

BILL NO. G-12-02-11(as amended)

General Ordinance No. G-_____

**AN ORDINANCE AMENDING SECTION 52.21,
REVISED CHARGES IN LIEU OF TAXES,
OF THE FORT WAYNE CODE OF
ORDINANCES**

WHEREAS, the City of Fort Wayne has previously elected to make a part of its utility rates and charges an amount representing the property taxes that would be due and owing were the utility privately owned; and

WHEREAS, those rates and charges in lieu of taxes were transferred to the City of Fort Wayne General Fund: and

WHEREAS, such funds transferred have doubled in the last four years from approximately \$3.5 Million dollars to approximately \$7 Million dollars; and

WHEREAS, such transfers are the equivalent of a tax on city utility ratepayers; and,

WHEREAS, the transfers reduced the amount of money useful for upgrading and improving the utility's capital assets including the water distribution system; and

WHEREAS, if the such assessed value of the city owned utilities was truly treated as if the utility were privately owned and subject to property taxes, then such assessed value would be included in the total assessed value subject to property tax and would serve to reduce the property tax rates on all other real and personal property; and

WHEREAS, changes in the manner of commercial property assessment in Indiana has meant a substantial increase in the amount transferred from City of Fort Wayne utility ratepayers to the City General Fund; and,

WHEREAS, there exists an extremely undesirable situation where expenditures which increase the value of City Utility property means increased amounts of ratepayer dollars being diverted to the City General Fund; and

WHEREAS, the Common Council desires that such use of ratepayer dollars for general expenses of the city be limited and that such additional dollars as may be generated by a future increase in valuation and assessment of utility property be used to benefit the water distribution infrastructure and, thereby, reduce the rates needed to maintain and rehabilitate said infrastructure.

NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF FORT WAYNE, INDIANA:

SECTION 1. Chapter 52, Water and Watercourses, of the Municipal Code of Ordinances is hereby amended to delete Section 52.21, Revised Charges in Lieu of Taxes, in its entirety and replaced with the following:

§52.21 REVISED CHARGES IN LIEU OF TAXES

In accordance with Indiana Code 8-1.5-3-8(g), rates and charges hereunder shall be sufficient to compensate the city for taxes that would be due the city on the Fort Wayne utility property if the property were privately owned. These rates and charges in lieu of taxes shall be transferred to the municipal general fund excepting that the Common Council elects to transfer no more than the dollar amount so transferred in Fiscal Year 2011. Further, any such rates and charges in lieu of taxes which are in excess of the dollar amount so transferred in Fiscal Year 2011 shall be directed to a special fund to be used for maintenance and rehabilitation of the water distribution system.

SECTION 2. That the City is directed to take all action necessary and proper for the implementation of this Ordinance.

SECTION 3. That this Ordinance shall be in full force and effect from and after its passage and any and all necessary approval by the Mayor..

Mitch Harper, Council Member

APPROVED AS TO FORM AND LEGALITY

Joseph G. Bonahoom, City Council Attorney