

CHAPTER 24

MUNICIPAL TELECOMMUNICATIONS INFRASTRUCTURE MAINTENANCE FEE

Established by Ordinance 97-146, Passed 11/04/97

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24.01 DEFINITIONS

In addition to the terms defined in Appendix A of this Code, the following terms shall have the following meanings:

Gross Charges: The amount paid to a telecommunications retailer for the act or privilege of originating or receiving telecommunications within the City, and for all services rendered in connection therewith, valued in money whether paid in money or otherwise, including cash, credits, services, and property of every kind or nature, and shall be determined without any deduction on account of the cost of such telecommunications, the cost of the materials used, labor or service costs, or any other expense whatsoever. In case credit is extended, the amount thereof shall be included only as and when paid. Gross charges for private line service shall include charges imposed at each channel point within the City, charges for the channel mileage between each channel point within the City, and charges for that portion of the interstate interoffice channel provided within the City. However, gross charges shall not include:

1. Any amounts added to a purchaser's bill because of a charge made under: (i) the fee imposed by Section 24.03 herein, (ii) additional charges added to a purchaser's bill under 220 ILCS 5/9-221 or 5/9-222 (the Public Utilities Act), (iii) amounts collected under 65 ILCS 5/8-11-17, (iv) the tax imposed by the Telecommunications Excise Tax Act (35 ILCS 630/1 et seq., (v) 911 surcharges, or (vi) the tax imposed by Section 4251 of the Internal Revenue Code;

2. Charges for a sent collect telecommunications received outside the City;
3. Charges for leased time on equipment or charges for the storage of data or information or subsequent retrieval or the processing of data or information intended to change its form or content. Such equipment includes, but is not limited to, the use of calculators, computers, data processing equipment, tabulating equipment or accounting equipment and also includes the usage of computers under a time-sharing agreement;
4. Charges for customer equipment, including such equipment that is leased or rented by the customer from any source, wherein such charges are disaggregated and separately identified from other charges;
5. Charges to business enterprises certified under 220 ILCS 5/9-221 (Public Utilities Act) to the extent of such exemption and during the period of time specified by the City;
6. Charges for telecommunications and all services and equipment provided in connection therewith between a parent corporation and its wholly owned subsidiaries or between wholly owned subsidiaries, and only to the extent that the charges between the parent corporation and wholly owned subsidiaries or between wholly owned subsidiaries represent expense allocation between the corporations and not the generation of profit other than a regulatory required profit for the corporation rendering such services;
7. Bad debts (bad debt means any portion of a debt that is related to a sale at retail for which gross charges are not otherwise deductible or excludable that has become worthless or uncollectible, as determined under applicable federal income tax standards; if the portion of the debt deemed to be bad is subsequently paid, the retailer shall report and pay the tax on that portion during the reporting period in which the payment is made);
8. Charges paid by inserting coins in coin-operated telecommunications devices; or
9. Charges for telecommunications and all services and equipment provided to the City.

Public right-of-way: Any municipal street, alley, water or public right-of-way dedicated or commonly used for utility purposes, including utility easements wherein the City has

acquired the right and authority to locate or permit the location of utilities consistent with telecommunications facilities. Public right-of-way shall not include any real or personal City property that is not specifically described in the previous sentence and shall not include City buildings and other structures or improvements, regardless of whether they are situated in the public right-of-way.

Retailer maintaining a place of business in this State (or any like term): Means and includes any retailer having or maintaining within the State, directly or by a subsidiary, an office, distribution facilities, transmission facilities, sales office, warehouse or other place of business, or any agent or other representative operating within this State under the authority of the retailer or its subsidiary, irrespective of whether such place of business or agent or other representative is located here permanently or temporarily, or whether such retailer or subsidiary is licensed to do business in this State.

Sale of telecommunications at retail: The transmitting, supplying or furnishing of telecommunications and all services rendered in connection therewith for a consideration, other than between a parent corporation and its wholly owned subsidiaries or between wholly owned subsidiaries, when the gross charge made by one such corporation to another such corporation is not greater than the gross charge paid to the retailer for their use or consumption and not for sale.

Service address: The location of telecommunications equipment from which telecommunications services are originated or at which telecommunications services are received. If this is not a defined location, as in the case of wireless telecommunications, paging systems, maritime systems, air-to-ground systems, and the like, service address shall mean the location of the customer's primary use of the telecommunications equipment as defined by the location in Illinois where the bills are sent.

Telecommunications: Includes, but is not limited to, messages or information transmitted through use of local, toll and wide area telephone service, channel services, telegraph services, teletypewriter service, computer exchange services, private line services, specialized mobile radio services or any other transmission of messages or information by electronic or similar means, between or among points by wire, cable, fiber optics, laser, microwave, radio, satellite or similar facilities. Unless the context clearly requires otherwise, telecommunications shall also include wireless telecommunications as hereinafter defined. Telecommunications shall not include value added services in which computer processing applications are used to act on the form, content, code and protocol of the information for purposes other than transmission. Telecommunications shall not include

purchase of telecommunications by a telecommunications service provider for use as a component part of the service provided by him or her to the ultimate retail consumer who originates or terminates the end-to-end communications. Retailer access charges, right of access charges, charges for use of intercompany facilities and all telecommunications resold in the subsequent provision and used as a component of, or integrated into, end-to-end telecommunications service shall not be included in gross charges as sales for resale. Telecommunications shall not include the provision of cable services through a cable system as defined in the Cable Communications Act of 1984 (47 U.S.C. Sections 521 and following) as now or hereafter amended or cable or other programming services subject to an open video system fee payable to the City through an open video system as defined in the rules of the Federal Communications Commission (47 C.D.F. 76.1550 and following) as now or hereafter amended.

Telecommunications provider:

1. Any telecommunications retailer; and
2. Any person that is not a telecommunications retailer that installs, owns, operates or controls equipment in the public right-of-way that is used or designed to be used to transmit telecommunications in any form.

Telecommunications retailer, retailer, carrier: Means and includes every person engaged in the business of making sales of telecommunications at retail as defined in this Section 24.01. The City may, in its discretion, upon application, authorize the collection of the fee hereby imposed by any retailer not maintaining a place of business within this State, who, to the satisfaction of the City, furnishes adequate security to ensure collection and payment of the fee. When so authorized, it shall be the duty of such retailer to pay the fee upon all of the gross charges for telecommunications in the same manner and subject to the same requirements as a retailer maintaining a place of business within the City.

Wireless telecommunications: Includes cellular mobile telephone services, personal wireless services as defined in Section 704 (C) of the Telecommunications Act of 1996 (Public Law No. 104-104), 42 U.S.C. §332 (c)(7), as now or hereafter amended, including all commercial mobil radio services, and paging services.

24.02 REGISTRATION OF TELECOMMUNICATIONS PROVIDERS

A. Every telecommunications provider, as defined by this Chapter 24, shall register with the City within 30 days after the effective date of this Chapter 24, or becoming a telecommunications provider, whichever is later, on the Telecommunications Provider Registration Form, attached to this

Chapter 24 as Exhibit A, provided, however, that any telecommunications retailer that has filed a return pursuant to Section 24.04-C herein shall be deemed to have registered in accordance with this Section 24.02.

B. Every telecommunications provider who has registered with the City pursuant to Section 24.02-A herein has an affirmative duty to submit an amended registration form or current return as required by Section 24.04-C herein, as the case may be, to the City within 30 days from the date of the occurrence of any changes in the information provided by the telecommunications provider in the registration form or most recent return on file with the City.

24.03 MUNICIPAL TELECOMMUNICATIONS INFRASTRUCTURE MAINTENANCE FEE

A. A City telecommunications infrastructure maintenance fee is hereby imposed upon all telecommunications retailers in the amount of 1.0 percent of all gross charges charged by the telecommunications retailer to service addresses within the City for telecommunications originating or received in the City.

B. Upon the effective date, November 14, 1997, of the infrastructure maintenance fee authorized in this Chapter 24, the City infrastructure maintenance fee authorized hereunder shall be the only fee or compensation for the use of all public rights-of-way within the City by telecommunications retailers. Imposition of the infrastructure maintenance fee provided under this Chapter 24 does not, however, serve as a limitation on the levying of any taxes or imposition of any fees otherwise authorized by law.

C. The City telecommunications infrastructure maintenance fee authorized by this Section 24.03 shall be collected, enforced and administered as set forth in Section 24.04 herein.

24.04 COLLECTION, ENFORCEMENT, AND ADMINISTRATION OF TELECOMMUNICATIONS INFRASTRUCTURE MAINTENANCE FEES

A. A telecommunications retailer shall charge to and collect from each customer an additional charge in an amount equal to the City infrastructure maintenance fee attributable to that customer's service address.

B. Unless otherwise approved by the City, the infrastructure maintenance fee shall be remitted by the telecommunications retailer to the City not later than the last day of the month subsequent to the month in which a bill is issued to the customer, provided, however, that the telecommunications retailer may retain an amount not to exceed two percent of the City infrastructure maintenance fee collected by it to reimburse itself for expenses incurred in accounting for

and remitting the fee.

C. Remittance of the municipal infrastructure fee to the City shall be accompanied by a return, in a form to be prescribed by the City, which shall contain such information as the City may reasonable require.

D. Any infrastructure maintenance fee required to be collected pursuant to this Chapter 24 and any such infrastructure maintenance fee collected by such telecommunications retailer shall constitute a debt owned by the telecommunications retailer to the City. The charge imposed under Section 24.04-A by the telecommunications retailer pursuant to this Chapter 24 shall constitute a debt of the purchaser to the telecommunications retailer who provides such services until paid and, if unpaid, is recoverable at law in the same manner as the original charge for such services.

E. Amounts paid under this Chapter 24 by telecommunications retailers shall not be included in the tax base under any of the following acts as described immediately below:

1. Gross charges for purposes of the Telecommunications Excise Tax Act, 35 ILCS 630/1 et seq.;
2. Gross receipts for purposes of the municipal utility tax as prescribed in 65 ILCS 5/8-11-2;
3. Gross charges for purposes of the municipal telecommunications tax as prescribed in 65 ILCS 5/8-11-17;
4. Gross revenue for purposes of the tax on annual gross revenue of public utilities prescribed in 220 ILCS 5/2-202 (Public Utilities Act).

F. The City shall have the right, in its discretion, to audit the books and records of all telecommunications retailers subject to this Chapter 24 to determine whether the telecommunications retailer has properly accounted to the City for the City infrastructure maintenance fee. Any underpayment of the amount of the City infrastructure maintenance fee due to the City by the telecommunications retailer shall be paid to the City plus five percent of the total amount of the underpayment determined in an audit, plus any costs incurred by the City in conducting the audit, in an amount not to exceed five percent of the total amount of the underpayment determined in an audit. Said sum shall be paid to the City within 21 days after the date of an invoice for same.

G. The City, or his or her designee, may promulgate such further or additional regulations concerning the administration

and enforcement of this Chapter 24, consistent with its provisions, as may be required from time to time and shall notify all telecommunications retailers that are registered pursuant to Section 24.02 herein of such regulations.

24.05 COMPLIANCE WITH OTHER LAWS

Nothing in this Chapter 24 shall excuse any person or entity from the obligations imposed under any law, including but not limited to:

1. Generally applicable taxes; and
2. Standards for construction on, over, under or within, use of or repair of the public rights-of-way, including standards relating to free standing towers and other structures upon the public rights-of-way, as provided; and
3. Any liability imposed for the failure to comply with such generally applicable taxes or standards governing construction on, over, under or within, use of or repair of the public rights-of-way; and
4. Compliance with any ordinance or provision of this Code concerning uses or structures not located on, over or within the right-of-way.

24.06 EXISTING FRANCHISES AND LICENSES

Any franchise, license or similar agreements between telecommunications retailers and the City entered into before the effective date of this Chapter 24 regarding the use of public rights-of-way shall remain valid according to and for their stated terms except for any fees, charges or other compensation to the extent waived.

24.07 PENALTIES

Any telecommunications provider who violates, disobeys, omits, neglects or refuses to comply with any of the provisions of this Chapter 24 shall be subject to fine in accordance with the general penalty provisions of this Code.

24.08 ENFORCEMENT

Nothing in this Chapter 24 shall be construed as limiting any additional or further remedies that the City may have for enforcement of this Chapter 24.

24.09 SEVERABILITY

If any section, subsection, sentence, clause, phrase or portion of this Chapter 24 is for any reason held invalid or

unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions hereof.

24.10 CONFLICT

This Chapter 24 supersedes all ordinance or parts of ordinance adopted prior hereto which are in conflict herewith, to the extent of such conflict.

24.11 WAIVER AND FEE IMPLEMENTATION

A. The City hereby waives all fees, charges, and other compensation that may accrue, after the effective date of the waiver, to the City by a telecommunications retailer pursuant to any existing City franchise, license, or similar agreement with a telecommunications retailer during the time the City imposes the Telecommunications Infrastructure Maintenance Fee. This waiver shall only be effective during the time the Infrastructure Maintenance Fee provided for in this Chapter 24 is subject to being lawfully imposed on the telecommunications retailer and collected by the telecommunications retailer from the customer.

B. The City Clerk shall send a Fee Waiver Form, attached hereto as Exhibit B, by certified mail/return receipt requested to each telecommunications retailer with whom the City has a franchise.

C. The City infrastructure maintenance fee provided for in this Chapter 24 shall become effective and imposed on the first day of the month not less than 90 days after the City provides written notice, using the Notice of Imposition of Infrastructure Maintenance Fee, attached hereto as Exhibit C, by certified mail to each telecommunications retailer with whom the City has an existing franchise, license or similar agreement that the City waives all compensation under such existing franchise, license or similar agreement during such time as the fee is subject to being lawfully imposed and collected by the retailer and remitted to the City. The infrastructure maintenance fee shall apply to gross charges billed on or after the effective date as established in the preceding sentence.

Chapter 24, Exhibit A

**City of Harvard
Telecommunications Provider
Registration Form**

Pursuant to Section 24.02 of the Harvard Municipal Code, all telecommunications providers are required within 30 days of the effective date of this ordinance (November 14, 1997) or becoming a telecommunications provider, whichever is later, to register with the City. In addition to completing this form, applicants must comply with all City codes and ordinances including but not limited to generally applicable standards regarding the use of the public right-of-way and zoning regulations.

All information must be provided, if any question does not apply, please indicate "NA"

I. GENERAL REGISTRANT INFORMATION

	NAME	ADDRESS, CITY, ZIP	PHONE	FACSIMILE	E-MAIL
Registrant					

All Affiliates
of Registrant

Contact
Person

II. REQUIRED BUSINESS INFORMATION

Federal Employee ID No.

IL Business Tax No.

Property Tax No. (PIN)

Business Ownership Type

(Circle One)

Corporation

Sole Owner

Partnership

III. INFORMATION ABOUT THE PROVIDER'S SERVICE

(Attach additional sheet if necessary)

Describe the registrant provider's existing or proposed facilities, including the location within the City

**Describe the registrant
provider's service**

**IV. IF YOU OWN, OPERATE OR CONTROL TELECOMMUNICATIONS EQUIPMENT LOCATED IN THE
RIGHT-OF-WAY AND LEASE THIS EQUIPMENT TO ANOTHER TELECOMMUNICATIONS
RETAILER OR PROVIDER, PLEASE LIST ALL PARTIES TO WHOM YOU CURRENTLY LEASE
TELECOMMUNICATIONS EQUIPMENT.**

NAME

ADDRESS, CITY, ZIP

PHONE

FACSIMILE

E-MAIL

V. PLEASE SEND THE COMPLETED FORM TO:

**City Administrator
Harvard City Hall
P.O. Box 310
Harvard, IL 60033**

VI. I HEREBY CERTIFY THE ABOVE INFORMATION IS COMPLETE, TRUE AND CORRECT.

Signature:

Title:

Date:

Chapter 24, Exhibit B

FEE WAIVER FORM

Date

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

[Send one to each current telecommunications franchisee]

RE: Notice of Implementation of Municipal Infrastructure Maintenance Fee and Waiver of All Fees, Charges and Other Compensation Pursuant to Existing Franchise Agreements, Licenses and Similar Agreements.

Dear _____:

On November 4, 1997, the City of Harvard passed and approved Ordinance 97-146, implementing a Municipal Telecommunications Infrastructure Maintenance Fee which will be effective on the first day of the month not less than ninety (90) days after this notice and during the time the City imposes a Municipal Telecommunications Infrastructure Maintenance Fee. The Infrastructure Maintenance Fee is one percent of the Gross Charges as defined in Public Act 90-154 and Ordinance 97-146. A copy of the ordinance is enclosed.

In addition, you are hereby notified that on the first day of the month not less than (ninety) 90 days after due notice and during the time City imposes the Municipal Telecommunications Infrastructure Maintenance Fee, the City has waived all fees, charges and other compensation that may accrue after the effective date of the waiver pursuant to the Franchise Agreement with (name of company) dated _____. All other terms of the Franchise Agreement will remain in effect until its expiration. This waiver shall only be effective during the time the Telecommunications Infrastructure Maintenance Fee is subject to being lawfully imposed and collected.

If you have any questions regarding this notice or the Municipal Telecommunications Infrastructure Maintenance Fee, please contact the City Administrator.

CITY OF HARVARD

City Clerk

Chapter 24, Exhibit C

NOTICE OF IMPOSITION OF INFRASTRUCTURE MAINTENANCE FEE

Date

[Send one to each current telecommunications franchisee]

RE: Notice of Imposition of Municipal Infrastructure Maintenance Fee

Dear _____:

On November 4, 1997, the City of Harvard passed and approved Ordinance No. 97-146 implementing a Municipal Telecommunications Infrastructure Maintenance Fee which will be effective January 1, 1998 [or _____,] and during the time the City imposes a Municipal Telecommunications Infrastructure Maintenance Fee. The Infrastructure Maintenance Fee is one percent of Gross Charges as defined in Public Act 90-154 and Ordinance 97-146. A copy of the ordinance is enclosed.

In addition, you are hereby notified that effective January 1, 1998 or 90 days after due notice and during the time the City imposes the Telecommunication Infrastructure Maintenance Fee, the City has waived all fees, charges and other compensation to be paid to the City pursuant to existing franchise agreements, licenses or similar agreements that may become due after the effective date of the waiver.

If you have any questions regarding this notice or the Infrastructure Maintenance Fee, please contact the City Administrator.

CITY OF HARVARD

City Clerk