

103^D CONGRESS
1ST SESSION

H. R. 1987

To prohibit pay-per-view charges for entertainment events that receive public financial support whether or including private entities, nonprofit organizations or governmental entities.

IN THE HOUSE OF REPRESENTATIVES

MAY 5, 1993

Mr. LIPINSKI introduced the following bill; which was referred to the
Committee on Energy and Commerce

A BILL

To prohibit pay-per-view charges for entertainment events that receive public financial support whether or including private entities, nonprofit organizations or governmental entities.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Taxpayer’s Right To
5 View Act of 1993”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds the following:

1 (1) The Federal Communications Commission
2 predicts a diminished role for broadcast television
3 and a more prominent role for cable television in-
4 cluding pay-per-view.

5 (2) Roughly 18,800,000 American homes are
6 equipped to receive pay-per-view and this number is
7 expected to increase to 35,900,000 by 1996. Overall
8 pay-per-view revenue is expected to reach
9 \$1,100,000,000 by 1996.

10 (3) There is a growing trend toward making
11 events available exclusively on pay-per-view.

12 (4) As this trend develops, whether the
13 consumer has access to these events will be deter-
14 mined by the ability of the consumer to pay.

15 (5) Professional sports leagues are beginning to
16 see pay-per-view as a new revenue source to keep
17 pace with escalating player salaries.

18 (6) As a result, some media analysts predict
19 that several of broadcast television's premier sports
20 attractions eventually will migrate to pay-per-view.

21 (7) Limited access to viewing such events as the
22 "Super Bowl" or "World Series" would deprive citi-
23 zens of the ability to enjoy these events which are
24 inherent in the American tradition.

1 (8) The majority of facilities in which such
2 events are held are funded through taxpayer money.

3 (9) It is unfair that taxpayers, who subsidize
4 the construction and maintenance of many of these
5 facilities, should have to pay an additional pay-per-
6 view charge for viewing these events.

7 (10) Nonprofit and public organizations includ-
8 ing public and private educational institutions and
9 their athletic organizations are exempt from the cor-
10 porate income tax.

11 (11) Furthermore, corporations can deduct
12 their donations to college sporting events as chari-
13 table contributions.

14 (12) Tax exempt status is granted to these non-
15 profit and public organizations by the Federal Gov-
16 ernment and it is unfair to allow those who use this
17 status to engage in pay-per-view telecasting—thus
18 forcing taxpayers to pay again.

19 (13) It is unfair that taxpayers, who subsidize
20 the construction and maintenance of many of these
21 facilities, should have to pay an additional pay-per-
22 view charge for viewing these events.

23 (14) Therefore, Congress should ensure that all
24 taxpaying citizens have free access to events that are
25 sponsored by organizations with nonprofit tax ex-

1 empt status and those events held in taxpayer sub-
2 sidized facilities.

3 **SEC. 3. PAY-PER-VIEW CHARGES PROHIBITED.**

4 Section 623 of the Communications Act of 1934 (47
5 U.S.C. 543) is amended by adding at the end thereof the
6 following new subsection:

7 “(i)(1) Notwithstanding any other provision of this
8 title, a cable operator may not assess or collect any sepa-
9 rate charges for any video programming of a sporting, the-
10 atrical, or other entertainment event if that event is per-
11 formed at a facility constructed, renovated, or maintained
12 with tax revenues or by an organization that receives pub-
13 lic financial support.

14 “(2) The Commission and local franchising authori-
15 ties are authorized to make determinations concerning the
16 applicability of the prohibition contained in paragraph (1).
17 In making such determinations—

18 “(A) a facility shall be considered to have been
19 constructed, maintained, or renovated with tax reve-
20 nues if—

21 “(i) tax exempt financing was used to con-
22 struct, maintain, or renovate the facility,

23 “(ii) the facility was constructed on land
24 donated by a government, or leased by a gov-
25 ernment at below market rates, or

1 “(iii) public infrastructure or public service
2 for the facility are provided by the government
3 at below market rates, with the exception of po-
4 lice, fire, and rescue services;

5 “(B) an event is performed by a nonprofit or
6 public organization that receives tax subsidies if the
7 event is sponsored by, or includes the participation
8 of a team that is a part of, an organization—

9 “(i) that is exempt from Federal income
10 taxes under section 501 of the Internal Revenue
11 Code of 1986, or

12 “(ii) that is exempt from Federal income
13 taxes under section 115 of the Internal Revenue
14 Code of 1986, and to which donations are tax
15 deductible under such Code; and

16 “(C) notwithstanding subparagraph (A), a facil-
17 ity shall not be considered to have been constructed
18 with tax revenues if the government has been reim-
19 bursed, through the proceeds of a sale of the facility
20 or otherwise, for the total amount of the tax reve-
21 nues that were used to construct the facility, as de-
22 termined under subparagraph (A), but in this sec-
23 tion shall be construed to exempt facilities from this
24 subsection if the facility is receiving current financial
25 support.

1 “(3) The Commission shall prescribe, by regulation,
2 procedures for the administration of this subsection.”.

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