

Section 13

Cable Television System Taxes, 2000

The *Code of Virginia*, §15.2-2108, grants local governments the authority to levy a license tax or franchise fee, or to issue certificates of public convenience and necessity to one or more cable television systems. However, in order to issue more than one license, franchise, or certificate of public convenience, the governing body must hold a public hearing to determine if the public welfare will be enhanced by additional awards. The public hearing should take testimony concerning "the economic consideration, the impact on private property rights, the impact on public convenience, the public need and potential benefit," and other factors that may be relevant.

Section §58.1-3818.3 of the Code of Virginia authorizes counties, cities, or towns to levy a video programming excise tax on cable television providers not otherwise subject to local fees or taxes on gross receipts. The rate cannot exceed 5 percent. The code authorizes providers to pass on to end-user subscribers itemized line charges.

This is in accordance with the *United States Code*, title 47, section 542 (section 622 of the Cable Act), that requires that a franchise fee be no more than 5 percent of the cable operator's annual gross revenue. Cable operators are permitted to pass franchise fees through to subscribers. However, the *U.S. Code* states that "any cable operator shall pass through to subscribers the amount of any decrease in a franchise fee."

Table 13.1 presents the local franchise fees and local business license taxes on cable television companies for the 38 cities, 51 counties, and 115 towns that reported them in effect during the 2000 tax year. Fifteen cities levy a franchise fee of 3 percent, while twenty impose a fee of 5 percent. Lynchburg imposes a 4 percent rate and Winchester has a sliding fee ranging from 3 percent to 5 percent. For counties and towns, the franchise fees range from 0.5 percent to 5 percent and 0.25 percent to 5 percent, respectively.



Table 13.1
Cable Television System Taxes, 2000

Locality	Franchise Fee on Gross Receipts (%)
Cities	Note: All cities responded to the survey. Those that answered "not applicable" for all items in this table are excluded.
Alexandria	3.0
Bedford	3.0
Bristol	3.0
Buena Vista	5.0
Charlottesville	5.0
Chesapeake	5.0
Clifton Forge	3.0
Colonial Heights	3.0
Covington	3.0
Danville	5.0
Emporia	3.0
Falls Church	5.0
Franklin	3.0
Fredericksburg	5.0
Galax	3.0
Harrisonburg	5.0
Hopewell	5.0
Lexington	5.0
Lynchburg	4.0
Manassas	5.0
Manassas Park	5.0
Martinsville	5.0
Newport News	5.0
Norfolk	5.0
Norton	3.0
Petersburg	3.0
Poquoson	5.0
Portsmouth	3.0
Radford	5.0
Richmond	5.0
Roanoke	5.0
Salem	3.0
Staunton	3.0
Suffolk	3.0
Virginia Beach	5.0

Table 13.1 (continued)

Locality	Franchise Fee on Gross Receipts (%)
Cities (continued)	
Waynesboro	3.0
Williamsburg	5.0
Winchester	3.0% 1 st \$100,000 4.0% next \$100,000 5.0% over \$200,000
Counties	Note: All counties responded to the survey. Those that answered "not applicable" for the items in this table are excluded.
Accomack	5.0
Alleghany	3.0
Amherst	3.0
Arlington	4.0
Bedford	3.0
Brunswick	2.0
Buchanan	1.0
Campbell	3.0
Caroline	\$1.00 per customer [†]
Carroll	3.0
Charlotte	2.0
Chesterfield	5.0
Culpeper	5.0
Cumberland	2.0
Dinwiddie	5.0
Fairfax	5.0
Floyd	0.5
Franklin	3.0
Frederick	5.0
Gloucester	3.0
Goochland	3.0
Greensville	3.0
Halifax	3.0
Henrico	5.0
Henry	3.0
Isle of Wight	3.0
James City	5.0
King & Queen	3.0
King George	3.0
Lancaster	3.0

[†] The total received from Caroline's charge of \$1 per customer cannot exceed 5% of gross revenue.

Table 13.1 (continued)

Locality	Franchise Fee on Gross Receipts (%)
Counties (continued)	
Lee	3.0
Loudoun	5.0
Mathews	5.0
Middlesex	3.0
New Kent	3.0
Orange	3.0
Pittsylvania	5.0
Powhatan	5.0
Prince Edward	3.0
Prince George	3.0
Prince William	5.0
Pulaski	3.0
Rappahannock	3.5
Richmond	3.0
Rockbridge	5.0
Spotsylvania	3.0
Stafford	3.0
Washington	5.0
Wise	5.0
Wythe	3.0
York	3.0
Towns	Note: Towns that answered “not applicable” for the items in this table are excluded. For a listing of town respondents and non-respondents, see Appendix B.
Abingdon	5.0
Altavista	3.0
Amherst	5.0
Appomattox	3.0
Ashland	3.0
Berryville	3.0
Big Stone Gap	3.0
Blacksburg	5.0
Blackstone	5.0

Table 13.1 (continued)

Locality	Franchise Fee on Gross Receipts (%)
Towns (continued)	
Bluefield	2.2
Bowling Green	4.0
Boydton	5.0
Bridgewater	5.0
Broadway	5.0
Brodnax	3.0
Brookneal	3.0
Buchanan	3.0
Cape Charles	5.0
Cedar Bluff	5.0
Charlotte Court House	5.0
Chatham	3.0
Cheriton	5.0
Chilhowie	0.5
Chincoteague	2.0
Clarksville	3.0
Clintwood	3.0
Coeburn	3.0% (min. \$300)
Colonial Beach	5.0
Crewe	5.0% (min. \$1,000)
Culpeper	3.0
Damascus	3.0
Dayton	5.0
Dillwyn	5.0
Drakes Branch	3.0% (min. \$1,200)
Dublin	1.5
Dumfries	4.0
Edinburg	0.5
Exmore	3.0
Farmville	5.0
Fincastle	3.0
Fries	3.0
Front Royal	5.0
Gate City	3.0
Glade Spring	3.0

Table 13.1 (continued)

Locality	Franchise Fee on Gross Receipts (%)
Towns (continued)	
Glasgow	3.0
Gordonsville	3.0
Goshen	5.0
Gretna	3.0
Grottoes	4.0
Hallwood	5.0
Haymarket	5.0
Haysi	1.0
Herndon	8.0*
Hillsville	5.0
Hurt	3.0
Independence	3.0
Irvington	3.0
Jonesville	2.0
Kenbridge	3.0
Keysville	3.0
Kilmarnock	3.0
La Crosse	1.0
Lawrenceville	3.0
Lebanon	2.0
Leesburg	5.0
Louisa	5.0
Luray	5.0
Marion	5.0
McKenney	5.0
Middleburg	5.0
Mineral	3.0
Montross	2.0
Mount Jackson	1.0
Narrows	3.0 (min. \$250)
New Castle	3.0
New Market	5.0
Onancock	5.0
Onley	5.0
Orange	3.0

* In addition to 5% franchise fee, Herndon requires a 3% PEG (public, educational, government services) capital grant.

Table 13.1 (continued)

Locality	Franchise Fee on Gross Receipts (%)
Towns (continued)	
Painter	3.0
Pearisburg	5.0
Pennington Gap	5.0
Pound	0.25
Pulaski	4.0
Purcellville	5.0
Remington	5.0
Rich Creek	4.0
Round Hill	5.0
Rural Retreat	3.0
Saint Paul	3.0
Saltville	3.0
Saxis	5.0
Shenandoah	5.0
South Boston	5.0
South Hill	3.0
Stanley	5.0
Stephens City	3.0
Strasburg	3.0
Tappahannock	4.0
Tazewell	3.0
Timberville	5.0
Urbanna	3.0
Victoria	3.0% of 1st \$100,000; 4.0% over \$100,000
Vienna	5.0
Vinton	5.0
Warrenton	5.0
Warsaw	3.0
Washington	3.5
Waverly	5.0
West Point	5.0
Windsor	5.0
Wise	3.0
Woodstock	5.0
Wytheville	5.0