

COMMITTEE ON COMMERCE
HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1179
(Reference to Senate engrossed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 9-1401, Arizona Revised Statutes, is amended to
3 read:

4 9-1401. Definitions

5 In this chapter, unless the context otherwise requires:

6 1. "Affiliate" means a person that directly or indirectly, through
7 one or more intermediaries, controls, is controlled by or is under common
8 control with a video service provider.

9 2. "Agreement" means any agreement or contract.

10 3. "Boundaries of a local government" or "boundaries" means all of
11 the area within the corporate limits of the city or town.

12 4. "Cable operator" has the same meaning prescribed in 47 United
13 States Code section 522.

14 5. "Cable service" has the same meaning prescribed in 47 United
15 States Code section 522.

16 6. "Cable system" has the same meaning prescribed in 47 United
17 States Code section 522.

18 7. "Commercial mobile service provider" means a person that provides
19 commercial mobile service as defined in 47 United States Code section
20 332(d) or commercial mobile radio service as described in 47 Code of
21 Federal Regulations section 20.3.

22 8. "Day" means a calendar day, except a Saturday or Sunday or a
23 holiday prescribed in section 1-301.

1 9. "Gross revenue":

2 (a) Means all cash, credits, property of any kind or nature or other
3 consideration that is received directly or indirectly by a video service
4 provider, its affiliates, or any person, firm or corporation in which the
5 video service provider has a financial interest or that has a financial
6 interest in the video service provider and that is derived from the video
7 service provider's operation of its video service network to provide video
8 service in the service area.

9 (b) Includes all revenue from charges for video service to
10 subscribers and all charges for installation, removal, connection or
11 reinstatement of equipment necessary for a subscriber to receive video
12 service and any other receipts from subscribers derived from the video
13 service provider's operation of the video service network to provide video
14 service, including receipts from forfeited deposits, sale or rental of
15 equipment to provide video service, late charges, interest and sale of
16 program guides.

17 (c) Does not include:

18 (i) Any revenue not received, even if billed, such as bad debt net
19 of any recoveries of bad debt or any refunds, credits, allowances or
20 discounts to subscribers to the extent that the refund, rebate, credit,
21 allowance or discount is attributed to video service.

22 (ii) Revenue from commercial advertising on the video service
23 network, the use or lease of studio facilities of the video service
24 network, internet access service, the use or lease of its facilities
25 located in the highways, the use or lease of leased access channels or
26 bandwidth, the use or lease of towers, the production of video programming
27 by the video service provider, the sale, exchange, use or cablecast of any
28 programming by the video service provider in the service area, sales to the
29 video service provider's subscribers by programmers of home shopping
30 services, reimbursements paid by programmers for launch fees or marketing
31 expenses, license fees, taxes or other fees or charges that the video
32 service provider collects and pays to any governmental authority, any

1 increase in the value of any stock, security or asset, or any dividends or
2 other distributions made from any stock or securities.

3 10. "Highway" means all roads, streets and alleys and other
4 dedicated public rights-of-way that are operated and maintained by a local
5 government.

6 11. "Holder" means a video service provider that has been issued a
7 uniform video service license pursuant to this chapter.

8 12. "Holdover cable operator" means an incumbent cable operator that
9 elects under sections 9-1412 and 9-1413 to continue to operate within its
10 service area pursuant to its local license.

11 13. "Incumbent cable operator" means a cable operator or other video
12 service provider that on December 31, 2019 is providing video service in
13 this state pursuant to a local license.

14 14. "Information service" has the same meaning prescribed in 47
15 United States Code section 153.

16 15. "Interactive computer service" has the same meaning prescribed
17 in 47 United States Code section 230(f).

18 16. "License" means a franchise as defined in 47 United States Code
19 section 522.

20 17. "License fee" means a license fee imposed by a local government
21 on a video service provider for using the highways to provide and for the
22 privilege of providing video service.

23 18. "Local government" means any city, including a charter city, or
24 town.

25 19. "Local law" means any charter, code, ordinance, resolution,
26 regulation or other law of a local government.

27 20. "Local license" means any license, agreement, permit or similar
28 authorization that meets all of the following:

29 (a) Allows a person to construct or operate a video service network
30 within the boundaries of a local government.

1 (b) Is issued, granted, approved, extended or renewed by the local
2 government before January 1, 2020 pursuant to the authority of any federal,
3 state or local law in effect at the time of the issuance, grant, approval,
4 extension or renewal.

5 (c) Is effective under federal, state or local law on December 31,
6 2019 for the person to continue to construct or operate a video service
7 network within the boundaries of a local government.

8 21. "Multichannel video programming distributor" has the same
9 meaning prescribed in 47 United States Code section 522.

10 22. "Service area" means that part of the boundaries of a local
11 government within which a video service provider is authorized to provide
12 video service pursuant to a uniform video service license or a local
13 license.

14 23. "Subscriber":

15 (a) Means any person in this state that purchases video
16 service. ~~Subscriber~~

17 (b) Does not include any person that purchases video service for
18 resale and that, on resale, is required to pay a license fee pursuant to
19 this chapter or the terms of a local license.

20 24. "Telecommunications":

21 (a) Means the transmission, between or among points specified by the
22 user, of information of the user's choosing, without change in the form or
23 content of the information sent and received, regardless of the facilities,
24 equipment or technology used.

25 (b) Does not include commercial mobile radio service, pay phone
26 service, interstate service or cable service.

27 25. "Telecommunications provider" means a person that is required to
28 obtain from the corporation commission a certificate of public convenience
29 and necessity to provide telecommunications service.

1 26. "Telecommunications service" means the offering of
2 telecommunications for a fee directly to the public, or to such users as to
3 be effectively available directly to the public, regardless of the
4 equipment, facilities or technology used.

5 27. "Uniform video service license" means a license that is issued
6 by a local government in the form of a uniform video service license
7 agreement as adopted pursuant to section 9-1411.

8 28. "Video service":

9 (a) Means the provision **BY A VIDEO SERVICE PROVIDER** of multichannel
10 video programming generally considered comparable to video programming
11 delivered by a television broadcast station, video service or other digital
12 television service, whether provided as part of a tier, on demand or on a
13 per-channel basis, without regard to the technology used to deliver the
14 video service, including internet protocol technology or any successor
15 technology.

16 (b) Includes cable service.

17 (c) Does not include any of the following:

18 ~~(i) Video programming provided solely as part of, and through, a~~
19 ~~service that enables users to access content, information, e-mail,~~
20 ~~messaging or other services that are offered via the public internet.~~

21 (i) **DIGITAL AUDIOVISUAL WORKS DELIVERED OVER THE INTERNET, INCLUDING**
22 **STREAMING CONTENT.**

23 (ii) Direct broadcast satellite service **PROVIDED BY A PROVIDER OF**
24 **DIRECT BROADCAST SATELLITE SERVICE AS DEFINED IN 47 UNITED STATES CODE**
25 **SECTION 335(b)(5).**

26 (iii) Wireless multichannel video programming that is provided by a
27 commercial mobile service provider.

28 29. "Video service network":

29 (a) Means a wireline network, or any component of a wireline
30 network, that is located in this state, constructed in whole or in part in,
31 on, under or over any highway and used to provide video service.

1 (b) Includes a cable system.

2 30. "Video service provider":

3 (a) Means any person that provides or offers to provide video
4 service over a video service network to subscribers in this state.

5 (b) Includes an incumbent cable operator that elected pursuant to
6 sections 9-1412 and 9-1413 to terminate its local license and a
7 multichannel video programming distributor.

8 (c) Does not include a holdover cable operator.

9 Sec. 2. Section 9-1418, Arizona Revised Statutes, is amended to
10 read:

11 9-1418. Boundary change; license fees; exemption; notice

12 A. Each local government whose boundaries change shall notify in a
13 timely manner each video service provider that operates in the
14 boundaries. NOTIFICATION SHALL BE MADE BY CERTIFIED MAIL, EMAIL OR
15 PERSONAL DELIVERY.

16 B. A VIDEO SERVICE PROVIDER MAY NOT BE SUBJECT TO OR REQUIRED TO PAY
17 LICENSE FEES ON GROSS REVENUES AS PRESCRIBED IN SECTION 9-1443 WITHIN THE
18 AREA ENCOMPASSED BY A BOUNDARY CHANGE FOR AT LEAST THIRTY DAYS AFTER THE
19 NOTIFICATION OF A BOUNDARY CHANGE, REQUIRED BY SUBSECTION A OF THIS
20 SECTION, IS PROVIDED TO THE VIDEO SERVICE PROVIDER.

21 C. THE NOTICE REQUIRED BY SUBSECTION A OF THIS SECTION SHALL BE
22 PROVIDED TO THE CONTACT PERSON AND ADDRESS SPECIFIED BY THE VIDEO SERVICE
23 PROVIDER. THE VIDEO SERVICE PROVIDER SHALL INFORM THE LOCAL GOVERNMENT OF
24 ANY CHANGE IN THE DESIGNATED CONTACT PERSON OR ADDRESS BY PROVIDING WRITTEN
25 NOTICE TO THE GOVERNING BODY OF THE LOCAL GOVERNMENT.

26 Sec. 3. Section 11-1901, Arizona Revised Statutes, is amended to
27 read:

28 11-1901. Definitions

29 ~~A~~ In this chapter, unless the context otherwise requires:

30 1. "Affiliate" means a person that directly or indirectly, through
31 one or more intermediaries, controls, is controlled by or is under common
32 control with a video service provider.

1 2. "Agreement" means any agreement or contract.

2 3. "Boundaries of a county" or "boundaries" means all of the area of
3 the county that is not within the corporate limits of any city or town,
4 including unincorporated territory that is surrounded on all sides by a
5 combination of one or more cities, towns or Indian reservations.

6 4. "Cable operator" has the same meaning prescribed in 47 United
7 States Code section 522.

8 5. "Cable service" has the same meaning prescribed in 47 United
9 States Code section 522.

10 6. "Cable system" has the same meaning prescribed in 47 United
11 States Code section 522.

12 7. "Commercial mobile service provider" means a person that provides
13 commercial mobile service as defined in 47 United States Code section
14 332(d) or commercial mobile radio service as described in 47 Code of
15 Federal Regulations section 20.3.

16 8. "Day" means a calendar day, except a Saturday or Sunday or a
17 holiday prescribed in section 1-301.

18 9. "Gross revenue":

19 (a) Means all cash, credits, property of any kind or nature or other
20 consideration that is received directly or indirectly by a video service
21 provider, its affiliates, or any person, firm or corporation in which the
22 video service provider has a financial interest or that has a financial
23 interest in the video service provider and that is derived from the video
24 service provider's operation of its video service network to provide video
25 service in the service area.

26 (b) Includes all revenue from charges for video service to
27 subscribers and all charges for installation, removal, connection or
28 reinstatement of equipment necessary for a subscriber to receive video
29 service and any other receipts from subscribers derived from the video
30 service provider's operation of the video service network to provide video
31 service, including receipts from forfeited deposits, sale or rental of

1 equipment to provide video service, late charges, interest and sale of
2 program guides.

3 (c) Does not include:

4 (i) Any revenue not received, even if billed, such as bad debt net
5 of any recoveries of bad debt or any refunds, rebates, credits, allowances
6 or discounts to subscribers to the extent that the refund, rebate, credit,
7 allowance or discount is attributed to video service.

8 (ii) Revenue from commercial advertising on the video service
9 network, the use or lease of studio facilities of the video service
10 network, internet access service, the use or lease of its facilities
11 located in the highways, the use or lease of leased access channels or
12 bandwidth, the use or lease of towers, the production of video programming
13 by the video service provider, the sale, exchange, use or cablecast of any
14 programming by the video service provider in the service area, sales to the
15 video service provider's subscribers by programmers of home shopping
16 services, reimbursements paid by programmers for launch fees or marketing
17 expenses, license fees, taxes or other fees or charges that the video
18 service provider collects and pays to any governmental authority, any
19 increase in the value of any stock, security or asset or any dividends or
20 other distributions made from any stock or securities.

21 10. "Highway" means all roads, streets and alleys and other
22 dedicated public rights-of-way that are operated and maintained by the
23 county.

24 11. "Holder" means a video service provider that has been issued a
25 uniform video service license pursuant to this chapter.

26 12. "Holdover cable operator" means an incumbent cable operator that
27 elects under sections 11-1912 and 11-1913 to continue to operate within its
28 service area pursuant to its local license.

29 13. "Incumbent cable operator" means a cable operator or other video
30 service provider that on December 31, 2019 is providing video service in
31 this state pursuant to a local license.

1 14. "Information service" has the same meaning prescribed in 47
2 United States Code section 153.

3 15. "Interactive computer service" has the same meaning prescribed
4 in 47 United States Code section 230(f).

5 16. "License" means a franchise as defined in 47 United States Code
6 section 522.

7 17. "License fee" means a license fee imposed by a county on a video
8 service provider for using the highways to provide and for the privilege of
9 providing video service.

10 18. "Local law" means any code, ordinance, resolution, regulation or
11 other law of a county.

12 19. "Local license" means any license, agreement, permit or similar
13 authorization that meets all of the following:

14 (a) Allows a person to construct or operate a video service network
15 within the boundaries of a county.

16 (b) Is issued, granted, approved, extended or renewed by the county
17 before January 1, 2020 pursuant to the authority of any federal, state or
18 local law in effect at the time of the issuance, grant, approval, extension
19 or renewal.

20 (c) Is effective under federal, state or local law on December 31,
21 2019 for the person to continue to construct or operate a video service
22 network within the boundaries of a county.

23 20. "Multichannel video programming distributor" has the same
24 meaning prescribed in 47 United States Code section 522.

25 21. "Service area" means that part of the boundaries of a county
26 within which a video service provider is authorized to provide video
27 service pursuant to a uniform video service license or a local license.

28 22. "Subscriber":

29 (a) Means any person in this state that purchases video
30 service. **Subscriber**

1 (b) Does not include any person that purchases video service for
2 resale and that, on resale, is required to pay a license fee pursuant to
3 this chapter or the terms of a local license.

4 23. "Telecommunications":

5 (a) Means the transmission, between or among points specified by the
6 user, of information of the user's choosing, without change in the form or
7 content of the information sent and received, regardless of the facilities,
8 equipment or technology used.

9 (b) Does not include commercial mobile radio service, pay phone
10 service, interstate service or cable service.

11 24. "Telecommunications provider" means a person that is required to
12 obtain from the corporation commission a certificate of public convenience
13 and necessity to provide telecommunications service.

14 25. "Telecommunications service" means the offering of
15 telecommunications for a fee directly to the public, or to such users as to
16 be effectively available directly to the public, regardless of the
17 equipment, facilities or technology used.

18 26. "Uniform video service license" means a license that is issued
19 by a county in the form of A uniform video service license agreement as
20 adopted pursuant to section 11-1911.

21 27. "Video service":

22 (a) Means the provision BY A VIDEO SERVICE PROVIDER of multichannel
23 video programming generally considered comparable to video programming
24 delivered by a television broadcast station, video service or other digital
25 television service, whether provided as part of a tier, on demand or on a
26 per-channel basis, without regard to the technology used to deliver the
27 video service, including internet protocol technology or any successor
28 technology.

29 (b) Includes cable service.

30 (c) Does not include any of the following:

~~(i) Video programming provided solely as part of, and through, a service that enables users to access content, information, e-mail, messaging or other services that are offered via the public internet.~~

(i) DIGITAL AUDIOVISUAL WORKS DELIVERED OVER THE INTERNET, INCLUDING STREAMING CONTENT.

(ii) Direct broadcast satellite service PROVIDED BY A PROVIDER OF DIRECT BROADCAST SATELLITE SERVICE AS DEFINED IN 47 UNITED STATES CODE SECTION 335(b)(5).

(iii) Wireless multichannel video programming that is provided by a commercial mobile service provider.

28. "Video service network":

(a) Means a wireline network, or any component of a wireline network, that is located in this state, constructed in whole or in part in, on, under or over any highway and used to provide video service.

(b) Includes a cable system.

29. "Video service provider":

(a) Means any person that provides or offers to provide video service over a video service network to subscribers in this state.

(b) Includes an incumbent cable operator that elected pursuant to sections 11-1912 and 11-1913 to terminate its local license and a multichannel video programming distributor.

(c) Does not include a holdover cable operator.

Sec. 4. Section 11-1918, Arizona Revised Statutes, is amended to read:

11-1918. [Boundary change; license fees; exemption; notice](#)

A. Each county whose boundaries change shall notify in a timely manner each video service provider that operates in the boundaries. NOTIFICATION SHALL BE MADE BY CERTIFIED MAIL, EMAIL OR PERSONAL DELIVERY.

B. A VIDEO SERVICE PROVIDER MAY NOT BE SUBJECT TO OR REQUIRED TO PAY LICENSE FEES ON GROSS REVENUES AS PRESCRIBED IN SECTION 11-1943 WITHIN THE AREA ENCOMPASSED BY A BOUNDARY CHANGE FOR AT LEAST THIRTY DAYS AFTER THE

1 NOTIFICATION OF A BOUNDARY CHANGE, REQUIRED BY SUBSECTION A OF THIS
2 SECTION, IS PROVIDED TO THE VIDEO SERVICE PROVIDER.

3 C. THE NOTICE REQUIRED BY SUBSECTION A OF THIS SECTION SHALL BE
4 PROVIDED TO THE CONTACT PERSON AND ADDRESS SPECIFIED BY THE VIDEO SERVICE
5 PROVIDER. THE VIDEO SERVICE PROVIDER SHALL INFORM THE COUNTY OF ANY CHANGE
6 IN THE DESIGNATED CONTACT PERSON OR ADDRESS BY PROVIDING WRITTEN NOTICE TO
7 THE COUNTY BOARD OF SUPERVISORS."

8 Amend title to conform

And, as so amended, it do pass

JEFF WENINGER
CHAIRMAN

1179COMMERCE
03/22/2022
05:42 PM
C: LAT