

1 Introduced April 10, 2012, by Councilman  
2 Borchert, seconded by Councilman  
3 Newcomb

4 **RESOLUTION R12-06**

5  
6 A resolution by the Slidell City Council opposing Senate Bills 269 and 273  
7 concerning the proposed implementation of a maximum franchise fee collected from some  
8 utilities.

9 WHEREAS, Senator Barrow Peacock from Senate District 37, Shreveport-  
10 Bossier, has proposed two bills identified as Senate Bill 269 and Senate Bill 273 which  
11 concern the implementation of a maximum franchise fee to be collected from some utility  
12 companies; and  
13  
14

15 WHEREAS, Senate Bill 269 "prohibits a police jury, municipality, or other local  
16 governing authority from charging any franchise fee or similar charge to an electric, gas, or  
17 water public utility which is in excess of 2% of annual gross receipts;" and  
18  
19

20 WHEREAS, Senate Bill 273 "excludes payments of a franchise fee or similar  
21 charge by an electric, gas, or water public utility to a political subdivision in excess of two  
22 percent of the annual gross receipts of the utility from adding the payment to the sales  
23 price and billing to customers in the political subdivision;" and  
24  
25  
26

27 WHEREAS, if Senate Bill 269 is passed, the City of Slidell will realize a  
28 decrease of \$693,951 in revenues from Cleco Power LLC; and  
29

30 WHEREAS, if Senate Bill 269 is passed, the City of Slidell will realize a  
31 decrease of \$62,240 in revenues from Washington-St. Tammany Electric Cooperative,  
32 Inc.; and  
33  
34  
35  
36  
37  
38  
39

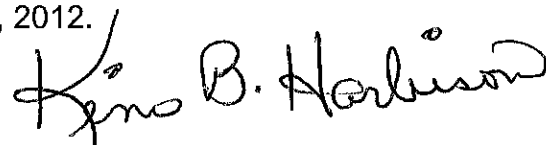
1  
2 **RESOLUTION R12-06**  
3 **PAGE 2**

4 WHEREAS, if Senate Bill 269 continues in its present form and is passed by  
5  
6 the Louisiana Legislature, the franchise fee revenues collected by the City of Slidell for  
7  
8 electric and gas public utilities will be drastically affected as set out above; and

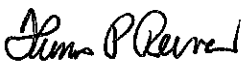
9 WHEREAS, if Senate Bill 273 continues in its present form and is passed by  
10  
11 the Louisiana Legislature, the franchise fee revenues collected by Cleco Power LLC and  
12  
13 Washington-St. Tammany Electric Cooperative, Inc. will also be drastically affected,

14 NOW THEREFORE BE IT RESOLVED by the Slidell City Council that its  
15  
16 members fully oppose Senate Bills 269 and 273 in their present form and request that after  
17  
18 consideration of these two bills, the Senate Revenue & Fiscal Affairs Committee vote to kill  
19  
20 Senate Bills 269 and 273 in the committee.

21 **ADOPTED** this 10th day of April, 2012.

22 

23  
24 Kim Harbison  
25 President of the Council  
26 Councilwoman-at-Large

27 

28 Thomas P. Reeves  
29 Council Administrator  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39

1 **RESOLUTION R12-06**  
2 **PAGE 3**

3  
4 **CERTIFICATE**

5  
6 I, Thomas P. Reeves, Council Administrator, Slidell City Council, do hereby certify  
7 that the above and foregoing constitutes a true and correct copy of a Resolution passed,  
8  
9 approved, and adopted by the City of Slidell on the 10th day of April, 2012.

10  
11  
12 

13 \_\_\_\_\_  
14 Thomas P. Reeves  
15 Council Administrator  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39

Regular Session, 2012

SENATE BILL NO. 269

BY SENATOR PEACOCK

TAX/LOCAL. Prohibits a police jury, municipality, or other local governing authority from charging any franchise fee or similar charge to an electric, gas, or water public utility which is in excess of 2% of annual gross receipts. (gov sig)

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17

AN ACT

To amend and reenact R.S. 33:4461, relative to franchise fees imposed by political subdivisions; to limit the franchise fees and similar charges which may be imposed on an electric, gas, or water public utility; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 33:4461 is hereby amended and reenacted to read as follows:

§4461. Limitation on cable television fees and charges and other franchise fees and charges

A. No police jury, municipality, or other local governing authority empowered to grant cable television franchises shall charge any franchise fee of any kind in excess of that authorized by federal law.

B. Notwithstanding any other law or agreement to the contrary, beginning January 1, 2013, no police jury, municipality, or other local governing authority empowered to grant a franchise to an electric, gas, or water public utility shall charge any franchise fee or similar charge in excess of two percent of the annual gross receipts of the utility from its customers within the parish, municipality, or other local governing authority.

1           Section 2. This Act shall become effective upon signature by the governor or, if not  
2 signed by the governor, upon expiration of the time for bills to become law without signature  
3 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
4 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
5 effective on the day following such approval.

---

The original instrument and the following digest, which constitutes no part  
of the legislative instrument, were prepared by Riley Boudreaux.

---

DIGEST

Present law authorizes the governing authorities of municipalities and parishes to grant a franchise to public utilities to use and occupy public places within their jurisdictions for constructing, maintaining, and operating structures and equipment to operate the public utilities' business.

Proposed law prohibits police juries, municipalities, or other local governing authorities which are empowered to grant a franchise to an electric, gas, or water public utility to charge any franchise fee or similar charge in excess of 2% of the annual gross receipts of the utility from its customers within the parish, municipality, or other local governing authority, beginning January 1, 2013.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 33:4461)

Regular Session, 2012

SENATE BILL NO. 273

BY SENATOR PEACOCK

TAX/LOCAL. Excludes payments of a franchise fee or similar charge by an electric, gas, or water public utility to a political subdivision in excess of two percent of the annual gross receipts of the utility from adding the payment to the sales price and billing to customers in the political subdivision. (gov sig)

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17

AN ACT

To amend and reenact R.S. 33:4510(D), relative to franchise fees and similar charges of political subdivisions; to exclude certain such payments of certain public utilities from the authority to add the amount of the payments to the sales price of such public utility's service and billing pro rata to the utility's customers receiving local service within the political subdivision; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 33:4510(D) is hereby amended and reenacted to read as follows:

§4510. Charge-back of certain taxes and other payments made to a political subdivision; construction, scope, and application of provisions

\* \* \*

D.~~(1)~~ The provisions of this Section shall not apply to any payments by a utility to a political subdivision in excess of five percent of the annual gross receipts of the utility from its customers within said political subdivision, whether said payments are made as a license, occupational, privilege, franchise, or inspection tax, charge, or fee, or by agreement between the utility and the political subdivision.

(2) Notwithstanding any other law or agreement to the contrary,

1            beginning January 1, 2013, the provisions of this Section shall not apply to any  
 2            payments of a franchise fee or similar charge by an electric, gas, or water public  
 3            utility to a political subdivision in excess of two percent of the annual gross  
 4            receipts of the utility from its customers within such political subdivision.

5            Section 2. This Act shall become effective upon signature by the governor or, if not  
 6            signed by the governor, upon expiration of the time for bills to become law without signature  
 7            by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
 8            vetoed by the governor and subsequently approved by the legislature, this Act shall become  
 9            effective on the day following such approval.

---

The original instrument and the following digest, which constitutes no part  
 of the legislative instrument, were prepared by Riley Boudreaux.

---

#### DIGEST

Present law authorizes adding the amount of the type of taxes or payments set forth below made by public utilities (including those utilities regulated by the Louisiana Public Service Commission) to political subdivisions to the sales price of such public utility's service and billing pro rata to the utility's customers receiving local service within the political subdivision collecting such taxes or receiving such payments, to the extent that such tax or payment was not included as a part of the cost of furnishing services in the fixing of the rates and charges for such services by the Louisiana Public Service Commission.

The type of taxes or payments covered by present law are those collected or received from a public utility operating within the political subdivision for or by reason of:

- (1) The use of its streets, alleys, or public ways or places, or lands belonging to the state.
- (2) The operation of the utility's business.
- (3) Any agreement between the political subdivision and the utility.

The payments are covered whether they are called a license, occupational, privilege, franchise, or inspection tax, charge, fee, or otherwise.

Present law excludes payment for occupational license tax and property taxes.

Present law excludes any payments by a utility to a political subdivision in excess of 5% of the annual gross receipts of the utility from its customers within the political subdivision, whether the payments are made as a license, occupational, privilege, franchise, or inspection tax, charge, or fee, or by agreement between the utility and the political subdivision.

Proposed law excludes any payments of a franchise fee or similar charge by an electric, gas, or water public utility to a political subdivision in excess of 2% of the annual gross receipts of the utility from its customers within the political subdivision.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 33:4510(D))