

ORDINANCE NO. 130131

Enacting a new Section 40-370, Code of Ordinances, entitled “Retention of license tax rates” for the purpose of maintaining the current electric and natural gas license tax rates.

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, 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, the Kansas City Power & Light Company and the KCP&L Greater Missouri Operations Company provide electric service within the limits of Kansas City; and

WHEREAS, in Case ER-2012-0174 the Public Service Commission of Missouri granted the Kansas City Power & Light Company a rate increase of 9.64% for its service territory located within Kansas City; and

WHEREAS, in Case ER-2012-0175 the Public Service Commission of Missouri granted the KCP&L Greater Missouri Operations Company a rate increase of 4.91% for its service territory located within Kansas City; and

WHEREAS, the rate increase granted to the Kansas City Power & Light Company, but not that granted to the KCP&L Greater Missouri Operations Company, exceeds 7%, thus necessitating a determination of whether to maintain the current license tax rates in a portion of the City; 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 a new Section 40-370, Code of Ordinances, entitled “Retention of license tax rates” is enacted to read as follows:

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

(a) *Purpose.* Section 393.275.1, Revised Statutes of Missouri, provides that if an 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 providing for the maintenance of current license tax rates or reduce rates. It is the purpose of this ordinance to maintain the tax rates currently imposed by this code.

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(b) *Maintenance of rates.* The license tax rates imposed by section 40-344 through section 40-347, as modified by section 40-369, of this code shall remain the effective tax rates for natural gas and electric 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 an electric or natural gas utility.

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Approved as to form and legality:

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William Geary  
City Attorney