

# Franchise Fees

## Pros

- Taxes non-profits
- No assessments
- Subject to referendum (accountable)
- Dedicated, restricted source of funds
- Predictable/even fee

## Cons

- Taxes non-profits
- Not tax deductible
- Inequality (e.g. not everyone has all utilities and some have multiple meters)
- Regressive tax
- Subject to referendum (Reliability)
- Same impact as tax
- Not as transparent as property tax
- Commercial fee not proportioned to traffic

## Solutions

- Higher commercial rate
- Limits within Charter re franchise fees
- Charge only for electric utility
- Current charter proposed
- Franchise fee reporting requirements

# Assessments

<u>Pros</u>	<u>Cons</u>
<ul style="list-style-type: none"> <li>• City has to show value equals assessment</li> </ul>	<ul style="list-style-type: none"> <li>• Current percent too high</li> </ul>
<ul style="list-style-type: none"> <li>• City could use G.O. Bonds</li> </ul>	<ul style="list-style-type: none"> <li>• Counter petition percentage too low</li> </ul>
<ul style="list-style-type: none"> <li>• Transparent (Nexus is clear)</li> </ul>	<ul style="list-style-type: none"> <li>• City needs to show value</li> </ul>
	<ul style="list-style-type: none"> <li>• Burden/expensive</li> </ul>
	<ul style="list-style-type: none"> <li>• Abrupt/surprise</li> </ul>
	<ul style="list-style-type: none"> <li>• Arbitrary (based on frontage)</li> </ul>
	<ul style="list-style-type: none"> <li>• Can't cover full amount - non-sustainable</li> </ul>
	<ul style="list-style-type: none"> <li>• Inefficient (petitions)</li> </ul>
<u>Solutions</u>	
<ul style="list-style-type: none"> <li>■ Moratorium on road assessments during franchise fees</li> <li>■ Need for additional funding</li> <li>■ Charter amendment to increase petition threshold</li> <li>■ Lower percent of Charter - estimate fixed percent</li> </ul>	

# General Property Tax Levy

## Pros

- Equitable - tied to value
- Tax deductible
- Hold elected accountable
- More transparent

## Cons

- Levy limits
- High impact to commercial/industrial
- Property values fluctuate

## Solutions

- Dedicate portion of General Fund by Charter
- Increase levy to phase out franchise fees over time