

## ORDINANCE

### **RE: PAYMENT OF CABLE TELEVISION FRANCHISE FEES IN VERMILION COUNTY ILLINOIS – NEW WAVE COMMUNICATIONS**

**WHEREAS**, Telecommunications Management LLC, b/b/a New Wave operates a cable television system providing cable services to a portion of Vermilion County, Illinois authorized under the Authorization to Offer Cable or Video Services granted by the Illinois Commerce Commission pursuant to 220 ILCS 5/21-401; and

**WHEREAS**, the County under 220 ILCS 5/21-801 permits the County to collect service provider fees from a cable operator operating within the County pursuant to State authorization; and

**WHEREAS**, the County hereby adopts this ordinance relative to collection of service providers fees from Telecommunications Management LLC, d/b/a New Wave.

**NOW, THEREFORE BE IT ORDAINED** by the County Board of Vermilion County Illinois as follows:

Section 1. Telecommunications Management LLC, d/b/a New Wave (hereinafter “New Wave”) shall pay an annual service provider fee to the County in the amount equal to 5 % gross revenues derived from the provision of cable or video services to households located within Vermilion County. The twelve month period for the computation of the service provider fee shall be a calendar year.

Section 2. The service provider fee for payment shall be due quarterly and payable within 45 days after the close of the preceding calendar quarter. Each payment shall be accompanied by a brief report prepared by a representative of the grantee showing the basis for the computation. If mailed, the fee shall be considered paid on the date it is postmarked.

Section 3. For purposes of the calculation of service provider fee, ‘gross revenues shall mean consideration of any kind or nature, including but not limited to, cash, credits, property, and in-kind contributions received by New Wave for the operation of its cable system to provide cable or video services within the County, including the following:

(i) Recurring charges for cable service or video service;

(ii) Event-based charges for cable service or video service, including, but not limited to, pay-per-view and video-on-demand charges;

(iii) Rental of set-top boxes and other cable service or video service equipment;

(iv) Service charges related to the provision of cable service or video service, including, but not limited to, activation, installation, and repair charges; (v)

Administrative charges related to the provision of cable service or video service, including but not limited to service order and service termination charges;

(vi) Late payment fees or charges, insufficient funds check charges, and other charges assessed to recover the costs of collecting delinquent payments.

(vii) A pro rata portion of all revenue derived by the holder or its affiliates pursuant to compensation arrangements for advertising or for promotion or exhibition of any products or services derived from the operation of the holder's network to provide cable service or video service within the local unit of government's jurisdiction. The allocation shall be based on the number of subscribers in the local unit of government divided by the total number of subscribers in relation to the relevant regional or national compensation arrangement.

(viii) Compensation received by the holder that is derived from the operation of the holder's network to provide cable service or video service with respect to commissions that are received by the holder as compensation for promotion or exhibition of any products or services on the holder's network, such as a "home shopping" or similar channel, subject to item (ix) of this paragraph (1).

(ix) In the case of a cable service or video service that is bundled or integrated functionally with other services, capabilities, or applications, the portion of the holder's revenue attributable to the other services, capabilities, or applications shall be included in gross revenue unless the holder can reasonably identify the division or exclusion of the revenue from its books and records that are kept in the regular course of business.

(x) The service provider fee permitted by subsection (b) of 220 ILCS 5/21-801.

Section 4. For purposes of the calculation of the service provider fee, "gross revenues" shall not include:

(i) Revenues not actually received, even if billed, such as bad debt, subject to item (vi) of paragraph (1) of this subsection (c).

(ii) Refunds, discounts, or other price adjustments that reduce the amount of gross revenues received by the holder of the State-issued authorization to the extent the refund, rebate, credit, or discount is attributable to cable service or video service.

(iii) Regardless of whether the services are bundled, packaged, or functionally integrated with cable service or video service, any revenues received from services not classified as cable service or video service, including, without limitation, revenue received from telecommunications services, information services, or the provision of directory or Internet advertising, including yellow pages, white pages, banner advertisement, and electronic publishing, or any other revenues attributed by the holder to noncable service or nonvideo service in accordance with the holder's books and records and records kept in the regular course of business and any applicable laws, rules, regulations, standards, or orders.

(iv) The sale of cable services or video services for resale in which the purchaser is required to collect the service provider fee from the purchaser's subscribers to the extent the purchaser certifies in writing that it will resell the service within the local unit of government's jurisdiction and pay the fee permitted by subsection (b) of this Section with respect to the service.

(v) Any tax or fee of general applicability imposed upon the subscribers or the transaction by a city, State, federal, or any other governmental entity and collected by the holder of the State-issued authorization and required to be remitted to the taxing entity, including sales and use taxes.

(vi) Security deposits collected from subscribers.

(vii) Amounts paid by subscribers to "home shopping" or similar vendors for merchandise sold through any home shopping channel offered as part of the cable service or video service.

Section 5. If any section, paragraph, subdivision, clause, sentence, or provision of this ordinance shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, invalidate or nullify the remainder thereof, which shall remain and continue in full force and effect.

Section 6. This ordinance shall become effective immediately upon passage by the Vermilion County Board.

**PRESENTED, APPROVED AND ORDAINED** by the County Board of Vermilion County, Illinois at the August 13, 2019 A.D. Session.

DATED this 13<sup>th</sup> day of August 2019 A.D.

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Chairman, Vermilion County Board

ATTEST:

  
Clerk of the County Board

APPROVED BY EXECUTIVE COMMITTEE:

|   |                                  |   |                                  |
|---|----------------------------------|---|----------------------------------|
| Larry Baughn, Jr.<br><i>Committee Chairperson</i> | <input checked="" type="radio"/> | N | A                                |
| Craig Golden                                      | <input checked="" type="radio"/> | N | A                                |
| Steven Fourez                                     | Y                                | N | <input checked="" type="radio"/> |
| Kevin Green                                       | <input checked="" type="radio"/> | N | A                                |
| Crisi Walls                                       | Y                                | N | <input checked="" type="radio"/> |
| Greg Thatcher                                     | <input checked="" type="radio"/> | N | A                                |
| Becky Stark                                       | <input checked="" type="radio"/> | N | A                                |