

**CITY OF MUSCATINE
ORDINANCE 2025-0260**

AN ORDINANCE AMENDING ORDINANCE NO. 91191-0410 GRANTING TO INTERSTATE POWER AND LIGHT COMPANY (ALLIANT ENERGY), ITS SUCCESSORS AND ASSIGNS, THE RIGHT AND FRANCHISE TO ACQUIRE, CONSTRUCT, ERECT, MAINTAIN AND OPERATE A NATURAL GAS DISTRIBUTION SYSTEM IN THE CITY OF MUSCATINE, MUSCATINE COUNTY, IOWA FOR THE PURPOSE OF DISTRIBUTING, SUPPLYING AND SELLING NATURAL GAS TO THE CITY AND ITS INHABITANTS BY INCREASING THE FRANCHISE FEE TO FIVE PERCENT (5%)

WHEREAS, pursuant to Ordinance No. 91191-0410, a franchise was granted to Interstate Power and Light Company (Alliant Energy) for the sale and distribution of natural gas within the city limits of the City of Muscatine;

WHEREAS, Section 7 of Ordinance No. 91191-0410 provided that the franchise fee may be increased or decreased by giving a 90-day notice to the utility with the fee limited to a maximum of five percent (5%);

WHEREAS, the franchise fee rates have been increased and decreased by the City Council since originally implemented with the most recent franchise fee set by Ordinance 2021-0453 at three percent (3%);

WHEREAS, the City of Muscatine wishes to amend the franchise ordinance to provide that Interstate Power and Light Company (Alliant Energy) shall remit a franchise fee of five percent (5%) beginning September 1, 2025, or as soon thereafter that it can be implemented by the utility.

NOW THEREFORE, be it ordained by the City Council of the City of Muscatine, in the State of Iowa, that Muscatine Ordinance No. 91191-0410, as most recently amended by Ordinance No. 2021-0453, is hereby amended as follows::

SECTION 1: **AMENDMENT** “14-1-7 Franchise Fee” of the Muscatine Municipal Code is hereby *amended* as follows:

A M E N D M E N T

14-1-7 Franchise Fee

- A. In its monthly billing Company shall include a franchise fee of ~~five~~^{three} percent (~~5~~³%) on the gross receipts from the distribution, supply, or sale of natural gas for customers within the limits of the City of Muscatine, Muscatine County, Iowa. The Company shall make all reasonable effort to commence collecting the ~~5~~³% franchise fee by the date of ~~February 1, 2022~~^{September 1, 2025}, but no later than ~~October~~^{March} 1, 202~~2~~⁵.

The franchise fee may be increased or decreased by the City on or after July 1, 202~~2~~⁶, provided that the franchise fee shall be limited to a maximum of 5%. The City shall give the Company a minimum 90-day notice prior to the request to implement an increase or decrease in the franchise fee. The City shall be solely responsible for the proper use of any amounts collected as franchise fees, and shall only use such fees as collected for a purpose as allowed by applicable law. Collection of the franchise fee shall cease at the earlier of the City's repeal of the franchise fee or the end of the Ordinance term.

- B. The franchise fee shall be applied to all customers' bills in accordance with Iowa Code Chapter 364.2(f) and 423B.5. The Company shall not grant exemptions or refunds of the franchise fee beyond that granted by the Code of Iowa. If at any time the Iowa Utilities Board or another authority having proper jurisdiction, prohibits the collection or payment of a franchise fee, the Company shall be relieved of its obligation to collect and pay to the City the franchise fee.
- C. City agrees that Company's obligations related to the franchise fee are limited to those obligations set forth in Sections 7, 8 and 12 herein. City further agrees to bear all costs (including attorney fees), and to defend, indemnify and hold Company harmless from any and all liability, claims or causes of action associated with disputes related to the billing and/or collection of the franchise fee, provided that the City shall not be obligated to bear such costs or to defend, indemnify and hold Company harmless if such disputes arise from claims of inaccurate billing by the Company.
- D. **Section 10.** Upon receipt of a final and unappealable order or approval authorizing annexation, or changes in the limits of said City, the City Clerk shall provide written notification to an officer of Company of such annexation or change in the limits of said City, and the Company shall apply the franchise fee to its customers who are affected by the annexation or change in the limits of the City, commencing no more than six (6) months from receipt of the written notice and City's verification of addresses within the annexed area.
- E. **Section 11.** The amount of franchise fee shall be shown separately on the utility bill to each customer.
- F. The Company shall remit collected franchise fees to the City on a quarterly basis, within thirty (30) days after last day of the last revenue month of the quarter.
- G. That said franchise fee shall be in lieu of any other payments to the City for the Company's use of streets, avenues, alleys and public places in the said City and other administrative or regulatory costs with regard to said franchise; and said pipes, mains, and other conductor and appliances in, along and under the streets, avenues, alleys and public places in the said City for the purpose of distributing, supplying and selling gas to said City and the residents thereof and to persons and corporations beyond the limits thereof shall be exempt from any special tax, assessment, license or rental charge during the entire term of this ordinance.

SECTION 2: Ordinance No. 91191-0410, as amended herein and set forth in Attachment A, attached hereto and by this reference made a part hereof, shall be inserted into the Municipal Code under Title 14, Chapter 1 and made a part of said Code as provided by law.

SECTION 3: All ordinances or parts thereof in conflict with the provisions of this ordinance are hereby repealed.

SECTION 4: If any section, provision, sentence, clause, phrase, or part of this Ordinance shall be adjudged to be invalid or unconstitutional, such adjudication shall not affect the validity of this Ordinance as a whole or any section, subsection, provision, sentence, clause, phrase, or part thereof not adjudged invalid or unconstitutional.

SECTION 5: This ordinance shall be effective from and after its final passage, approval and publication as provided by law

First Reading: June 19th, 2025

Second Reading: July 3rd, 2025

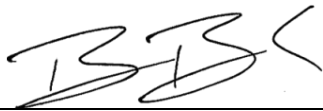
Third Reading: Waived

Publication:

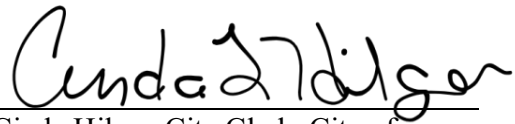
PASSED AND ADOPTED BY THE CITY OF MUSCATINE CITY COUNCIL JULY 03,
2025.

Presiding Officer

Attest



Dr. Brad Bark, Mayor, City of
Muscatine



Cinda Hilger, City Clerk, City of
Muscatine

