

2007 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-AB207)

Received: 04/24/2007

Received By: **mkunkel**

Wanted: **As time permits**

Identical to LRB:

For: **Suzanne Jeskewitz (608) 266-3796**

By/Representing: **Diane Handrick**

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.Jeskewitz@legis.wisconsin.gov**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Impose video service franchise fee on no more than 5%, subject to 2-year adjustments

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>
/?							
/1	mkunkel 04/24/2007	wjackson 04/24/2007	nmatzke 04/24/2007	_____	sbasford 04/24/2007	sbasford 04/24/2007	

FE Sent For:

<END>

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/?	mkunkel	1 Wlj 4/24	nwn 4/24	<u>nwn</u> <u>4/24</u>			

FE Sent For:

<END>

Kunkel, Mark

From: Handrick, Diane
Sent: Tuesday, April 24, 2007 9:29 AM
To: Kunkel, Mark
Subject: RE: Ability of a Municipality to Modify the Percentage Amount of the Franchise Fee it Receives under AB 207

Hi, Mark.

Here is the info Sue is going on, and the amendment intent is bolded. Please send electronically as well as hard copy.

Diane Handrick
Pam Matthews

JESKEWITZ
6-3796

as drafted, 5% or lesser of
- IF NO ICO - specify amt no greater than 5%
- IF ICO - that percentage
- IF more than one ICO, lowest %

The issue is whether under AB 207 a municipality can increase or reduce the percentage amount of gross receipts it collects from video service providers. The answer is no. Once a determination of the percentage amount of gross receipts is determined after the bill is enacted, the amount is locked in forever. So, if a municipality currently receives a 3% of gross revenues franchise fee under its franchise with the incumbent cable provider, it will be locked into that amount forever once AB 207 is enacted.

Substitute amendment 1 to AB 207 provides at page 19, lines 20-23 that "a video service provider shall, on a quarterly calendar basis, calculate and pay to each municipality in which the video service provider provides video service a video service provider fee equal to the percentage of the video service provider's gross receipts that is specified in par. (b)."

At page 20, line 13 the sub. provides that "the percentage applied to a video service provider's gross receipts under par. (a) 1. for each municipality shall be 5 percent or one of the following percentages, whichever is less:" Page 20, line 23 provides that "if an incumbent cable operator was required to pay a franchise fee equal to a percentage of gross revenues to the municipality immediately before the effective date of this subdivision [revisor inserts date], that percentage."

A municipality should be able in the future to increase or reduce the percentage amount of gross receipts it can collect from video service providers operating within its borders. An amendment should be offered that adds language to the bill (within the section where the amount of the fee is discussed, beginning at page 20, line 13) authorizing a municipality to, perhaps no more than once in a two year period, change the percentage applied to a video service provider's gross receipts. The only limit should be that a municipality could not exceed 5%.





State of Wisconsin
2007 - 2008 LEGISLATURE

LRBa0409/1

MDK:/:.....

WLJ

now

ASSEMBLY AMENDMENT ,
TO ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 2007 ASSEMBLY BILL 207

1 At the locations indicated, amend the substitute amendment as follows:

2 ↓ 1. Page 12, line 17: delete the material beginning with "and the" and ending
3 with "franchise fees" on line 19.

4 2. Page 19, line 19: delete the material beginning with that line and ending
5 with page 21, line 4 and substitute:

6 "(7) VIDEO SERVICE PROVIDER FEE. (a) *Duty to pay fee; amounts.*

7 Notwithstanding s. 66.0611, a video service provider shall, on a quarterly calendar

8 basis, calculate and pay to each municipality in which the video service provider

9 provides video service a video service provider fee equal to, as specified by each

10 municipality every 2 years, no more than 5 percent of the video service provider's

1 gross receipts. A video service provider shall remit the fee to the municipality no
2 later than 45 days after the end of each quarter.”.

3 (END)