

RESOLUTION NO. 7208

RESOLUTION OF THE CITY COUNCIL OF BOULDER CITY, REPEALING AND REPLACING RESOLUTION 7198 AND PLACING A QUESTION ON THE 2021 JUNE MUNICIPAL GENERAL ELECTION BALLOT ASKING VOTERS WHETHER THE CITY COUNCIL OF BOULDER CITY SHOULD IMPOSE A UTILITY FRANCHISE FEE

WHEREAS, Article II, Section 19 of the Charter, in pertinent part, grants to the City Council the power to make and pass resolutions, not repugnant to the Constitution of the United States or the State of Nevada or to the provisions of the Boulder City Charter, necessary for the municipal government and the management of city affairs, for the execution of all powers vested in the City and for making effective the provisions of the Boulder City Charter; and

WHEREAS, Article XV, Sections 143.1 of the Boulder City Charter requires expenditures from the Capital Improvement Fund to be approved by a simple majority vote of the voters of Boulder City; and

WHEREAS, Municipalities are able to pass an ordinance levying a franchise fee on a public utility for use of the City's right of way for delivery and collection systems; and

WHEREAS, NRS 354.59883(b)(1) limits a franchise fee imposed on a public utility to five percent (5%) of utility rate gross revenues; and

WHEREAS, NRS 295.230(1) allows the City Council of Boulder City to seek voter input on any question which it has under consideration; and

WHEREAS, On December 8, 2020, the City Council of Boulder City adopted Resolution 7198 placing a question on the 2021 June Municipal General Election ballot asking voters whether the City Council of Boulder City should impose a utility franchise fee; and

WHEREAS, A technical correction is required to be made to the ballot question language specifying within the digest whether the measure will add to, amend, or repeal existing law.

NOW, THEREFORE, BE IT RESOLVED that a question shall be placed on the 2021 June Municipal General Election ballot asking voters whether the City Council of Boulder City should impose a utility franchise fee, as more fully set forth on Exhibit A attached hereto.

DATED and APPROVED this 12th day of January, 2021.

Kiernan McManus, Mayor

ATTEST: Lorene Krumm, City Clerk

ADVISORY BALLOT QUESTION ____

City of Boulder City

Should the City of Boulder City impose a franchise fee in an amount not to exceed five percent (5%) of annual utility rate revenues to be paid by Utilities Administration Fund to the City’s general fund?

Yes []

No []

EXPLANATION & DIGEST

Earlier this year, Boulder City Utilities staff commissioned a utility rate and cost of service study. The study report proposed, among other things, the option for the City Council of Boulder City to impose a franchise fee to be paid by the Utilities Administration Fund to the City’s general fund. NRS 354.59883(b)(1) provides that such a fee may not exceed five percent (5%) of utility rate revenues. The franchise fee, if imposed at the rate of five percent (5%) of annual utility rate revenues, is projected to generate approximately One Million Four Hundred Thousand Dollars (\$1,400,000) per year.

Similar franchise fees have been imposed by other jurisdictions such as the cities of Las Vegas, Henderson, and North Las Vegas as payment for the Utilities’ use of the City’s rights of way and the value of the services provided to the Utility by the City. This question is advisory only. The result of voting on this question does not place any legal requirement on the City Council of Boulder City, any Council member, or any Boulder City public officer. This ballot measure will not add to, change, or repeal existing laws.

A “YES” vote would encourage and advise the City Council to further explore the imposition of a franchise fee not to exceed five percent (5%) of annual utility rate revenues to be paid by Utilities Administration Fund to the City’s general fund.

A “NO” vote would encourage and advise the City Council not to impose a franchise fee upon the Utilities Administration Fund.

ARGUMENT FOR PASSAGE
(to be developed by committee)

ARGUMENT AGAINST PASSAGE
(to be developed by committee)

FISCAL IMPACT

The average annual cost that is expected to be incurred by Boulder City Utility rate payers if the franchise fee were to be imposed is unknown at this time as the fee is not imposed directly upon rate payers but rather upon the Utilities Administration Fund, and the cost would depend upon the amount of the franchise fee imposed. The franchise fee, if imposed, would be imposed for an

indefinite duration. The proceeds of the franchise fee would be used to compensate the Boulder City general fund.