

1 Sec. 1. 32 V.S.A. chapter 247 is added to read:

2 CHAPTER 247. TELEVISION ASSESSMENT

3 § 10601. FINDINGS; PURPOSE

4 (a) The General Assembly finds:

5 (1) In recent years, there has been significant growth of high-bandwidth,
6 entertainment content delivered over communications networks.

7 (2) Substantial public investments, both State and federal, have been
8 made to promote communications network deployment and the adoption of
9 essential services delivered over those networks, such as telecommunications
10 and broadband.

11 (3) Government has long recognized that these networks and services
12 are essential because they provide end users further access to critical services,
13 such as educational, governmental, employment, public safety, and health care
14 services.

15 (b) The purpose of this chapter is to establish a comprehensive statewide
16 mechanism for requiring equitable contributions from cable television
17 companies, satellite television providers, and television streaming providers to
18 support public benefit programs in the communications sector.

19 § 10602. DEFINITIONS

20 As used in this chapter:

1 (1) “Customer” means any person who receives or subscribes to direct
2 broadcast satellite service or video streaming service from a direct broadcast
3 satellite service provider or video streaming service provider and does not
4 further distribute such service in the ordinary course of business.

5 (2) “Direct broadcast satellite service” or “DBS service” means the
6 distribution or broadcasting by satellite of video programming or services
7 directly to receiving equipment located at an end user customer's premises,
8 including, the provision of premium channels, the provision of music or other
9 audio services or channels, and any other service received in connection with
10 the provision of direct broadcast satellite service.

11 (3) “Direct broadcast satellite service provider” or “satellite television
12 provider” means a person who transmits, broadcasts, or otherwise provides
13 direct broadcast satellite service to customers in the State and earns more than
14 \$250,000.00 in gross annual revenues from providing such services to users in
15 the State.

16 (4) “Gross receipts” means all consideration of any kind or nature
17 received by a direct broadcast satellite service provider or video streaming
18 service provider, or an affiliate of such person, in connection with the
19 provision, delivery, or furnishing of direct broadcast satellite service or video
20 streaming service to customers within the State. “Gross receipts” shall not
21 include:

- 1 (A) revenue not actually received, regardless of whether it is billed,
2 including, bad debts;
- 3 (B) revenue received by an affiliate or other person in exchange for
4 supplying goods and services to an affiliated direct broadcast satellite service
5 provider or affiliated video streaming service provider;
- 6 (C) refunds, rebates, or discounts made to customers, advertisers, or
7 other persons;
- 8 (D) revenue from retail telecommunications service as defined in 30
9 V.S.A. § 7501(8);
- 10 (E) revenue from broadband service as defined in 30 V.S.A.
11 § 8082(2);
- 12 (F) revenue from the sale of capital assets or surplus equipment not
13 used by the purchaser to receive direct broadcast satellite service or video
14 streaming service from the direct broadcast satellite service provider or video
15 streaming service provider;
- 16 (G) reimbursements made by programmers to the direct broadcast
17 satellite service provider or video streaming service provider for marketing
18 costs incurred by such service provider for the introduction of new
19 programming;
- 20 (H) late payment fees collected from customers; or

1 (I) charges, other than charges for DBS services or video streaming
2 services, that are aggregated or bundled with DBS services or video streaming
3 services on a customer’s bill, if the direct DBS provider or video streaming
4 service provider can reasonably and separately identify the charges in its books
5 and records kept in the regular course of business.

6 (5) “Video programming” means programming provided by, or
7 comparable to programming provided by, a television broadcast station
8 including, video programming provided by local networks, national broadcast
9 networks, cable television networks and all forms of pay-per-view or on-
10 demand video entertainment.

11 (6) “Video streaming service” means the distribution or broadcasting of
12 video programming displayed by the viewer for a fee on a subscription basis.
13 The term video streaming service, unless expressly provided otherwise, does
14 not include cable service as defined in 47 U.S.C. § 522(6).

15 (7) “Video streaming service provider” or “television streaming
16 provider” means a person who transmits, broadcasts, or otherwise provides
17 video streaming service to customers in the State and earns more than
18 \$250,000.00 in gross annual revenues from providing such services to users in
19 the State.

20 § 10603. IMPOSITION AND COLLECTION

1 (a) There is imposed an assessment on the provision, delivery, or
2 furnishing of DBS services or video streaming services by DBS service
3 providers or video streaming service providers to customers in the State. DBS
4 service providers and video streaming service providers shall pay an
5 assessment equal to five percent of the provider’s gross receipts derived in or
6 from the provision, delivery, or furnishing of DBS service or video streaming
7 service to customers in the State.

8 (b) Gross receipts derived in or from the provision, delivery, or furnishing
9 of DBS service or video streaming service by DBS service providers or video
10 streaming service providers to customers in the State shall be determined by
11 the customer’s place of primary use of the DBS service or video streaming
12 service and if that location cannot be determined with available information or
13 a reasonable inquiry, shall be determined by the customer’s billing address.

14 (c) Under no circumstances shall DBS providers or video streaming service
15 providers subject to the assessment imposed pursuant to this chapter include
16 the amount of tax on bills as a pass-through to customers. It shall be the
17 responsibility of each DBS service provider and each video streaming service
18 provider subject to the assessment imposed pursuant to this section to pay its
19 required assessment to the State and providers shall not mislead the customer
20 to think otherwise.

1 (d) The assessment created under this section shall be for each year, or part
2 of each year, that a DBS service provider or video streaming service provider
3 is engaged in the sale of DBS or video streaming services to customers in the
4 State.

5 (1) Every DBS service provider or video streaming service provider
6 subject to tax under this section shall:

7 (A) file, on or before April 15 of each year a return for the year ended
8 on the preceding December 31; and

9 (B) pay the tax due, which return shall state the gross receipts for the
10 period covered by each return.

11 (2) Returns shall be filed with the Commissioner on a form to be
12 furnished by the Commissioner for that purpose and shall contain any other
13 data or information as the Commissioner may require.

14 (3) Notwithstanding subdivisions (1) and (2) of this subsection (d), the
15 Commissioner may require any DBS service provider or video streaming
16 service provider to file an annual return, which shall contain any data specified
17 by the Commissioner, regardless of whether such provider is subject to the
18 assessment under this section.

19 (e) A DBS service provider or video streaming service provider who fails
20 to file a return or to pay any tax within 30 days of the time required pursuant to
21 this section, determined with regard to any extension of time for filing or

1 paying provided by the Commissioner, shall be subject to a penalty of ten
2 percent of the amount of the tax determined to be due, plus five percent of such
3 amount for each subsequent month or fraction thereof during which such
4 failure continues, not to exceed 30 percent in the aggregate.

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5 (f) The Commissioner may examine and audit a return required under this
6 section for a period equal to the latter of three years from the date the return
7 was filed or three years from the date the return was required to be filed,
8 however there shall be no limitation if a return is fraudulent. In addition to the
9 authority granted to the Commissioner under chapter 103 of this title, the
10 Commissioner may require every DBS service provider or video streaming
11 service provider subject to tax under this section to keep and preserve records
12 of its business in any form as the Commissioner may require for a period of
13 three years, except that the Commissioner may consent to their destruction
14 within that period or may require that they be kept longer.

15 Sec. 2. 30 V.S.A. chapter 88A is added to read:

16 CHAPTER 88A. COMMUNICATIONS PUBLIC BENEFIT FUND

17 § 7601. COMMUNICATIONS PUBLIC BENEFIT FUND

18 (a) The Communications Public Benefit Fund is created as a special fund
19 within the State Treasury. The Fund shall be composed of all revenue from the
20 assessment on direct broadcast satellite services and video streaming services
21 imposed under 32 V.S.A. § 10603, as well as any other funds so appropriated

1 by the General Assembly and any funds received as grants or gifts and
2 approved according to the provisions of 32 V.S.A. § 5. Unexpended balances
3 shall remain in the Fund from year to year.

4 (b) The General Assembly shall annually appropriate amounts from the
5 Fund to support the programs established in sections 7602 and 7603 of this
6 chapter, including any administrative expenses.

7 § 7602. COMMUNITY MEDIA PROGRAM

8 (a) The Secretary of State shall administer and oversee a grant program to
9 support the operational costs of access media organizations (AMOs).

10 (b) On or before September 1 of each year, the Vermont Access Network
11 shall submit a plan to the Secretary with a schedule of proposed subgrants to
12 AMOs. The plan shall ensure that funding is distributed equitably on a
13 statewide basis and, where necessary, and to the greatest extent practicable,
14 provide for additional capacity and coverage in all State municipalities. If the
15 Secretary finds that the plan meets the requirements of this subsection, the
16 Secretary shall make a single disbursement to the Vermont Access Network on
17 or before October 1 of each year.

18 (c) After receiving its annual grant, the Vermont Access Network shall
19 promptly distribute all of the funds to AMOs pursuant to the plan approved by
20 the Secretary. An AMO that is not in substantial compliance with the annual

1 reporting requirements of Public Utility Commission Rule 8.000 is ineligible
2 for the grant.

3 (d) Notwithstanding 2 V.S.A. § 20(d), on or before January 15 of each
4 year, the Vermont Access Network shall provide the General Assembly a
5 written report describing the distribution of subgrants pursuant to this section
6 and well as a statewide survey of AMO coverage areas and services.

7 (e) The Secretary has the right to inspect the financial documents and
8 physical infrastructure of any AMO that receives funding under this section.

9 Sec. 3. 30 V.S.A. § 7603 is added to read:

10 § 7603. BROADBAND AFFORDABILITY PROGRAM

11 (a) The Commissioner of Public Service, in consultation with the Agency
12 of Human Services, shall establish the Broadband Affordability Program,
13 which shall provide qualifying low-income households discounts on broadband
14 service and connected devices.

15 (b) The Program shall be modeled after the Affordable Connectivity
16 Program administered by the Federal Communications Commission with
17 respect to eligibility and eligibility verification methods.

18 (c) The Program shall offer eligible households a discount of up to \$30 per
19 month toward internet service, as well as a one-time discount of up to \$100
20 toward the purchase of a laptop, desktop computer, or tablet from participating

1 providers if the household contributes more than \$10 and less than \$50 toward
2 the purchase price.

3 (d) Notwithstanding 2 V.S.A. § 20(d), on or before January 15 of each
4 year, the Commissioner shall submit a written report to the General Assembly
5 describing Program expenditures, the number of participants in the Program,
6 and any recommendations related to the administration and purposes of the
7 Program.

8 Sec. 4. EFFECTIVE DATES

9 (a) Notwithstanding 1 V.S.A. § 214, this section and Sec. 1 of this act shall
10 take effect retroactively on January 1, 2024 and apply to taxable years on and
11 after January 1, 2024.

12 (b) Secs. 2 and 3 of this act shall take effect on passage.