

1 **Proposal to Amend the Contribution Method for the**
2 **Vermont Universal Service Fund (VUSF)**
3

4 *This draft proposes to replace the existing 2.4% Universal Service Charge*
5 *with a flat (\$0.70), monthly connection charge for each voice line in service,*
6 *except in the case of prepaid wireless telecommunications service, which*
7 *would remain subject to the 2.4% charge applied at the point of sale.*
8

9 Sec. 1. 30 V.S.A. § 7501(a) is amended to read:

10 (a) It is the purpose of this chapter to create a financial structure that will
11 allow every Vermont household to obtain basic telecommunications service at
12 an affordable price, and to finance that structure with a ~~proportional~~ charge on
13 all telecommunications transactions that interact with the public switched
14 network.

15 Sec. 2. 30 V.S.A. § 7523 is amended to read:

16 § 7523. RATE OF CHARGE

17 ~~(a)(1) Beginning on July 1, 2014, the~~ Except as provided in subsection
18 7521(e) of this chapter, which pertains to prepaid wireless telecommunications
19 service, the monthly rate of charge shall be two percent of retail
20 ~~telecommunications service~~ \$0.70 for each retail telecommunications service
21 line capable of accessing the 911 system.

22 ~~(b) Beginning on July 1, 2019, the rate of charge established under~~
23 ~~subsection (a) of this section shall be increased by four tenths of one percent of~~
24 ~~retail telecommunications service, and the monies collected from this increase~~
25 From the monies collected by the Universal Service Charge under this chapter,

1 17 percent shall be transferred to the Vermont Community Broadband Fund
2 established under section 8083 of this title, and up to \$120,000.00 shall be used
3 to fund a Rural Broadband Technical Assistance Specialist whose duties shall
4 include providing outreach, technical assistance, and other support services to
5 communications union districts established pursuant to chapter 82 of this title
6 and other units of government, nonprofit organizations, cooperatives, and for-
7 profit businesses for the purpose of expanding broadband service to unserved
8 and underserved locations. Support services also may include providing
9 business model templates for various approaches, including formation of or
10 partnership with a cooperative, a communications union district, a rural
11 economic development infrastructure district, an electric utility, or a new or
12 existing Internet service provider as operator of the network.

13 (c) Universal Service Charges imposed and collected by the fiscal agent
14 under this subchapter shall not be transferred to any other fund or used to
15 support the cost of any activity other than in the manner authorized by this
16 section and section 7511 of this title.

17 Sec. 3. 30 V.S.A. § 7521(e)(1) is amended to read:

18 (e)(1) Notwithstanding any other provision of law to the contrary,
19 ~~beginning on January 1, 2020, the~~ a Universal Service Charge of 2.4 percent
20 shall be imposed on all retail sales of prepaid wireless telecommunications
21 service subject to the sales and use tax imposed under 32 V.S.A. chapter 233.

1 The charges shall be collected by sellers or marketplace facilitators collecting
2 sales tax pursuant to 32 V.S.A. § 9713 and remitted to the Department of
3 Taxes in the manner provided under 32 V.S.A. chapter 233. Upon receipt of
4 the charges, the Department of Taxes shall have 30 days to remit the funds to
5 the fiscal agent selected under section 7503 of this chapter. The Commissioner
6 of Taxes shall establish registration and payment procedures applicable to the
7 Universal Service Charge imposed under this subsection consistent with the
8 registration and payment procedures that apply to the sales tax imposed on
9 such services and also consistent with the administrative provisions of 32
10 V.S.A. chapter 151, including any enforcement or collection action available
11 for taxes owed pursuant to that chapter.

12 Sec. 4. EFFECTIVE DATE

13 This act shall take effect on September 30, 2023.