franchise fee paid under the cable franchise.**

24 **SECTION 11. ORS 759.219 is amended to read:**

25 759.219. The privilege tax authorized by ORS 221.515, or other similar exactions imposed by any
 26 municipality in this state upon telecommunications utilities for use and occupancy of streets, alleys
 27 or highways, or all of them, shall be allowed as an operating expense of the affected telecommuni-
 28 cations utilities operating in the municipality for rate-making purposes by the Public Utility Com-
 29 mission. [The cost of such privilege tax or other similar exactions shall be charged pro rata to the users
 30 of such telecommunications utility within the municipality unless the Public Utility Commission deter-
 31 mines on a statewide basis that such pro rata charges would be inequitable, in whole or in part, to city
 32 ratepayers or should otherwise be borne as a statewide operating expense by the telecommunications
 33 utility.]

34 MISCELLANEOUS

35 **SECTION 12. ORS 221.415 is repealed.**

36 **SECTION 13. ORS 221.420 and 221.450 are added to and made a part of sections 1 to 5 of
 37 this 2017 Act.**

38 **SECTION 14. Section 3 of this 2017 Act and the amendments to ORS 221.420 by section
 39 6 of this 2017 Act apply to franchise agreements entered into or renewed on or after the ef-
 40 fective date of this 2017 Act.**

41 **SECTION 15. Section 3 of this 2017 Act and the amendments to ORS 221.450 by section
 42 7 of this 2017 Act apply to privilege taxes levied on or after the effective date of this 2017
 43 Act.**

1 **SECTION 16.** The unit captions used in this 2017 Act are provided only for the conven-
2 ience of the reader and do not become part of the statutory law of this state or express any
3 legislative intent in the enactment of this 2017 Act.

4
