



## Ohio Revised Code

### Section 1332.32 Payment of video service provider fees.

Effective: September 24, 2007

Legislation: Senate Bill 117 - 127th General Assembly

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(A) Not sooner than forty-five nor later than sixty days after the end of each calendar quarter, a video service provider shall pay a video service provider fee to each municipal corporation and each township in which it offers video service. The fee shall be calculated quarterly by determining the provider's gross revenue for the preceding calendar quarter as described in division (B) of this section and multiplying the result by the percentage specified in division (C)(1)(a) or (b) of this section.

(B) Gross revenue shall be computed in accordance with generally accepted accounting principles.

(1) Gross revenue shall consist of all of the following revenue for the calendar quarter that is collected by the provider for video service from all its subscribers having service addresses within the municipal corporation or, respectively, the unincorporated area of the township:

(a) Recurring monthly charges for video service;

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

(c) Charges for rental of set top boxes and other video service equipment;

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

(e) Administrative charges related to the provision of video service, including, but not limited to, service order and service termination charges.

(2) Gross revenue shall not include any of the following:



- (a) Any taxes, fees, or assessments that are collected by the video service provider from video service subscribers for pass-through to any federal, state, or local government agency, including the video service provider fee authorized under this section, the fee authorized under division (F) of section 1332.30 of the Revised Code, and the federal communication commission user fee;
- (b) Uncollectible charges, except that uncollectible charges, all or part of which are written off as bad debt but subsequently collected, less the expenses of their collection shall be included in gross revenue in the quarter collected;
- (c) Late payment charges;
- (d) Maintenance charges;
- (e) Charges for services other than video service, reasonably identifiable on books or records the video service provider keeps in the regular course of business or by other reasonable means, that are aggregated or bundled with amounts billed to video service subscribers, including, but not limited to, any revenue received by a video service provider or its affiliates for telecommunications service, information service, or the provision of directory or internet advertising, including yellow pages, white pages, banner advertising, and electronic publishing;
- (f) Reimbursement by programmers of marketing costs actually incurred by the video service provider;
- (g) Advertising revenue, unless a municipal corporation enacts an ordinance or a board of township trustees adopts a resolution that uniformly applies to all video service providers. For those purposes, "advertising revenue" means the net revenue received by the video service provider for advertising on its subscription-based video service within a municipal corporation or the unincorporated area of a township. If such revenue is derived under a regional or national compensation contract or arrangement between the video service provider and one or more advertisers or advertising representatives, the amount of revenue derived for a municipal corporation or for the unincorporated area of a township shall be determined by multiplying the total net revenue received by the video service provider under the contract or arrangement by the percentage resulting from dividing the number of subscribers in the municipal corporation or



unincorporated area of a township by the total number of regional or national subscribers that potentially receive the advertising under the contract or arrangement. The municipal corporation or township shall promptly notify affected video service providers of the ordinance or resolution, which shall not take effect until the first day of the first calendar quarter that begins more than thirty days after the notice.

(h) Subject to division (B)(2)(g) of this section, any revenue not expressly enumerated in division (B)(1) of this section.

(C)(1)(a) If in the calendar quarter a franchise fee is payable by a cable operator under a franchise in effect in a municipal corporation or township as provided under division (B) of section 1332.23 of the Revised Code, the percentage of gross revenue payable in that calendar quarter by a video service provider to the municipal corporation or township shall be the same percentage of gross revenue payable in that calendar quarter pursuant to that franchise, not to exceed five per cent. If there is more than one such franchise of a cable operator in effect in that quarter, the lowest such percentage shall be used.

(b) Otherwise, the percentage shall be zero or such higher percentage, not to exceed five per cent, as is specified in an ordinance or resolution that the municipal corporation or township may enact or adopt for the purpose of this section.

(2) The municipal corporation or township shall provide written notice to the video service provider of the appropriate percentage under division (C)(1)(a) or (b) of this section within ten days after it receives the notice required by division (A) of section 1332.27 of the Revised Code that the video service provider will commence to provide access to video service in the municipal corporation or unincorporated area of the township. A provider need not pay the fee unless the municipal corporation or township provided that notice.

(D) A video service provider that pays a video service provider fee pursuant to this section may identify and collect the amount of that fee as a separate line item on the regular bill of each of its video service subscribers that has a service address within any portion of the municipal corporation or, respectively, within the unincorporated area of the township.