

RESOLUTION NO. R99-8 CMS

A RESOLUTION IN SUPPORT OF THE BOND FAIRNESS AND PROTECTION ACT

WHEREAS, every state, county, city or town in America should have the right to decide whether it wants to provide electric service to its businesses and residents; and,

WHEREAS, the consumer-owners of these utilities should have a direct say in and maintain local control over their own electric utility operations and policies; and,

WHEREAS, Lorain County, Oberlin, Ohio, established its community owned electric utility in 1934 and our citizens have benefitted from this action for decades; and

WHEREAS, these community-owned utilities, as units of state or local government, have the right to issue tax-free municipal bonds for local infrastructure needs, including electric service; and,

WHEREAS, there currently exist federal restrictions on municipal bonds used to develop community-owned electric utilities that prevent these utilities from selling power under many circumstances, and these restrictions will make it difficult, if not impossible, for many of these utilities to operate in the more competitive environment being fostered or mandated by new federal and state laws; and,

WHEREAS, bipartisan legislation, the Bond Fairness and Protection Act, has been introduced in the Senate (S. 386) by Senators Slade Gorton (R-WA) and Bob Kerrey (D-NE), and in the House of Representatives (H.R. 721) by Representatives Hayworth (R-AZ) and Matsui (D-CA) to reconcile these restrictions with the changing character of the electric utility industry in a way that protects our right of local control over our own affairs; and,

WHEREAS, some private power companies oppose this legislation precisely because it is in their self interest to limit the ability of community-owned utilities to operate in this new environment; and,

WHEREAS, opponents of S. 386 and H.R. 721 are urging Congress to impose a federal income tax on certain revenues from sales of community owned electric utilities; and,

WHEREAS, community-owned utilities such as Oberlin Municipal Light and Power System, as units of state and local government operating on a not-for-profit basis, are not and should not be taxed by the federal government.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Oberlin, County of Lorain, State of Ohio, a majority of all members elected thereto concurring:

SECTION 1. That Frances M. Baumann, Mayor of the City of Oberlin, Ohio, and on behalf of Oberlin City Council does hereby call on Senator DeWine and Senator Voinovich and Representative Brown to support the bipartisan Bond Fairness and Protection Act of 1999, and to vigorously oppose any federal tax on community-owned electric utilities.

SECTION 2. It is hereby found and determined that all formal actions of this Council concerning or related to the adoption of this resolution were adopted in an open meeting of this Council and that all deliberations of this Council and of any of its committees that resulted in such formal action, were in meetings open to the public in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

SECTION 3. That this Resolution shall take effect at the earliest date allowed by law.

PASSED: 1st Reading - June 7, 1999
2nd Reading -
3rd Reading -

ATTEST:

Frances M. Baumann
Frances M. Baumann, Mayor/Chair
of Oberlin City Council

Eugene F. Simon
Eugene F. Simon, Clerk of Council

Richard P. Lothrop
Richard P. Lothrop, Vice-Chair

Kenneth Sloane
Kenneth Sloane, Council Member

Calvin Waite
Calvin Waite, Council Member

Herb Willis
Herb Willis, Council Member

James White
James White, Council Member

Phil Verda
Phil Verda, Council Member

POSTED: June 8, 1999
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EFFECTIVE DATE: June 8, 1999