



2007 DRAFTING REQUEST

Assembly Substitute Amendment (ASA-AB207)

Received: **04/13/2007**

Received By: **mkunkel**

Wanted: **As time permits**

Identical to LRB:

For: **Phil Montgomery (608) 266-5840**

By/Representing: **Adam**

This file may be shown to any legislator: **NO**

Drafter: **mkunkel**

May Contact:

Addl. Drafters:

Subject: **Public Util. - telco**

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.Montgomery@legis.wisconsin.gov**

Carbon copy (CC:) to: **david.lovell@legis.wisconsin.gov**
john.stolzenberg@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Video service provider franchises

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	mkunkel 04/13/2007	csicilia 04/13/2007		_____			
/1			jfrantze 04/13/2007	_____	sbasford 04/13/2007	sbasford 04/13/2007	

FE Sent For:

<END>

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/?	mkunkel	1	qs	4/13/07			
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FE Sent For:

[Handwritten signatures and dates]
4/13
<END> 4/13

00286

00288

→ A to new sub

~~00287~~

00286

AS 15

00286 ✓

00287 ✓

00288 ✓

00289 ✓

~~00290~~

analysis

~~00288~~

00292 →

rel to sub

changes

0083 ✓

0085

0091

→ sub

+ p 14-3 - (r) → (t) ✓

15-6 - delete "affiliate" ✓

13-17 - add affiliate
at end of defn ✓

5 PM

LRB - sub

2 samples

Kunkel, Mark

From: Raschka, Adam
Sent: Friday, April 13, 2007 12:14 PM
To: Lovell, David; Venskus, Katy
Cc: Stolzenberg, John; Kunkel, Mark
Subject: RE: Drafts & memo today?

Thanks so much for your timely work on this bill. One more thing on the Right of Way amendment, 0283/2, as a follow-up to our conversation this morning. We would explicitly like to insert on page 4, line 9 that "If the municipality fails to act within the specified time frame, the permit shall be deemed granted."

Thanks again.

Adam

From: Lovell, David
Sent: Friday, April 13, 2007 12:04 PM
To: Venskus, Katy; Raschka, Adam
Cc: Stolzenberg, John; Kunkel, Mark
Subject: Drafts & memo today?

Katy, Adam,

Mark thinks he can have the amendments drafted today. We will try to have our summary today, as well, though we will need to see the amendments before we can make our summary final -- but we'll have it first thing Monday morning if not today.

David

David L. Lovell, Senior Analyst
Wisconsin Legislative Council Staff
608/266-1537

Today
by 3:30pm
bill history

ASA to

2007 ASSEMBLY BILL 207

O-NOTE

S 0006111
RM not on

March 22, 2007 - Introduced by Representatives MONTGOMERY, PETERSEN, ZEPNICK, KRAMER, LOTHIAN, SHERIDAN, HONADEL, NERISON, DAVIS, FIELDS, NEWCOMER, NYGREN, MOULTON, SUDER, RHOADES, FRISKE, KLEEFISCH, VOS, HUEBSCH, VAN ROY, KESTELL, BOYLE, MASON, F. LASEE, A. OTT, VUKMIR, BIES, ALBERS, WOOD, KERKMAN, TOWNSEND, MURTHA, LEMAHIEU, PRIDEMORE and SINICKI, cosponsored by Senators PLALE, WIRCH, HANSEN, KANAVAS, A. LASEE, SCHULTZ, DARLING and LEIBHAM. Referred to Committee on Energy and Utilities.

Regen Cat

1 **AN ACT to repeal** 60.23 (24), 66.0419 (title), (1), (2) and (3), 66.0421 (1) (a),
2 66.0421 (1) (b), 66.0422 (1) (a), 100.209, 196.04 (4) (a) 1. and 196.204 (7); **to**
3 **renumber** 196.04 (4) (a) 2. a. to e.; **to renumber and amend** 66.0419 (3m) and
4 943.46 (1) (a); **to consolidate, renumber and amend** 196.04 (4) (a) (intro.)
5 and 2. (intro.); **to amend** 11.01 (17g), 20.395 (3) (jh), 25.40 (1) (a) 4m., 66.0421
6 (title), 66.0421 (2), 66.0421 (3), 66.0421 (4), 66.0422 (title), 66.0422 (2) (intro.),
7 66.0422 (3) (b), 66.0422 (3n), 70.111 (25), 76.80 (3), 77.52 (2) (a) 12., 100.195 (1)
8 (c) 2., 165.25 (4) (ar), 196.01 (1g), 196.01 (9m), 196.04 (4) (b), 196.195 (5),
9 196.203 (1m), 196.203 (3) (b) (intro.), 196.203 (3) (b) 2., 196.203 (3) (c), 196.203
10 (3) (d), 196.203 (3) (e) 1. (intro.), 196.50 (1) (b) 2. e., 196.50 (1) (c), 196.85 (1m)
11 (b), 943.46 (title), 943.46 (2) (a), 943.46 (2) (b), 943.46 (2) (c), 943.46 (2) (d),
12 943.46 (2) (e), 943.46 (2) (f), 943.46 (2) (g) and 943.46 (5); **to repeal and**
13 **recreate** 100.195 (1) (h) 1. and 196.01 (1p); and **to create** 66.0420, 66.0421 (1)
14 (c), 66.0421 (1) (d), 66.0422 (1) (d), 196.01 (12g), 196.01 (12r), 943.46 (1) (d) and

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1 943.46 (1) (e) of the statutes; **relating to:** regulation of cable television and
2 video service providers.

and granting rule-making authority

~~_____~~

Analysis by the Legislative Reference Bureau

Current federal law generally prohibits a person from providing cable service without a cable franchise. Under current federal and state law, cable service is defined, in part, as the one-way transmission of "video programming," which is defined as programming provided by, or generally considered comparable to, programming provided by a television broadcast station. Current federal law allows either states or municipalities to grant cable franchises to persons who provide cable service, which are referred to as "cable operators." Under current state law, municipalities (i.e., cities, villages, and towns) grant or revoke franchises. In addition, current state law allows a municipality to require a cable operator to pay a franchise fee to the municipality that is based on the operator's income or gross revenues.

This bill repeals state law authorizing municipalities to grant cable franchises to cable operators. Instead, the bill requires a person who provides "video service" to obtain a video service franchise from the Department of Financial Institutions (DFI). The bill defines "video service" as any video programming service, cable service, or service provided by certain "open video systems," without regard to delivery technology, but only if the service is provided through facilities that are located, at least in part, in public rights-of-way. (An "open video system" is system regulated under federal law that combines features of cable television and telecommunications systems.) The bill's definitions of "video programming" and "cable service" are comparable to the definitions under current law described above. As a result, video service includes both the one-way and two-way transmission of video programming. However, the following types of video programming are excluded from the definition of "video service": 1) video programming provided by wireless telephone companies; and 2) video programming provided solely as part of and via a service that enables users to access content, information, electronic mail, and other services offered over the public Internet.

Under the bill, if a person has not been issued a cable franchise under current law, the person may not provide video service unless DFI issues a video service franchise to the person. The bill allows a cable operator who has been issued a cable franchise under current law to provide cable service under the cable franchise until the cable franchise expires, or apply to DFI for a video service franchise. The bill refers to a cable operator who elects to provide cable service until the expiration of a cable franchise as an "interim cable operator." Upon the expiration of a cable franchise, an interim cable operator must apply to DFI for a video service franchise in order to continue to provide cable service. If a cable operator elects to apply for a video service franchise before the expiration of its cable franchise, the bill provides that the cable franchise terminates upon DFI's issuance of a video service franchise. Also, if a cable operator's cable franchise expired before the effective date of the bill

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and the cable operator was providing cable service immediately before the bill's effective date, the bill allows such a cable operator to continue to provide cable service. However, the cable operator must apply for a video service franchise by a deadline that is approximately one month after the bill's effective date.

Application process. The bill requires an applicant for a video service franchise to submit an application to DFI that consists of certain business information about the applicant and an affidavit affirming that the applicant will comply with federal filing requirements, as well as state and federal laws regarding video service. In addition, the applicant must describe the areas of the state in which the applicant intends to provide video service, which the bill defines as the "video franchise area," as well as the dates on which the applicant intends to begin providing service in such areas.

At the time an applicant submits an application, the applicant must serve a copy of the application on each municipality in the video franchise area. If such a municipality has granted a cable franchise to a cable operator under current law, the municipality must, not later than ten business days after receipt of the copy, notify the applicant of the following: 1) the percentage of revenues that cable operators are required to pay the municipality as franchise fees under current law; and 2) the number of "PEG channels" for which cable operators are required by the municipality to provide channel capacity. The bill defines "PEG channel" as a channel designated for noncommercial public, educational, or governmental use.

No later than ten business days after receipt of an application, DFI must notify the applicant as to whether the application is complete. No later than ten business days after receipt of an application that DFI determines is complete, DFI must issue a video service franchise to the applicant. If DFI fails to meet this deadline, the bill provides that DFI is considered to have issued a video service franchise to the applicant, unless the applicant withdraws the application or agrees with DFI for an extension of time. The bill refers to a person to whom DFI issues, or is considered to have issued, a video service franchise as a "video service provider."

Video service franchises. A video service franchise under the bill authorizes a video service provider to occupy public rights-of-way and construct, operate, maintain, and repair a video service network in the video franchise area. A video service franchise does not expire, unless a video service provider gives 30 days' advance notice to DFI that the video service provider intends to terminate the video service franchise. A video service provider may transfer a video service franchise to any successor-in-interest, including a successor-in-interest that arises through merger, sale, assignment, restructuring, change of control, or any other transaction. A video service provider and a transferee must notify DFI and affected municipalities about the transfer, but the bill prohibits DFI and municipalities from reviewing or approving the transfer.

Video service franchise fees. The bill requires a video service provider to pay a fee on a quarterly calendar basis to each municipality in which the video service provider provides video service. The bill refers to the fee as a "video service franchise fee." The amount of the video service franchise fee is based on a percentage of the video service service provider's "gross receipts," which is defined in the bill. If no

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cable operator was required under current law to pay a franchise fee based on a percentage of gross revenues to a municipality on the effective date of the bill, a video service provider must pay a video service franchise fee to the municipality that is equal to 5 percent of the video service provider's gross receipts, or a lesser percentage specified by the municipality. If only one cable operator was required under current law to pay a franchise fee based on a percentage of gross revenues to a municipality on the effective date of the bill, a video service provider must pay a video service franchise fee to the municipality that is equal to that percentage or 5 percent, whichever is less. If more than one cable operator was required under current law to pay a franchise fee based on a percentage of gross revenues to a municipality on the effective date of the bill, a video service provider must pay a video service franchise fee to the municipality that is equal to the lowest such percentage or 5 percent, whichever is less.

As noted above, no later than ten business days after a municipality is served a copy of a video service provider's application for a video service franchise, the municipality must notify the video service provider of the percentage of revenues that cable operators are required to pay the municipality as franchise fees under current law. If a municipality is not required to make such a notification, the video service provider's duty to pay a video service franchise fee first applies to the quarter in which the video service provider begins to provide video service in the municipality. If the municipality is required to make such a notification, and makes the notification before the deadline, the video service provider's duty first applies to the quarter in which the video service provider begins to provide video service, or the quarter that includes the 45th day after the video service provider receives the notification, whichever is later. If the municipality fails to comply with the deadline, a video service provider is not required to pay a video service provider fee until the 45th day after the end of the quarter in which the municipality ultimately provides the notification, and no other video service provider or interim cable operator is required to pay a video service provider fee or franchise fee until the same date.

The bill allows municipalities to review the business records of a video service provider no more than once in any three-year period for the purpose of ensuring proper and accurate payment of a video service provider fee. The bill prohibits a video service provider or municipality from bringing an action in court regarding the amount of a video service provider fee until the parties have completed good faith settlement negotiations. In addition, an action regarding a dispute over such an amount must be commenced within three years following the calendar quarter to which the disputed amount relates, or is barred, unless the parties agree to an extension of time.

PEG channels. The bill imposes limitations on the number of PEG channels for which a municipality may require a video service provider to provide channel capacity. If, immediately before the effective date of the bill, a municipality required a cable operator to provide channel capacity for a specified number of PEG channels, the municipality must require all video service providers and interim cable operators to provide channel capacity for that specified number of PEG channels. If a municipality did not require a cable operator to provide such channel capacity, then

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the number of PEG channels for which a municipality may require channel capacity depends on the population of the municipality. If the municipality's population is 50,000 or more, the municipality may require each video service provider and interim cable operator to provide channel capacity for up to three PEG channels. If the municipality's population is less than 50,000, the municipality may require each video service provider and interim cable operator to provide channel capacity for up to two PEG channels. If an interim cable operator or video service provider distributes video programming to more than one municipality through a single headend or video hub office, the bill requires the populations of the municipalities to be aggregated for the purpose of applying the foregoing requirements.

The bill includes requirements for determining when the duty of a video service provider to provide channel capacity for PEG channels first applies. As noted above, no later than ten business days after a municipality is served a copy of a video service provider's application for a video service franchise, the municipality must notify the video service provider of the number of PEG channels for which cable operators are required provide channel capacity. In general, the duty of a video service provider begins on the date on which the video service provider begins to provide video service in the municipality, or on the 90th day after the video service provider receives the municipality's notice, whichever is later. However, if a municipality fails to comply with the ten-business-day deadline, no video service provider or interim cable operator is required to provide channel capacity for PEG channels until the 90th day after the municipality ultimately provides the notice.

The bill also allows video service providers and interim cable operators to reprogram channel capacity for PEG channels that is not substantially utilized, as determined under the bill, by a municipality. Under certain circumstances, the bill allows a municipality to require the restoration of channel capacity for PEG channels.

The bill creates other requirements for PEG channels, including the following: 1) the bill prohibits municipalities from requiring video service providers and interim cable operators from providing funds, services, programming, facilities, or equipment related to public, educational, or governmental use of channel capacity; 2) the bill imposes specified duties on municipalities regarding the provision of content and programming PEG channels; 3) the bill imposes limits on the amount of transmission line that a video service provider or interim cable operator may be required to provide for making a connection to the municipality's PEG channel programming distribution point; and 4) the bill imposes requirements on video service providers and interim cable operators regarding interconnection that is necessary for transmitting PEG channel programming.

Discrimination and access. In general, the bill prohibits a video service provider from denying access to video service to any group of potential residential customers in a video franchise area because of the race or income of the residents in the local area in which the group resides. The bill creates a defense against an alleged violation of the prohibition regarding income for a video service provider if either of the following are satisfied: 1) no later than three years after the video service provider begins to provide video service, at least 25 percent of households

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with access to the video service provider's video service are low-income households; or 2) no later than five years after the video service provider begins to provide video service, at least 30 percent of households with access to the video service provider's video service are low-income households. The bill defines "low-income household" as a household whose aggregate income is not more than \$35,000, as identified by the United States Census Bureau as of January 1, 2007. Under certain circumstances, the bill allows DFI to grant a video service provider an extension of the time limits specified in the defense.

The bill also imposes access requirements on certain video service providers that use telecommunications facilities to provide video service. The access requirements apply if a video service provider has more than 500,000 basic local exchange access lines in the state. No later than three years after such a video service provider begins to provide video service, the video service provider must provide access to its video service to not less than 25 percent of the households within the video service provider's basic local exchange area that is on file with the Public Service Commission (PSC). In addition, no later than six years after such a video service provider begins to provide video service, or no later than two years after at least 30 percent of households with access to such a video service provider's video service subscribe to the service for six consecutive months, whichever occurs later, the video service provider must provide access to its video service to not less than 50 percent of the households within the video service provider's basic local exchange area that is on file with the PSC. Such a video service provider must file annual reports with DFI regarding progress in complying with the access requirements. Under certain circumstances, the bill allows DFI to grant such a video service provider an extension of the foregoing time limits or a waiver from the need to comply with the foregoing requirements.

Customer service standards. Except as noted below, the bill allows a municipality, upon 90 days' advance notice, to require a video service provider to comply with certain customer service standards set forth in regulations promulgated by the Federal Communications Commission (FCC). The bill prohibits DFI and municipalities from imposing any additional or different customer service standards. In addition, the bill provides that, except for customer service standards promulgated by rule by the Department of Agriculture, Trade and Consumer Protection (DATCP), a video service provider in a municipality may not be subject to any customer service standards if at least one other person offers video or cable service in the municipality, or if the video service provider is subject to effective competition, as determined under FCC regulations. If one of the foregoing conditions is satisfied, a municipality may not impose the FCC customer service standards mentioned above.

Rate regulation. The bill prohibits DFI and municipalities from regulating video or cable service rates of video service providers or interim cable operators that provide service in a municipality if at least one other unaffiliated video service provider or interim cable operator serves the municipality.

Municipal authority. The bill provides that, for purposes of federal law, the state is the exclusive franchising authority for video service providers in this state.

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In addition, the bill prohibits municipalities from requiring a video service provider to obtain a franchise to provide video service or imposing on video service providers any fee or requirement relating to the construction of a video service network or the provision of video service, except as otherwise authorized under the bill. Also, the bill provides that, if a video service provider pays video service provider fees to a municipality as required under the bill, the municipality may not require the video service provider to pay any compensation allowed under current law for obstructions or excavations, or pay any permit fee, encroachment fee, degradation fee, or any other fee, for the occupation of or work within public rights-of-way.

Rule making and enforcement. The bill prohibits DFI from promulgating any rules interpreting the bill's provisions, or establishing procedures for the bill's requirements. The bill allows a municipality, video service provider, or interim cable operator that is affected by a failure to comply with the bill to bring an action in court to enforce the bill. (Court actions regarding disputes over video service provider fees are subject to additional requirements discussed above.) In addition, the bill allows the Department of Justice to bring an action to enforce the bill.

Other provisions. The bill also does all of the following:

1. The bill allows certain persons to provide video service before they are issued a video service franchise. The persons who are allowed to do so are persons, other than cable operators, who provide video service and who apply to DFI for a video service franchise no later than approximately one month after the bill's effective date.
2. The bill requires a video service provider to give at least ten days advance notice to a municipality before providing video service in the municipality.
3. The bill requires a video service provider to notify DFI about any changes in the information included in an application for a video service franchise, including any expansions of a video franchise area.
4. The bill prohibits state agencies and municipalities from requiring video service providers and interim cable operators to provide institutional networks or equivalent capacity. The bill defines "institutional network" as a network that connects governmental, educational, and community institutions.
5. The bill repeals requirements enforced by DATCP and district attorneys regarding cable television subscriber rights regarding service interruptions and disconnections, repairs, program service deletions, and rate increases.
6. The bill repeals a prohibition under current law on the provision of electronically published news, feature and entertainment material, and electronic advertising service by certain telecommunications utilities.
7. The bill changes other requirements under current law that apply or refer to cable television or cable operators so that they also apply or refer to video service or video service providers. Such requirements include the following: 1) requirements applicable to access to cable service in multiunit dwellings, mobile home parks, and condominiums; 2) requirements applicable to a municipality's construction, ownership, or operation of facilities for providing cable service, telecommunications service, or broadband service; 3) exemptions related to the telephone company tax and the personal property tax; 4) the sales and use tax on the sale of cable television

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system services; 5) certain requirements enforced by the PSC regarding extensions by utilities and cable operators over the rights-of-way of other utilities and cable operators; and 6) theft of cable service.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 11.01 (17g) of the statutes is amended to read:

2 11.01 (17g) "Public access channel" means a PEG channel that is required
3 under a franchise granted under s. 66.0419 (3) (b) by a city, village, or town to a cable
4 operator, as defined in s. 66.0419 (2) (b), and, as defined in s. 66.0420 (2) (s), that is
5 used for public access purposes, but does not include a PEG channel that is used for
6 governmental or educational purposes.

7 **SECTION 2.** 20.395 (3) (jh) of the statutes is amended to read:

8 20.395 (3) (jh) *Utility facilities within highway rights-of-way, state funds.*
9 From the general fund, all moneys received from telecommunications providers, as
10 defined in s. 196.01 (8p), or cable television telecommunications service providers,
11 as defined in s. 196.01 (1r), for activities related to locating, accommodating,
12 operating, or maintaining utility facilities within highway rights-of-way, for such
13 purposes.

14 **SECTION 3.** 25.40 (1) (a) 4m. of the statutes is amended to read:

15 25.40 (1) (a) 4m. Moneys received from telecommunications providers or cable
16 television telecommunications service providers that are deposited in the general
17 fund and credited to the appropriation account under s. 20.395 (3) (jh).

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1 **SECTION 4.** 60.23 (24) of the statutes is repealed.

2 **SECTION 5.** 66.0419 (title), (1), (2) and (3) of the statutes are repealed.

3 **SECTION 6.** 66.0419 (3m) of the statutes is renumbered 66.0420 (12), and
4 66.0420 (12) (title), (a) and (b) 2., as renumbered, are amended to read:

5 **66.0420 (12) (title) MUNICIPAL CABLE TELEVISION SYSTEM COSTS.** (a) Except for
6 costs for any of the following, a municipality that owns and operates a cable television
7 system, or an entity owned or operated, in whole or in part, by such a municipality,
8 may not require nonsubscribers of the cable television system to pay any of the costs
9 of the cable television system:

10 1. ~~Public, educational, and governmental access~~ **PEG** channels.

11 2. Debt service on bonds issued under s. 66.0619 to finance the construction,
12 renovation, or expansion of a cable television system.

13 3. The provision of broadband service by the cable television system, if the
14 requirements of s. 66.0422 (3d) (a), (b), or (c) are satisfied.

15 (b) 2. A majority of the governing board of the municipality votes to submit the
16 question of supporting the operation of a cable television system by the municipality
17 to the electors in an advisory referendum and a majority of the voters in the
18 municipality voting at the advisory referendum vote to support the operation of a
19 cable television system by the municipality.

20 **SECTION 7.** 66.0420 of the statutes is created to read:

21 **66.0420 Video service. (1) LEGISLATIVE FINDINGS.** The legislature finds all
22 of the following:

23 (a) Video service brings important daily benefits to state residents by providing
24 news, education, and entertainment.

INSERT 9-19 ✓

ASSEMBLY BILL 207**SECTION 7**

1 (b) Uniform regulation of all video service providers by this state is necessary
2 to ensure that state residents receive adequate and efficient video service and to
3 protect and promote the public health, safety, and welfare.

4 (c) Fair competition in the provision of video service will result in new and more
5 video programming choices for consumers in this state, and a number of providers
6 have stated their desire to provide that service.

7 (d) Timely entry into the market is critical for new entrants seeking to compete
8 with existing providers.

9 (e) This state's economy would be enhanced by additional investment in
10 communications and video programming infrastructure by existing and new
11 providers of video service.

12 (f) Minimal regulation of all providers of video service within a uniform
13 framework will promote the investment described in par. (e).

14 (g) Ensuring that existing providers of video service are subject to the same
15 regulatory requirements and procedures as new entrants will ensure fair
16 competition among all providers.

17 (h) This section is an enactment of statewide concern for the purpose of
18 providing uniform regulation of video service that promotes investment in
19 communications and video infrastructures and the continued development of this
20 state's video service marketplace within a framework that is fair and equitable to all
21 providers.

22 (2) DEFINITIONS. In this section:

23 (a) "Affiliate", when used in relation to any person, means another person who
24 owns or controls, is owned or controlled by, or is under common ownership or control
25 with such person.

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1 (b) “Basic local exchange service area” means the area on file with the public
2 service commission in which a telecommunications video service provider provides
3 basic local exchange service, as defined in s. 196.01 (1g).

4 (c) “Cable franchise” means a franchise granted under s. 66.0419 (3) (b), 2005
5 stats.

6 (d) “Cable operator” has the meaning given in 47 USC 522 (5).

7 (e) “Cable service” has the meaning given in 47 USC 522 (6).

8 (f) “Cable system” has the meaning given in 47 USC 522 (7).

9 (g) “Department” means the department of financial institutions.

10 (h) “FCC” means the federal communications commission.

11 (i) “Franchise fee” has the meaning given in 47 USC 542 (g), and includes any
12 compensation required under s. 66.0425.

13 (j) 1. “Gross receipts” means all revenues received by and paid to a video service
14 provider by subscribers residing within a municipality for video service, including
15 all of the following:

16 a. Recurring charges for video service.

17 b. Event-based charges for video service, including pay-per-view and
18 video-on-demand charges.

19 c. Rental of set top boxes and other video service equipment.

20 d. Service charges related to the provision of video service, including activation,
21 installation, repair, and maintenance charges.

22 e. Administrative charges related to the provision of video service, including
23 service order and service termination charges.

24 2. Notwithstanding subd. 1., “gross receipts” does not include any of the
25 following:

ASSEMBLY BILL 207**SECTION 7**

1 a. Discounts, refunds, and other price adjustments that reduce the amount of
2 compensation received by a video service provider.

3 b. Uncollectible fees, except that any uncollectible fees that are written off as
4 bad debt but subsequently collected shall be included as gross receipts in the period
5 collected, less the expenses of collection.

6 c. Late payment charges.

7 d. Maintenance charges.

8 e. Amounts billed to video service subscribers to recover taxes, fees, surcharges
9 or assessments of general applicability or otherwise collected by a video service
10 provider from video service subscribers for pass through to any federal, state, or local
11 government agency, including video service provider fees and regulatory fees paid to
12 the FCC under 47 USC 159.

13 f. Revenue from the sale of capital assets or surplus equipment not used by the
14 purchaser to receive video service from the seller of those assets or surplus
15 equipment.

16 g. Charges, other than those described in subd. 1., that are aggregated or
17 bundled with amounts described in subd. 1. and billed to video service subscribers,
18 including but not limited to any revenues received by a video service provider or its
19 affiliates for telecommunications services, information services, or the provision of
20 directory or Internet advertising, including yellow pages, white pages, banner
21 advertisement, and electronic publishing, if a video service provider can reasonably
22 identify such charges on books and records kept in the regular course of business or
23 by other reasonable means.

24 h. Reimbursement by programmers of marketing costs actually incurred by a
25 video service provider.

1 (k) "Household" means a house, apartment, mobile home, group of rooms, or
2 single room that is intended for occupancy as separate living quarters. For purposes
3 of this paragraph, "separate living quarters" are those in which the occupants live
4 and eat separately from any other persons in the building and which have direct
5 access from the outside of the building or through a common hall.

6 (L) "Incumbent cable operator" means a person who, immediately before the
7 effective date of this paragraph, was providing cable service under a cable franchise,
8 expired cable franchise, or cable franchise extension, or under an ordinance or
9 resolution adopted or enacted by a municipality.

10 (m) "Institutional network" means a network that connects governmental,
11 educational, and community institutions.

12 (n) "Interim cable operator" means an incumbent cable operator that elects to
13 continue to provide cable service under a cable franchise as specified in sub. (3) (b)

14 2. a.

15 (o) "Issued" means, with respect to a video service franchise, issued or
16 considered to be issued by the department under sub. (3) (f) 2.

17 (p) "Large telecommunications video service provider" means a
18 telecommunications video service provider that has more than 500,000 basic local
19 exchange access lines in this state.

20 (q) "Low-income household" means any individual or group of individuals
21 living together as one economic unit in a household whose aggregate annual income
22 is not more than \$35,000, as identified by the United States Census Bureau as of
23 January 1, 2007.

24 (r) "Municipality" means a city, village, or town.

or an affiliate of such a telecommunication
video service provider

on January 1, 2007
had ✓

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INSERT 14-2 ✓

1 (s) "PEG channel" means a channel designated for noncommercial public,
2 educational, or governmental use.

3 (f) "Service tier" means a category of video service for which a separate rate is
4 charged.

5 (u) "State agency" means any board, commission, committee, department, or
6 office in the state government. INSERT 14-6 ✓

7 (v) "Telecommunications video service provider" means a video service provider
8 that uses facilities for providing telecommunications service, as defined in s. 196.01
9 (9m), also to provide video service.

10 (w) "Video franchise area" means the area or areas described in an application
11 for a video service franchise under sub. (3) (d) 2., as modified, if applicable, in a
12 notification made under sub. (3) (j).

13 (x) "Video programming" means programming provided by, or generally
14 considered comparable to programming provided by, a television broadcast station.

15 (y) "Video service" means any video programming service, cable service, or
16 service provided via an open video system that complies with 47 USC 573, that is
17 provided through facilities located at least in part in public rights-of-way, without
18 regard to delivery technology, including Internet protocol technology or any other
19 technology. "Video service" does not include any of the following:

20 1. Video programming provided by a commercial mobile radio service provider,
21 as defined in s. 196.01 (2g).

22 2. Video programming provided solely as part of and via a service that enables
23 users to access content, information, electronic mail, or any other service offered over
24 the public Internet.

25 (z) "Video service franchise" means a franchise issued under sub. (3) (f) 2.

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1 (zb) "Video service network" means wireline facilities, or any component
2 thereof, located at least in part in the public right-of-way that deliver video service,
3 without regard to delivery technology, including Internet protocol technology or any
4 other technology. "Video service network" includes a cable system.

5 (zg) "Video service provider" means a person, including an incumbent cable
6 operator, who is issued a video service franchise or an affiliate successor, or assign
7 of such a person.

8 (zm) "Video service provider fee" means the fee paid by a video service provider
9 under sub. (7).

10 (3) AUTHORITY TO PROVIDE VIDEO SERVICE. (a) *In general.* Except for an interim
11 cable operator, and except as provided in par. (c), no person may provide video service
12 in this state unless the department has issued a video service franchise to the person
13 and the person has provided the notice required under par. (h).

14 (b) *Incumbent cable operators.* 1. A municipality may not renew or extend the
15 cable franchise of an incumbent cable operator that expires after the effective date
16 of this subdivision [revisor inserts date].

17 2. An incumbent cable operator may do one of the following:

18 a. Continue to provide cable service as an interim cable operator until the cable
19 franchise expires.

20 b. Apply for a video service franchise. If an incumbent cable operator applies
21 for a video service franchise, the cable franchise shall terminate and have no effect
22 upon issuance of the video service franchise. Upon termination of the cable
23 franchise, the municipality that granted the franchise shall, at the request of the
24 incumbent cable operator, surrender, return, or take such other action as may be

1 necessary to nullify any bond, letter of credit, or similar instrument intended to
2 secure the performance of the incumbent cable operator under the cable franchise.

3 3. An incumbent cable operator whose cable franchise expires after the
4 effective date of this subdivision [revisor inserts date], may not, after expiration
5 of the cable franchise, provide video service in this state unless the incumbent cable
6 operator applies for a video service franchise under subd. 2. b. and, upon issuance
7 of the video service franchise, provides the notice required under par. (h). An
8 incumbent cable operator whose cable franchise expired before the effective date of
9 this subdivision [revisor inserts date], and who was providing cable service
10 immediately before the effective date of this act, may continue to provide cable
11 service if, no later than the first day of the 2nd month beginning after the effective
12 date of this subdivision [revisor inserts date], the incumbent cable operator
13 applies for a video service franchise under subd. 2. b.

14 (c) *Other providers.* If a person, other than an incumbent cable operator, who
15 was providing video service immediately before the effective date of this paragraph
16 [revisor inserts date], applies, no later than the first day of the 2nd month
17 beginning after the effective date of this paragraph [revisor inserts date], for a
18 video franchise, the person may provide video service until the department issues a
19 video franchise to the person.

20 (d) *Application.* An applicant for a video service franchise shall submit an
21 application to the department that consists of all of the following:

- 22 1. The location and telephone number of the applicant's principal place of
23 business, the names of the principal executive officers of the applicant, and the
24 names of any persons authorized to represent the applicant before the department.

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1 2. A description of the area or areas of the state in which the applicant intends
2 to provide video service.

3 3. The date on which the applicant intends to begin providing video service in
4 the video franchise area.

5 4. An affidavit signed by an officer or general partner of the applicant that
6 affirms all of the following:

7 a. That the applicant has filed or will timely file with the FCC all forms required
8 by the FCC in advance of offering video service.

9 b. That the applicant agrees to comply with this section and all applicable
10 federal statutes and regulations.

11 c. That the applicant is legally, financially, and technically qualified to provide
12 video service.

13 (e) *Service upon municipalities.* 1. At the time that an applicant submits an
14 application under par. (d), or a video service provider submits a notification
15 regarding a modification to an application under par. (j), to the department, the
16 applicant or video service provider shall serve a copy of the application or notification
17 on each municipality in the video franchise area.

18 2. a. This subdivision applies only to a municipality that, under subd. 1., is
19 served a copy of an application or that, under subd. 1., is served a copy of a
20 notification relating to an expansion of the area or areas of the state in which a video
21 service provider intends to provide video service, if the municipality has not
22 previously been served a copy of an application under subd. 1. by that video service
23 provider.

24 b. If a municipality specified in subd. 2. a. has granted any cable franchise that
25 is in effect immediately before the effective date of this subdivision [revisor inserts

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INSERT 18-9

1 date], the municipality shall, no later than 10 business days after receipt of the copy,
2 notify the applicant in writing of the number of PEG channels for which incumbent
3 cable operators are required to provide channel capacity in the municipality and the
4 percentage of revenues that incumbent cable operators are required to pay the
5 municipality as franchise fees.

6 (f) *Department duties.* 1. No later than ¹⁵ 10 business days after the filing of an
7 application, the department shall notify the applicant in writing as to whether the
8 application is complete and, if the department has determined that the application
9 is not complete, the department shall state the reasons for the determination.

10 2. No later than 10 business days after the filing of an application that the
11 department has determined is complete, the department shall issue a video service
12 franchise to the applicant and, if the department fails to do so, the department shall
13 be considered to have issued a video service franchise to the applicant, unless the
14 applicant withdraws the application or agrees with the department to an extension
15 of time.

16 (g) *Effect of video service franchise.* A video service franchise issued by the
17 department authorizes a video service provider to occupy the public rights-of-way
18 and to construct, operate, maintain, and repair a video service network to provide
19 video service in the video franchise area.

20 (h) *Notice before providing service.* No later than 10 ^{business} days before providing video
21 service in a municipality in a video franchise area, a video service provider shall
22 provide notice to the department and the municipality.

23 (i) *Expiration of video service franchise.* A video service franchise issued to a
24 video service provider does not expire, unless the video service provider gives 30 days'
25 advance notice to the department that the video service provider intends to

and revocation (ital)

1. Except as provided in subd. 2.) a

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INSERT 19-2 ✓

days

1 terminate the video service franchise. If a video service provider gives such notice,
2 the video service franchise shall expire on the termination date stated in the notice.

3 (j) *Modifications.* If there is any change in the information included in an
4 application filed by a video service provider under this subsection, the video service
5 provider shall notify the department and update the information within 10 business
6 after the change, except that if the video service provider determines to expand the
7 area or areas of the state in which the video service provider intends to provide video
8 service, the video service provider shall notify the department as soon as practicable
9 after making such a determination but no later than 10 business days before
10 providing video service in the expansion area or areas.

INSERT 19-10 ✓

and except as provided in s. 182.017 ✓

11 (4) FRANCHISING AUTHORITY. For purposes of 47 USC 521 to 573, the state is the
12 exclusive franchising authority for video service providers in this state.
13 Notwithstanding s. 66.0425, no municipality may require a video service provider to
14 obtain a franchise to provide video service or impose on a video service provider any
15 fee or requirement relating to the construction of a video service network or the
16 provision of video service, including any requirement to deploy facilities or
17 equipment or any requirement regarding rates for video service, except as
18 specifically authorized under this section.

19 (5) PEG CHANNELS. (a) *Maximum number of PEG channels.* 1. If an incumbent
20 cable operator is providing channel capacity for PEG channels to a municipality
21 under a cable franchise in effect immediately before the effective date of this
22 subdivision ... [revisor inserts date], the municipality shall require each interim
23 cable operator or video service provider that provides video service in the
24 municipality to provide channel capacity for the same number of PEG channels for

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1 which channel capacity is provided immediately before the effective date of this
2 subdivision [revisor inserts date].

3 2. a. Except as provided in subd. 2. b. and c., if no incumbent cable operator is
4 providing channel capacity for PEG channels to a municipality under a cable
5 franchise that is in effect immediately before the effective date of this subd. 2. a.
6 [revisor inserts date], then, if the municipality has a population of 50,000 or more,
7 the municipality may require each interim cable operator and video service provider
8 that provides video service in the municipality to provide channel capacity for up to
9 3 PEG channels, and, if the municipality has a population of less than 50,000, the
10 municipality may require each interim cable operator and video service provider that
11 provides video service in the municipality to provide channel capacity for no more
12 than 2 PEG channels.

13 b. If an interim cable operator or video service provider distributes video
14 programming to more than one municipality through a single headend or video hub
15 office and the aggregate population of the municipalities is 50,000 or more, the
16 municipalities may not require the interim cable operator or video service provider
17 to provide, in the aggregate, channel capacity for more than 3 PEG channels under
18 subd. 2. a.

19 c. If an interim cable operator or video service provider distributes video
20 programming to more than one municipality through a single headend or video hub
21 office and the aggregate population of the municipalities is less than 50,000, the
22 municipalities may not require the interim cable operator or video service provider
23 to provide, in the aggregate, channel capacity for more than 2 PEG channels under
24 subd. 2. a.

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1 3. An interim cable operator or video service provider shall provide any channel
2 capacity for PEG channels required under this paragraph on any service tier that is
3 viewed by more than 50 percent of the interim cable operator's or video service
4 provider's customers.

5 4. If a municipality is not required to provide notice to a video service provider
6 under sub. (3) (e) 2., the video service provider's duty to provide any additional
7 channel capacity for PEG channels that is required by the municipality under this
8 paragraph first applies on the date that the video service provider begins to provide
9 service in the municipality, and, if the municipality is required to provide notice
10 under sub. (3) (e) 2., the video service provider's duty to provide any such additional
11 channel capacity first applies on the date that the video service provider begins to
12 provide video service in the municipality or on the 90th day after the video service
13 provider receives the municipality's notice, whichever is later.

14 (b) *Exceptions.* 1. a. Notwithstanding par. (a), an interim cable operator or
15 video service provider may reprogram for any other purpose any channel capacity
16 provided for a PEG channel required by a municipality under par. (a) if the PEG
17 channel is not substantially utilized by the municipality. If the municipality certifies
18 to the interim cable operator or video service provider that reprogrammed channel
19 capacity for a PEG channel will be substantially utilized by the municipality, the
20 interim cable operator or video service provider shall, no later than 120 days after
21 receipt of the certification, restore the channel capacity for the PEG channel.
22 Notwithstanding par. (a) 3., an interim cable operator or video service provider may
23 provide restored channel capacity for a PEG channel on any service tier.

24 b. For purposes of this subdivision, a PEG channel is substantially utilized by
25 a municipality if the municipality provides 12 hours or more of programming on the

40



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week 60

8

1 PEG channel each calendar day and at least 30 percent of that programming is
2 locally produced and not repeated.

3 2. Notwithstanding par. (a), if a municipality fails to provide the notice
4 specified in sub. (3) (e) 2. before the deadline specified in sub. (3) (e) 2., no interim
5 cable operator or video service provider is required to provide channel capacity for
6 any PEG channel until the 90th day after the municipality provides such notice.

7 (c) Powers and duties of municipalities. 1. Except as otherwise required under
8 par. (a), a municipality may not require an interim cable operator or video service
9 provider to provide any funds, services, programming, facilities, or equipment
10 related to public, educational, or governmental use of channel capacity.

11 2. The operation of any PEG channel for which a municipality requires an
12 interim cable operator or video service provider to provide channel capacity under
13 par. (a), and the production of any programming appearing on such a PEG channel,
14 shall be the sole responsibility of the municipality and, except as provided in par. (d)
15 1., the interim cable operator or video service provider shall bear only the
16 responsibility to transmit programming appearing on the PEG channel.

17 3. A municipality that requires an interim cable operator or video service
18 provider to provide channel capacity for a PEG channel under par. (a) shall do all of
19 the following:

20 a. Ensure that all content and programming that the municipality provides or
21 arranges to provide for transmission on the PEG channel is submitted to the interim
22 cable operator or video service provider in a manner and form that is capable of being
23 accepted and transmitted by the interim cable operator or video service provider over
24 its video service network without changing the content or transmission signal and
25 that is compatible with the technology or protocol, including Internet protocol

1 television, utilized by the interim cable operator or video service provider to deliver
2 video service.

3 b. Make the content and programming that the municipality provides or
4 arranges to provide for transmission on a PEG channel available in a
5 nondiscriminatory manner to all interim cable operators and video service providers
6 that provide video service in the municipality.

7 (d) *Duties of interim cable providers and video service provider.* 1. If a
8 municipality requires an interim cable operator or video service provider to provide
9 channel capacity for a PEG channel under par. (a), the interim cable operator or video
10 service provider shall be required to provide only the first 200 feet of transmission
11 line that is necessary to connect the interim cable operator's or video service
12 provider's video service network to one distribution point used by the municipality
13 to transmit programming for the PEG channel.

14 2. If the interconnection of the video service networks of interim cable operators
15 or video service providers is technically necessary and feasible for the transmission
16 of programming for any PEG channel for which channel capacity is required by a
17 municipality under par. (a), the interim cable operators and video service providers
18 shall negotiate in good faith for interconnection on mutually acceptable rates, terms,
19 and conditions, except that an interim cable operator or video service provider who
20 requests interconnection is responsible for interconnection costs, including the cost
21 of transmitting programming from its origination point to the interconnection point.
22 Interconnection may be accomplished by direct cable microwave link, satellite, or
23 any other reasonable method.

24 (6) INSTITUTIONAL NETWORKS. Notwithstanding any franchise, ordinance, or
25 resolution in effect on the effective date of this subsection [revisor inserts date],

5 ✓

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1 no state agency or municipality may require an interim cable operator or video
2 service provider to provide any institutional network or equivalent capacity on its
3 video service network.

4 (7) VIDEO SERVICE PROVIDER FEE. (a) *Duty to pay fee.* 1. Notwithstanding s.
5 66.0611 and except as provided in subd. 2., a video service provider shall, on a
6 quarterly calendar basis, calculate and pay to each municipality in which the video
7 service provider provides video service a video service provider fee equal to the
8 percentage of the video service provider's gross receipts that is specified in par. (b).
9 A video service provider shall remit the fee to the municipality no later than 45 days
10 after the end of each quarter. Except as provided in subd. 2. or par. (b) 1., if the
11 municipality is not required to provide notice under sub. (3) (e) 2., the duty to remit
12 the fee first applies to the quarter in which the video service provider begins to
13 provide service in the municipality, and, if the municipality is required to provide
14 notice under sub. (3) (e) 2., the duty to remit the fee first applies to the quarter in
15 which the video service provider begins to provide service in the municipality or to
16 the quarter that includes the 45th day after the video service provider receives the
17 municipality's notice, whichever quarter is later.

18 2. If a municipality fails to provide the notice specified in sub. (3) (e) 2. before
19 the deadline specified in sub. (3) (e) 2., no video service provider is required to pay
20 a video service provider fee, and no interim cable operator is required to pay a
21 franchise fee, to the municipality until the 45th day after the end of the quarter in
22 which the municipality provides the notice specified in sub. (3) (e) 2.

23 (b) *Amount of fee.* The percentage applied to a video service provider's gross
24 receipts under par. (a) 1. for each municipality shall be 5 percent or one of the
25 following percentages, whichever is less:

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1 1. If no incumbent cable operator was required to pay a franchise fee equal to
2 a percentage of gross revenues to the municipality immediately before the effective
3 date of this subdivision [revisor inserts date], the municipality may specify a
4 percentage of no more than 5 percent. The duty of a video service provider to pay the
5 municipality a video service fee equal to such percentage shall first apply to the
6 quarter that includes the 45th day after the municipality provides notice of the
7 percentage to the video service provider.

8 2. If an incumbent cable operator was required to pay a franchise fee equal to
9 a percentage of gross revenues to the municipality immediately before the effective
10 date of this subdivision [revisor inserts date], that percentage.

11 3. If more than one incumbent cable operator was required to pay a franchise
12 fee equal to a percentage of gross revenues to the municipality immediately before
13 the effective date of this subdivision [revisor inserts date], the lowest such
14 percentage.

15 (c) *Generally accepted accounting principles.* All determinations and
16 computations made under this subsection shall be made pursuant to generally
17 accepted accounting principles.

18 (d) *Record review.* A municipality may, upon reasonable written request but
19 no more than once in any 3-year period, for the purpose of ensuring proper and
20 accurate payment of a video service provider fee, review the business records of a
21 video service provider that is required to pay the municipality a video service
22 provider fee.

23 (e) *Actions to enforce payment.* 1. A municipality or a video service provider
24 may not bring an action concerning the amount of a video service provider fee
25 allegedly due to the municipality unless the parties have first participated in and

1 completed good faith settlement discussions. For purposes of any future litigation,
2 all negotiations pursuant to this paragraph shall be treated as compromise
3 negotiations under s. 904.08.

4 2. An action regarding a dispute over the amount of a video service provider fee
5 paid or allegedly due under this subsection shall be commenced within 3 years
6 following the end of the calendar quarter to which the disputed amount relates or be
7 barred, unless the parties agree in writing to an extension of time. Notwithstanding
8 ss. 814.01, 814.02, 814.03, and 814.035, no costs may be allowed in the action to
9 either party.

10 (f) *Itemization*. A video service provider may identify and collect the amount
11 related to a video service provider fee as a separate line item on customer bills.

12 (g) *Invalidity of other fees*. If a video service provider pays video service
13 provider fees to a municipality as required under this subsection, the municipality
14 may not require the video service provider to pay any compensation under s. 66.0425,
15 or any permit fee, encroachment fee, degradation fee, or any other fee, for the
16 occupation of or work within public rights-of-way.

17 (8) DISCRIMINATION; ACCESS TO SERVICES. (a) *Discrimination prohibited*. 1. No
18 video service provider may deny access to video service to any group of potential
19 residential customers in the video service provider's video franchise area because of
20 the race or income of the residents in the local area in which the group resides.

21 2. It is a defense to an alleged violation of subd. 1. based on income if the video
22 service provider has met either of the following conditions:

23 a. No later than 3 years after the date on which the video service provider began
24 providing video service under this section, at least 25 percent of households with
25 access to the video service provider's video service are low-income households.

notwithstanding s. 182.017 ✓

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1 b. No later than 5 years after the date on which the video service provider began
2 providing video service under this section, at least 30 percent of the households with
3 access to the video service provider's video service are low-income households.

4 (b) *Access.* 1. A large telecommunications video service provider shall provide
5 access to its video service to the following percentages of households within the large
6 telecommunications video service provider's basic local exchange service area:

7 a. Not less than ~~25~~³⁵ percent no later than 3 years after the date on which the
8 large telecommunications video service provider began providing video service
9 under this section.

10 b. Not less than 50 percent no later than ~~6~~⁵ years after the date on which the
11 large telecommunications video service provider began providing video service
12 under this section, or no later than 2 years after at least 30 percent of households
13 with access to the large telecommunications video service provider's video service
14 subscribe to the service for 6 consecutive months, whichever occurs later.

15 2. A large telecommunications video service provider shall file an annual report
16 with the department regarding the large telecommunications video service
17 provider's progress in complying with subd. 1.

18 (c) *Extensions and waivers.* A video service provider may apply to the
19 department for an extension of any time limit specified in par. (a) 2. or (b) or a waiver
20 of a requirement to comply with par. (b). The department shall grant the extension
21 or waiver if the video service provider demonstrates to the satisfaction of the
22 department that the video service provider has made substantial and continuous
23 efforts to comply with the requirements of this subsection and that the extension or
24 waiver is necessary due to one or more of the following factors:

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1 1. The video service provider's inability to obtain access to public and private
2 rights-of-way under reasonable terms and conditions.

3 2. Developments and buildings that are not subject to competition because of
4 exclusive service arrangements.

5 3. Developments and buildings that are not accessible using reasonable
6 technical solutions under commercially reasonable terms and conditions.

7 4. Natural disasters.

8 5. Other factors beyond the control of the video service provider.

9 (d) *Alternative technologies.* A video service provider may satisfy the
10 requirements of this subsection through the use of an alternative technology, other
11 than satellite service, that does all of the following:

12 1. Offers service, functionality, and content demonstrably similar to the
13 service, functionality, and content provided through the video service provider's
14 video service network.

15 2. Provides access to PEG channels and messages broadcast over the
16 emergency alert system.

17 (e) *Limitations.* Notwithstanding any other provision of this section, a
18 telecommunications video service provider is not required to provide video service
19 outside the provider's basic local exchange service area, and a video service provider
20 that is an incumbent cable operator is not required to provide video service outside
21 the area in which the incumbent cable operator provided cable service at the time the
22 department issued a video service franchise to the incumbent cable operator.

23 **(9) CUSTOMER SERVICE STANDARDS.** (a) Except as provided in par. (b), upon 90
24 days' advance notice, a municipality may require a video service provider to comply
25 with the customer service standards specified in 47 CFR 76.309 (c) in its provision

1 of video service. Neither the department nor any municipality shall have the
2 authority to impose additional or different customer service standards that are
3 specific to the provision of video service.

4 (b) No video service provider that provides video service in a municipality may
5 be subject to any customer service standards if there is at least one other person
6 offering cable or video service in the municipality or if the video service provider is
7 subject to effective competition, as determined under 47 CFR 76.905, in the
8 municipality. This paragraph does not apply to any customer service standards
9 promulgated by rule by the department of agriculture, trade and consumer
10 protection. *INSERT 29-10 ✓*

11 (10) LIMITATION ON RATE REGULATION. The department or a municipality may not
12 regulate the rates charged for any video service by an interim cable operator or video
13 service provider that provides video service in a municipality if at least one other
14 interim cable operator or video service provider is providing video service in the
15 municipality and the other interim cable operator or video service provider is not an
16 affiliate of the interim cable operator or video service provider. This subsection
17 applies regardless of whether any affected interim cable operator or video service
18 provider has sought a determination from the FCC regarding effective competition
19 under 47 CFR 76.905.

20 (11) TRANSFER OF VIDEO SERVICE FRANCHISE. A person who is issued a video
21 service franchise may transfer the video service franchise to any
22 successor-in-interest, including a successor-in-interest that arises through
23 merger, sale, assignment, restructuring, change of control, or any other transaction.
24 No later than 10 days after the transfer is completed, the person originally issued the
25 video service franchise shall provide notice of the transfer to the department and to

1 any municipality in which the person has provided video service, and the person to
2 whom the video service franchise is transferred shall submit the information and
3 affidavit specified in sub. (3) (d) 1. and 4. to the department and to any such
4 municipality. Neither the department nor any municipality shall have any authority
5 to review or approve the transfer.

6 (13) RULE-MAKING; ENFORCEMENT. (a) Notwithstanding s. 227.11, the
7 department may not promulgate rules interpreting or establishing procedures for
8 this section.

9 (b) Except as provided in sub. (7) (e), a municipality, interim cable operator, or
10 video service provider that is affected by a failure to comply with this section may
11 bring an action to enforce this section. If a court finds that a municipality, interim
12 cable operator, or video service provider has not complied with this section, the court
13 shall order the municipality, interim cable operator, or video service provider to
14 comply with this section. Notwithstanding ss. 814.01, 814.02, 814.03, and 814.035,
15 no costs may be allowed in an action under this paragraph to any party.

16 (c) Any violation of this section may be enforced by an action on behalf of the
17 state by the department of justice.

18 SECTION 8. 66.0421 (title) of the statutes is amended to read:

19 **66.0421 (title) Access to cable video service.**

20 SECTION 9. 66.0421 (1) (a) of the statutes is repealed.

21 SECTION 10. 66.0421 (1) (b) of the statutes is repealed.

22 SECTION 11. 66.0421 (1) (c) of the statutes is created to read:

23 66.0421 (1) (c) "Video service" has the meaning given in s. 66.0420 (2) (y).

24 SECTION 12. 66.0421 (1) (d) of the statutes is created to read:

and except as provided in sub. (3)(f) 4.

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1 66.0421 (1) (d) “Video service provider” has the meaning given in s. 66.0420 (2)
2 (zg), and also includes an interim cable operator, as defined in s. 66.0420 (2) (n).

3 **SECTION 13.** 66.0421 (2) of the statutes is amended to read:

4 66.0421 (2) INTERFERENCE PROHIBITED. The owner or manager of a multiunit
5 dwelling under common ownership, control or management or of a mobile home park
6 or the association or board of directors of a condominium may not prevent a ~~cable~~
7 ~~operator~~ video service provider from providing ~~cable~~ video service to a subscriber who
8 is a resident of the multiunit dwelling, mobile home park or of the condominium or
9 interfere with a ~~cable operator~~ video service provider providing ~~cable~~ video service
10 to a subscriber who is a resident of the multiunit dwelling, mobile home park or of
11 the condominium.

12 **SECTION 14.** 66.0421 (3) of the statutes is amended to read:

13 66.0421 (3) INSTALLATION IN MULTIUNIT BUILDING. Before installation, a ~~cable~~
14 ~~operator~~ video service provider shall consult with the owner or manager of a
15 multiunit dwelling or with the association or board of directors of a condominium to
16 establish the points of attachment to the building and the methods of wiring. A ~~cable~~
17 ~~operator~~ video service provider shall install facilities to provide ~~cable~~ video service
18 in a safe and orderly manner and in a manner designed to minimize adverse effects
19 to the aesthetics of the multiunit dwelling or condominium. Facilities installed to
20 provide ~~cable~~ video service may not impair public safety, damage fire protection
21 systems or impair fire-resistive construction or components of a multiunit dwelling
22 or condominium.

23 **SECTION 15.** 66.0421 (4) of the statutes is amended to read:

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1 66.0421 (4) REPAIR RESPONSIBILITY. A ~~cable operator~~ video service provider is
2 responsible for any repairs to a building required because of the construction,
3 installation, disconnection or servicing of facilities to provide ~~cable~~ video service.

4 **SECTION 16.** 66.0422 (title) of the statutes is amended to read:

5 **66.0422 (title) ~~Cable television~~ Video service, telecommunications, and**
6 **broadband facilities.**

7 **SECTION 17.** 66.0422 (1) (a) of the statutes is repealed.

8 **SECTION 18.** 66.0422 (1) (d) of the statutes is created to read:

9 66.0422 (1) (d) “Video service” has the meaning given in s. 66.0420 (2) (y).

10 **SECTION 19.** 66.0422 (2) (intro.) of the statutes is amended to read:

11 66.0422 (2) (intro.) Except as provided in subs. (3), (3d), (3m), and (3n), no local
12 government may enact an ordinance or adopt a resolution authorizing the local
13 government to construct, own, or operate any facility for providing ~~cable~~ video
14 service, telecommunications service, or broadband service, directly or indirectly, to
15 the public, unless all of the following are satisfied:

16 **SECTION 20.** 66.0422 (3) (b) of the statutes is amended to read:

17 66.0422 (3) (b) A majority of the governing board of the local government votes
18 to submit the question of supporting the operation of the facility for providing ~~cable~~
19 video service, telecommunications service, or Internet access service, directly or
20 indirectly to the public, by the local government to the electors in an advisory
21 referendum and a majority of the voters in the local government voting at the
22 advisory referendum vote to support operation of such a facility by the local
23 government.

24 **SECTION 21.** 66.0422 (3n) of the statutes is amended to read:

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1 66.0422 (3n) Subsection (2) does not apply to a local government that, on March
2 1, 2004, was providing ~~cable~~ video service to the public.

3 **SECTION 22.** 70.111 (25) of the statutes is amended to read:

4 70.111 (25) DIGITAL BROADCASTING EQUIPMENT. Digital broadcasting equipment
5 owned and used by a radio station, television station, or ~~cable television system~~ video
6 service network, as defined in s. ~~66.0419 (2) (d)~~ 66.0420 (2) (zb).

7 **SECTION 23.** 76.80 (3) of the statutes is amended to read:

8 76.80 (3) “Telecommunications services” means the transmission of voice,
9 video, facsimile or data messages, including telegraph messages, except that
10 “telecommunications services” does not include ~~cable television~~ video service, as
11 defined in s. 66.0420 (2) (y), radio, one-way radio paging or transmitting messages
12 incidental to transient occupancy in hotels, as defined in s. 254.61 (3).

13 **SECTION 24.** 77.52 (2) (a) 12. of the statutes is amended to read:

14 77.52 (2) (a) 12. The sale of cable television system services, or video services,
15 as defined in s. 66.0420 (2) (y), including installation charges.

16 **SECTION 25.** 100.195 (1) (c) 2. of the statutes, as created by 2005 Wisconsin Act
17 458, is amended to read:

18 100.195 (1) (c) 2. Telecommunications services or ~~cable~~ television services.

19 **SECTION 26.** 100.195 (1) (h) 1. of the statutes, as created by 2005 Wisconsin Act
20 458, is repealed and recreated to read:

21 100.195 (1) (h) 1. Video service, as defined in s. 66.0420 (2) (y).

22 **SECTION 27.** 100.209 of the statutes is repealed.

23 **SECTION 28.** 165.25 (4) (ar) of the statutes, as affected by 2005 Wisconsin Act
24 458, is amended to read:

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1 165.25 (4) (ar) The department of justice shall furnish all legal services
2 required by the department of agriculture, trade and consumer protection relating
3 to the enforcement of ss. 100.171, 100.173, 100.174, 100.175, 100.177, 100.18,
4 100.182, 100.20, 100.205, 100.207, ~~100.209~~, 100.21, 100.28, 100.37, 100.42, 100.50,
5 100.51, and 100.195 and chs. 126, 136, 344, 704, 707, and 779, together with any
6 other services as are necessarily connected to the legal services.

7 SECTION 29. 196.01 (1g) of the statutes is amended to read:

8 196.01 (1g) "Basic local exchange service" means the provision to residential
9 customers of an access facility, whether by wire, cable, fiber optics or radio, and
10 essential usage within a local calling area for the transmission of high-quality
11 2-way interactive switched voice or data communication. "Basic local exchange
12 service" includes extended community calling and extended area service. "Basic
13 local exchange service" does not include additional access facilities or any
14 discretionary or optional services that may be provided to a residential customer.
15 "Basic local exchange service" does not include cable television service or services
16 provided by a commercial mobile radio service provider.

17 SECTION 30. 196.01 (1p) of the statutes is repealed and recreated to read:

18 196.01 (1p) "Cable service" has the meaning given in 47 USC 522 (6).

19 SECTION 31. 196.01 (9m) of the statutes is amended to read:

20 196.01 (9m) "Telecommunications service" means the offering for sale of the
21 conveyance of voice, data or other information at any frequency over any part of the
22 electromagnetic spectrum, including the sale of service for collection, storage,
23 forwarding, switching and delivery incidental to such communication and including
24 the regulated sale of customer premises equipment. "Telecommunications service"
25 does not include cable television service or broadcast service.

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1 **SECTION 32.** 196.01 (12g) of the statutes is created to read:

2 196.01 (12g) “Video service” has the meaning given in s. 66.0420 (2) (y).

3 **SECTION 33.** 196.01 (12r) of the statutes is created to read:

4 196.01 (12r) “Video service provider” has the meaning given in s. 66.0420 (2)
5 (zg), and also includes an interim cable operator, as defined in s. 66.0420 (2) (n).

6 **SECTION 34.** 196.04 (4) (a) (intro.) and 2. (intro.) of the statutes are
7 consolidated, renumbered 196.04 (4) (a) (intro.) and amended to read:

8 196.04 (4) (a) (intro.) In this subsection: ~~2. “Sewerage, “sewerage system~~
9 ~~operator”~~ means any of the following:

10 **SECTION 35.** 196.04 (4) (a) 1. of the statutes is repealed.

11 **SECTION 36.** 196.04 (4) (a) 2. a. to e. of the statutes are renumbered 196.04 (4)
12 (a) 1. to 5.

13 **SECTION 37.** 196.04 (4) (b) of the statutes is amended to read:

14 196.04 (4) (b) If the parties cannot agree and the commission finds that public
15 convenience and necessity or the rendition of reasonably adequate service to the
16 public requires that a public utility, telecommunications provider, sewerage system
17 operator, or ~~cable operator~~ video service provider be permitted to extend its lines on,
18 over or under the right-of-way of any railroad, or requires that the tracks of any
19 railroad be extended on, over or under the right-of-way of any public utility,
20 telecommunications provider, sewerage system operator, or ~~cable operator~~ video
21 service provider, the commission may order the extension by the public utility,
22 telecommunications provider, sewerage system operator, ~~cable operator~~ video
23 service provider, or railroad on, over or under the right-of-way of the other if it will
24 not materially impair the ability of the railroad, telecommunications provider,
25 sewerage system operator, ~~cable operator~~ video service provider, or public utility, on,

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1 over or under whose right-of-way the extension would be made, to serve the public.
2 The commission shall prescribe lawful conditions and compensation which the
3 commission deems equitable and reasonable in light of all the circumstances.

4 **SECTION 38.** 196.195 (5) of the statutes is amended to read:

5 196.195 (5) COMMISSION ACTION. If after the proceedings under subs. (2), (3) and
6 (4) the commission has determined that effective competition exists in the market
7 for the telecommunications service which justifies a lesser degree of regulation and
8 that lesser regulation in that market will serve the public interest, the commission
9 may, by order, suspend any of the following provisions of law, except as provided
10 under subs. (7) and (8): ch. 201 and s. 196.02 (2); s. 196.05; s. 196.06; s. 196.07; s.
11 196.09; s. 196.10; s. 196.12; s. 196.13 (2); s. 196.19; tariffing requirements under s.
12 196.194; s. 196.196 (1) or (5); s. 196.20; ~~s. 196.204 (7)~~; s. 196.21; s. 196.22; s. 196.26;
13 s. 196.28; s. 196.37; s. 196.49; s. 196.52; s. 196.58; s. 196.60; s. 196.604; s. 196.77; s.
14 196.78; s. 196.79; and s. 196.805.

15 **SECTION 39.** 196.203 (1m) of the statutes is amended to read:

16 196.203 (1m) Any person claiming to be a cable television telecommunications
17 service provider under this section shall annually file with the commission any
18 information required by the commission to determine the gross income of the person
19 which is derived from the operation of a cable television system.

20 **SECTION 40.** 196.203 (3) (b) (intro.) of the statutes is amended to read:

21 196.203 (3) (b) (intro.) The commission may not deny a petition filed under par.
22 (a) by a provider of cable ~~television~~ service for alternative telecommunications utility
23 status in a particular geographical area as not being in the public interest if basic
24 local exchange service is provided in the same geographical area by any of the
25 following:

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1 **SECTION 41.** 196.203 (3) (b) 2. of the statutes is amended to read:

2 196.203 (3) (b) 2. Subject to par. (c), a telecommunications utility with 50,000
3 or less access lines in use in this state which also provides cable ~~television~~ service in
4 that geographical area, if provision of cable ~~television~~ service began after September
5 1, 1994.

6 **SECTION 42.** 196.203 (3) (c) of the statutes is amended to read:

7 196.203 (3) (c) Paragraph (b) 2. shall not apply if the telecommunications
8 utility's provision of cable ~~television~~ service is limited to the provision of satellite
9 cable programming, as defined in s. 943.47 (1) (b).

10 **SECTION 43.** 196.203 (3) (d) of the statutes is amended to read:

11 196.203 (3) (d) Section 196.50 (1) (b) applies to an alternative
12 telecommunications utility except for a provider of cable ~~television~~ service.

13 **SECTION 44.** 196.203 (3) (e) 1. (intro.) of the statutes is amended to read:

14 196.203 (3) (e) 1. (intro.) If a provider of cable ~~television~~ service files a petition
15 under par. (a) for alternative telecommunications status to offer local exchange
16 service, as defined in s. 196.50 (1) (b) 1., in a geographical area served by a
17 telecommunications utility with less than 50,000 access lines in use in this state on
18 September 1, 1994, or at any time thereafter, the commission may not deny the
19 petition as not being in the public interest and shall do any of the following:

20 **SECTION 45.** 196.204 (7) of the statutes is repealed.

21 **SECTION 46.** 196.50 (1) (b) 2. e. of the statutes is amended to read:

22 196.50 (1) (b) 2. e. The holder of the permit and the applicant are both providers
23 of cable ~~television~~ video service, if the holder's provision of cable ~~television~~ video
24 service began after September 1, 1994. ~~This subd. 2. e. does not apply if the holder's~~

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1 ~~provision of cable television service is limited to the provision of satellite cable~~
2 ~~programming, as defined in s. 943.47 (1) (b).~~

3 **SECTION 47.** 196.50 (1) (c) of the statutes is amended to read:

4 196.50 (1) (c) Any provision in an agreement or municipal franchise that
5 prohibits entry into the telecommunications or cable television video services market
6 after September 1, 1994, is void. ~~Paragraph (b) and this paragraph do not invalidate~~
7 ~~an ordinance enacted under s. 66.0419 which requires a provider of cable television~~
8 ~~services to obtain a franchise before offering those services.~~

9 **SECTION 48.** 196.85 (1m) (b) of the statutes is amended to read:

10 196.85 (1m) (b) For the purpose of direct assessment under sub. (1) of expenses
11 incurred by the commission in connection with its activities under s. 196.04 (4), the
12 term "public utility" includes a ~~cable operator, as defined in s. 66.0419 (2) (b)~~ video
13 service provider.

14 **SECTION 49.** 943.46 (title) of the statutes is amended to read:

15 **943.46 (title) Theft of cable television video service.**

16 **SECTION 50.** 943.46 (1) (a) of the statutes is renumbered 943.46 (1) (c) and
17 amended to read:

18 943.46 (1) (c) "~~Cable television~~ Video service" has the meaning given in s.
19 ~~196.01 (1p).~~ "~~Cable television~~ 66.0420 (2) (y), except that "video service" does not
20 include signals received by privately owned antennas that are not connected to a
21 ~~cable television system~~ video service network whether or not the same signals are
22 provided by a ~~cable television company~~ video service provider.

23 **SECTION 51.** 943.46 (1) (d) of the statutes is created to read:

24 943.46 (1) (d) "Video service network" has the meaning given in s. 66.0420 (2)
25 (zb).

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1 **SECTION 52.** 943.46 (1) (e) of the statutes is created to read:

2 943.46 (1) (e) “Video service provider” has the meaning given in s. 66.0420 (2)
3 (zg), and also includes an interim cable operator, as defined in s. 66.0420 (2) (n).

4 **SECTION 53.** 943.46 (2) (a) of the statutes is amended to read:

5 943.46 (2) (a) Obtain or attempt to obtain ~~cable television~~ video service from
6 a ~~company~~ provider by trick, artifice, deception, use of an illegal device or illegal
7 decoder or other fraudulent means with the intent to deprive that ~~company~~ provider
8 of any or all lawful compensation for rendering each type of service obtained. The
9 intent required for a violation of this paragraph may be inferred from the presence
10 on the property and in the actual possession of the defendant of a device not
11 authorized by the ~~cable television company~~ video service provider, the major purpose
12 of which is to permit reception of ~~cable television~~ video services without payment.
13 This inference is rebutted if the defendant demonstrates that he or she purchased
14 that device for a legitimate use.

15 **SECTION 54.** 943.46 (2) (b) of the statutes is amended to read:

16 943.46 (2) (b) Give technical assistance or instruction to any person in
17 obtaining or attempting to obtain any ~~cable television~~ video service without payment
18 of all lawful compensation to the ~~company~~ provider providing that service. This
19 paragraph does not apply if the defendant demonstrates that the technical
20 assistance or instruction was given or the installation of the connection, descrambler
21 or receiving device was for a legitimate use.

22 **SECTION 55.** 943.46 (2) (c) of the statutes is amended to read:

23 943.46 (2) (c) Make or maintain a connection, whether physical, electrical,
24 mechanical, acoustical or by other means, with any cables, wires, components or
25 other devices used for the distribution of ~~cable television~~ video services for the

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1 purpose of distributing ~~cable television~~ video service to any other dwelling unit
2 without authority from a ~~cable television company~~ video service provider.

3 **SECTION 56.** 943.46 (2) (d) of the statutes is amended to read:

4 943.46 (2) (d) Make or maintain a connection, whether physical, electrical,
5 mechanical, acoustical or by other means, with any cables, wires, components or
6 other devices used for the distribution of ~~cable television~~ video services for the
7 purpose of obtaining ~~cable television~~ video service without payment of all lawful
8 compensation to the ~~company~~ provider providing that service. The intent required
9 for a violation of this paragraph may be inferred from proof that the ~~cable~~ video
10 service to the defendant's residence or business was connected under a service
11 agreement with the defendant and has been disconnected by the ~~cable television~~
12 ~~company~~ video service provider and that thereafter there exists in fact a connection
13 to the ~~cable system~~ video service network at the defendant's residence or business.

14 **SECTION 57.** 943.46 (2) (e) of the statutes is amended to read:

15 943.46 (2) (e) Make or maintain any modification or alteration to any device
16 installed with the authorization of a ~~cable television company~~ video service provider
17 for the purpose of intercepting or receiving any program or other service carried by
18 that ~~company~~ provider which that person is not authorized by that ~~company~~ provider
19 to receive. The intent required for a violation of this paragraph may be inferred from
20 proof that, as a matter of standard procedure, the ~~cable television company~~ video
21 service provider places written warning labels on its converters or decoders
22 explaining that tampering with the device is a violation of law and the converter or
23 decoder is found to have been tampered with, altered or modified so as to allow the
24 reception or interception of programming carried by the ~~cable television company~~
25 video service provider without authority to do so. The trier of fact may also infer that

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1 a converter or decoder has been altered or modified from proof that the cable
2 ~~television company~~ video service provider, as a matter of standard procedure, seals
3 the converters or decoders with a label or mechanical device, that the seal was shown
4 to the customer upon delivery of the decoder and that the seal has been removed or
5 broken. The inferences under this paragraph are rebutted if the ~~cable television~~
6 ~~company~~ video service provider cannot demonstrate that the intact seal was shown
7 to the customer.

8 **SECTION 58.** 943.46 (2) (f) of the statutes is amended to read:

9 943.46 (2) (f) Possess without authority any device or printed circuit board
10 designed to receive from a ~~cable television system~~ video service network any cable
11 television video programming or services offered for sale over that ~~cable television~~
12 ~~system~~ video service network, whether or not the programming or services are
13 encoded, filtered, scrambled or otherwise made unintelligible, or perform or
14 facilitate the performance of any of the acts under pars. (a) to (e) with the intent that
15 that device or printed circuit be used to receive that ~~cable television company's~~ video
16 service provider's services without payment. Intent to violate this paragraph for
17 direct or indirect commercial advantage or private financial gain may be inferred
18 from proof of the existence on the property and in the actual possession of the
19 defendant of a device if the totality of circumstances, including quantities or
20 volumes, indicates possession for resale.

21 **SECTION 59.** 943.46 (2) (g) of the statutes is amended to read:

22 943.46 (2) (g) Manufacture, import into this state, distribute, publish,
23 advertise, sell, lease or offer for sale or lease any device, printed circuit board or any
24 plan or kit for a device or for a printed circuit designed to receive the ~~cable television~~
25 video programming or services offered for sale over a ~~cable television system~~ video

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1 service network from a ~~cable television system~~ video service network, whether or not
2 the programming or services are encoded, filtered, scrambled or otherwise made
3 unintelligible, with the intent that that device, printed circuit, plan or kit be used for
4 the reception of that ~~company's~~ provider's services without payment. The intent
5 required for a violation of this paragraph may be inferred from proof that the
6 defendant has sold, leased or offered for sale or lease any device, printed circuit
7 board, plan or kit for a device or for a printed circuit board in violation of this
8 paragraph and during the course of the transaction for sale or lease the defendant
9 expressly states or implies to the buyer that the product will enable the buyer to
10 obtain ~~cable television~~ video service without charge.

11 **SECTION 60.** 943.46 (5) of the statutes is amended to read:

12 943.46 (5) EXCEPTION. This section does not affect the use by a person of ~~cable~~
13 ~~television~~ video services if the services have been paid for and the use is exclusive to
14 the person's dwelling unit. This subsection does not prohibit a board or council of any
15 city, village or town from specifying the number and manner of installation of outlets
16 used by any such person for ~~cable television~~ video services and does not prohibit a
17 ~~cable television company~~ video service provider, in any written contract with a
18 subscriber, from requiring the ~~company's~~ provider's approval for any increase in the
19 number of those outlets used.

20 **SECTION 61. Effective dates.** This act takes effect on the day after publication,
21 except as follows:

22 (1) The treatment of sections 100.195 (1) (c) 2. and (h) 1. and 165.25 (4) (ar) of
23 the statutes takes effect on April 1, 2007, or on the day after publication, whichever
24 is later.

25 (END)