

COMPARED VERSION
NEW ORDINANCE TO CODE BOOKS

ORDINANCE NO. 140922

Amending Section 40-370, Code of Ordinances, entitled "Retention of license tax rates" to extend the rule that the license tax on utilities shall remain in effect whenever the Public Service Commission approves a rate increase to heating utilities.

WHEREAS, Section 393.275.1, Revised Statutes of Missouri, provides that if electric or natural gas utility rates are increased by more than 7% any city imposing a gross receipts tax on the sale of the commodity must adopt an ordinance or have adopted an ordinance providing for the maintenance of current license tax rates; and

WHEREAS, the Council enacted that ordinance through Ordinance No. 130131, now codified as Section 40-370, Code of Ordinances; and

WHEREAS, this rule and requirement is also applicable to heating corporations through incorporation of the natural gas and electric rules in Section 393.290, Revised Statutes of Missouri; and

WHEREAS, absent the affirmative decision to maintain license tax rates cities must reduce rates so that receipts do not increase, except for an allowable growth rate equal to the average of the increase over the prior three years; and

WHEREAS, Veolia Energy Kansas City, Inc. provides heating service within the limits of Kansas City; and

WHEREAS, in Case HR-2014-0066 the Public Service Commission of Missouri granted Veolia Energy Kansas City, Inc. a rate increase of 14.4% for its service territory located within Kansas City; and

WHEREAS, the rate increase granted to Veolia Energy Kansas City, Inc. thus necessitates a determination of whether to maintain the current license tax rates; and

WHEREAS, no residential customers are impacted by the increase in rates charged by Veolia Energy Kansas City, Inc.; and

WHEREAS, growth in the receipts of utility taxes is reflected in the annual budget currently being developed; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That Section 40-370, Code of Ordinances, entitled "Retention of license tax rates" is amended to read as follows:

Sec. 40-370. Retention of license tax rates.

(a) *Purpose.* RSMo § 393.275.1, provides that if an electric or natural gas utility rates are increased by more than seven percent any city imposing a gross receipts tax on the sale of the commodity must adopt an ordinance providing for the maintenance of current license tax rates or reduce rates. This provision is made applicable to heating companies by RSMo § 393.290. It is the purpose of this section to maintain the tax rates currently imposed by this code.

(b) *Maintenance of rates.* The license tax rates imposed by section 40-344 through section 40-~~347~~350, as modified by section 40-369, of this Code shall remain the effective tax rates for natural gas ~~and~~ electric and heating utilities without adjustment.

(c) *Continuation of rates.* These rates, unless otherwise changed by ordinance, will be continued whenever rate increases of any amount are granted ~~ana natural gas~~, electric or ~~natural gas~~heating utility.

Approved as to form and legality:

William Geary
City Attorney