

## ***An Act to modernize funding for community media programming – 2023***

HD.215 and SD.1343 – FACT SHEET

### ***Background***

- Traditional cable, which is delivered through public rights of way (telephone poles, conduits, sidewalks, etc), is regulated through franchise license agreements, which are negotiated at the municipal level. Cable alternatives, such as streaming entertainment, which is most often delivered via the same infrastructure, are not subject to those same regulations.
- Streaming providers rely on local infrastructure to sell their product to millions of Massachusetts residents, yet pay nothing to use that infrastructure. Holding streaming providers responsible for paying their fair share would greatly benefit all citizens of MA, and the municipalities where they reside.
- For decades, community media has thrived in Massachusetts thanks to these federally mandated franchise license agreements, in which cable companies agree to remit up to 5% of their gross annual revenue back to the city or town in which they do business, usually in order to support local programming.
- Cable subscriptions in MA have declined over 25% in the last five years. This bill seeks to replicate the success of the franchise fee system, while modernizing what the obligations are to entertainment providers who are using public rights of way to deliver their product.

### ***Summary***

- Following the model of cable franchises, the bill would impose a 5% fee on digital streaming providers which are using public rights of way in order to sell their services to Massachusetts residents.
- Monies would be collected at the state level twice a year and then distributed to the state general fund, municipalities and community media centers. Distribution would be based on population and done via existing distribution methods.
- The bill would help MA municipalities to fund expenditures related to hybrid municipal meetings, data infrastructure improvements, school technology programs and more.
- This bill is NOT a tax on the internet, nor is it a tax on Massachusetts residents. Assessments on entertainment (whether it be cable television, digital downloads, movie theaters or movie rentals) are not new. This bill updates the law to include new entertainment options that have entered the marketplace in the past decade and are rapidly growing in popularity.
- States which have already imposed a similar fee on streaming services include: Florida, Iowa, Minnesota, Nebraska, North Carolina, Ohio, Pennsylvania, South Dakota, Washington. (Individual municipalities in California, Colorado and Illinois have also done so.)
- Without community media, The Commonwealth and its municipalities will lose the coverage and archive of hundreds of thousands of hours of local news, town events, sports and municipal meetings.

Help us to provide a viable future for community media in Massachusetts. Please co-sponsor HD.215 and SD.1343 today!