



Franchise Fee Fact Sheet

What are franchise fees?

Franchise fees are collected by cities for the right to locate, construct, operate, maintain and use such plants, works, underground pipelines, equipment and appurtenances over, under, along and across all City's rights of way and public property in the City for the purposes of transmission, distribution, and sale of gas, electric, and cable services.

\$117

Average cost of household utilities in Idaho.

3%

The franchise fee rate for which Kellogg is seeking voter approval.

\$3.51

Amount of franchise fees paid on a \$117 utility bill.

Facts about franchise fees

Who pays franchise fees?

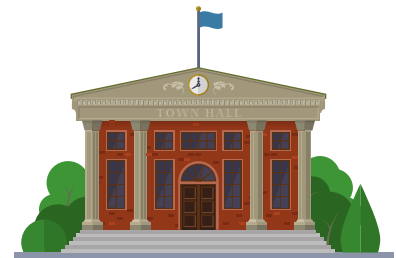
Franchise fees are collected by utility providers--like Avista--from their customers, and paid to local city government for use of their rights-of-way.

What are funds generated by franchise fees used for?

The City of Kellogg faces increasing demands on its infrastructure and municipal services. Revenue generated from franchise fees helps to offset these costs without raising property taxes.

How will the increase affect my bill?

Utility bills can vary greatly depending on usage. To put it simply, if franchise fees change to 3%, a customer charged \$200 for monthly utilities will see a line item for \$6 in franchise fees on their bill. (The current rate is 1%, or \$1 for every \$100 billed.)



What are the benefits of increasing franchise fees?

Additional revenue will be invested in Kellogg's future plans for facility upgrades and higher quality services for residents.

When will the increase take effect?

If approved by voters, utility customers can expect to see changes reflected on their bill as soon as December 2025.

Contact Kellogg City Hall with questions.



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