It is enacted by the General Assembly as follows:

SECTION 1. Sections 39-17-2 and 39-17-3 of the General Laws in Chapter 39-17 entitled "Franchises" are hereby amended to read as follows:

39-17-2. Purposes for which permitted -- Duration -- Protection of existing businesses -- Landowner's rights. -- Any grants, whether by ordinance or by contract, may confer upon any corporation created by the general assembly for the purpose of distributing water, or for the purpose of producing, selling, and distributing currents of electricity to be used for light, heat, or motive power, or for the purpose of manufacturing, selling, and distributing illuminating or heating gas, or for the purpose of operating street railways by any motive power, or for the purpose of operating telephones, telecommunications and related services, and providing cable or satellite services; the exclusive right, for a time not exceeding twenty-five (25) years, to erect, lay, construct, and maintain for the purposes for which the corporation is created, poles, wires, pipes, conduits, rails, or cables, with necessary and convenient appurtenances as may be required for the conduct of the business of the corporation, in, over, or under the streets of the town or city; provided, however, that no grant of exclusive rights or franchises for any of the purposes described in this section shall be made by any city or town where, at the time a corporation created for the same purpose, or a person duly authorized by law to use the streets for such purpose, shall be in actual use and enjoyment of the rights, except to the corporation or person already carrying on business in the city or town; and provided, further, that whenever in any city or town more than one corporation shall at the time be in actual use and enjoyment of
portions of the streets and highways for any of the purposes described in this section, no
exclusive right or franchise shall be granted to either without the consent of the other; and
provided, further, that no grant shall prevent any town or city from permitting any person or
corporation to use streets or highways for any of the purposes described in this section in order to
connect and serve any two (2) or more estates owned by the person or corporation.

39-17-3. Franchise tax payable to city or town. -- Every corporation which shall accept
exclusive rights or franchises granted by ordinance or contract under the provisions of this
chapter, shall make and render to the treasurer of the town or city granting the same, on or before
the thirtieth day of January, April, July, and October in every year, returns, verified by the oath of
its president or treasurer, of the gross earnings of the corporation within the town or city for the
period of three (3) months next preceding the first day of January, April, July, and October in the
same year, and shall at the time pay to the town or city treasurer, in full payment for the rights
and franchises granted under this chapter, a special tax upon the gross earnings at a rate not
exceeding three percent (3%) upon the gross earnings of the corporation within the town or city in
that year.

SECTION 2. This act shall take effect upon passage.
EXPLANATION

BY THE LEGISLATIVE COUNCIL

OF

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RELATING TO PUBLIC UTILITIES AND CARRIERS - FRANCHISES

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1   This act would permit cities and towns to grant non-exclusive franchise rights to
2   telecommunications and cable services.
3   This act would take effect upon passage.

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LC02526
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