

RESOLUTION NO. 9798-R27

A RESOLUTION REQUESTING THE ILLINOIS COMMERCE COMMISSION  
TO PROMULGATE ALTERNATIVE RATES FOR  
ELECTRIC UTILITY TAX

WHEREAS, the General Assembly passed Public Act 90-561, which was signed by the Governor on December 16, 1997, entitled "An Act in Relation to the Competitive Provision of Utility Services" (the Act); and

WHEREAS, Section 65 of the Act amends the Illinois Municipal Code concerning the authority of municipalities to tax electric utilities for the consumers thereof; and

WHEREAS, prior to the imposition of the Act, the City has heretofore taxed, pursuant to Section 8-11-2 of the Illinois Municipal Code, persons engaged in the business of distributing, furnishing or selling electricity at a rate of 5% of the gross receipts generated within the City; and

WHEREAS, the Act provides that municipalities, effective August 1, 1998, have the option to implement an alternative tax based upon the consumption of electricity within certain maximum rates specified by law; and

WHEREAS, the Act provides that the Illinois Commerce Commission will, at the request of the corporate authorities of a municipality, promulgate alternative rates for each of those kilowatt hour categories that will reflect, as closely as reasonably practical for the municipality, the distribution among classes of purchasers as if the tax rate were based on a uniform percentage of the purchase price of electricity; and

WHEREAS, the City Council of the City of Urbana desires the Illinois Commerce Commission to promulgate alternative rates.

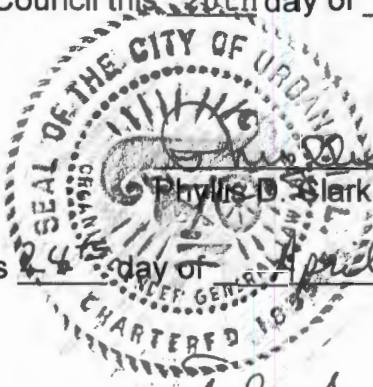
NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1. That the City Council of the City of Urbana, Illinois, hereby requests the Illinois Commerce Commission to promulgate alternative rates for each of those kilowatt hour categories that will reflect, as closely as reasonably practical for the City of Urbana the distribution of tax among classes of purchasers as if the rate were based on a uniform percentage of the purchase price of electricity, pursuant to Section 8-11-2 of the Illinois Municipal Code. The proposed rates for implementing the foregoing prepared in cooperation with Illinois Power Company are attached as Exhibit A and incorporated herein by reference.

Section 2. That the Comptroller of the City of Urbana is hereby directed to formally make such request to the Commerce Commission transmitting a copy of this Resolution and all information and documents required by the Commerce Commission pursuant to its regulations and forward the same to the Chief Clerk of the Illinois Commerce Commission, 527 East Capitol Street, Springfield, Illinois 62706.

Section 3. That the City Clerk is hereby directed to transmit a certified copy of this Resolution to Roger L. Pontifex, Regional Manager, Illinois Power Company, 1112 West Anthony Drive, Urbana, Illinois 61801-7295.

PASSED by the Urbana City Council this 20th day of April, 1998.



*Phyllis D. Clark*

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this 24th day of April, 1998.

*Tod Satterthwaite*

Tod Satterthwaite, Mayor