

House Engrossed Senate Bill

~~technical correction; release of animals~~  
~~(now: JLBC; reporting)~~

(now: video service; boundary change; definition)

State of Arizona  
Senate  
Fifty-fifth Legislature  
Second Regular Session  
2022

## CHAPTER 212

# SENATE BILL 1179

AN ACT

AMENDING SECTIONS 9-1401, 9-1418, 11-1901 AND 11-1918, ARIZONA REVISED  
STATUTES; RELATING TO VIDEO SERVICE PROVIDERS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

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  
19 provides commercial mobile service as defined in 47 United States Code  
20 section 332(d) or commercial mobile radio service as described in 47 Code  
21 of 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.

24 9. "Gross revenue":

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

32 (b) Includes all revenue from charges for video service to  
33 subscribers and all charges for installation, removal, connection or  
34 reinstatement of equipment necessary for a subscriber to receive video  
35 service and any other receipts from subscribers derived from the video  
36 service provider's operation of the video service network to provide video  
37 service, including receipts from forfeited deposits, sale or rental of  
38 equipment to provide video service, late charges, interest and sale of  
39 program guides.

40 (c) Does not include:

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

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

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

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

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

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

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

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

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

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

34 18. "Local government" means any city, including a charter city, or  
35 town.

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

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

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

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

1 (c) Is effective under federal, state or local law on December 31,  
2 2019 for the person to continue to construct or operate a video service  
3 network within the boundaries of a local government.

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

6 22. "Service area" means that part of the boundaries of a local  
7 government within which a video service provider is authorized to provide  
8 video service pursuant to a uniform video service license or a local  
9 license.

10 23. "Subscriber":

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

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

16 24. "Telecommunications":

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

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

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

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

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

33 28. "Video service":

34 (a) Means the provision **BY A VIDEO SERVICE PROVIDER** of multichannel  
35 video programming generally considered comparable to video programming  
36 delivered by a television broadcast station, video service or other  
37 digital television service, whether provided as part of a tier, on demand  
38 or on a per-channel basis, without regard to the technology used to  
39 deliver the video service, including internet protocol technology or any  
40 successor technology.

41 (b) Includes cable service.

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

43 (i) Video programming ~~provided solely as part of, and~~ **ACCESSED**  
44 through, a service that enables users to access content, information,

1 ~~e-mail~~ EMAIL, messaging or other services that are offered via the ~~public~~  
2 internet, INCLUDING STREAMING CONTENT.

3 (ii) ~~Direct broadcast~~ DIRECT-TO-HOME satellite ~~service~~ SERVICES AS  
4 DEFINED IN 47 UNITED STATES CODE SECTION 303(v).

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

7 29. "Video service network":

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

11 (b) Includes a cable system.

12 30. "Video service provider":

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

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

18 (c) Does not include ANY OF THE FOLLOWING:

19 (i) A holdover cable operator.

20 (ii) A PROVIDER OF VIDEO PROGRAMMING ACCESSED THROUGH A SERVICE  
21 THAT ENABLES USERS TO ACCESS CONTENT, INFORMATION, EMAIL, MESSAGING OR  
22 OTHER SERVICES THAT ARE OFFERED VIA THE INTERNET, INCLUDING STREAMING  
23 CONTENT.

24 (iii) A PROVIDER OF DIRECT-TO-HOME SATELLITE SERVICES AS DEFINED IN  
25 47 UNITED STATES CODE SECTION 303(v).

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

28 9-1418. Boundary change; license fees; exemption; notice

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

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

38 C. THE NOTICE REQUIRED BY SUBSECTION A OF THIS SECTION SHALL BE  
39 PROVIDED TO THE CONTACT PERSON AND ADDRESS SPECIFIED BY THE VIDEO SERVICE  
40 PROVIDER. THE VIDEO SERVICE PROVIDER SHALL INFORM THE LOCAL GOVERNMENT OF  
41 ANY CHANGE IN THE DESIGNATED CONTACT PERSON OR ADDRESS BY PROVIDING  
42 WRITTEN NOTICE TO THE GOVERNING BODY OF THE LOCAL GOVERNMENT.

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

3           11-1901. Definitions

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

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

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

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

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

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

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

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

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

25           9. "Gross revenue":

26           (a) Means all cash, credits, property of any kind or nature or  
27 other consideration that is received directly or indirectly by a video  
28 service provider, its affiliates, or any person, firm or corporation in  
29 which the video service provider has a financial interest or that has a  
30 financial interest in the video service provider and that is derived from  
31 the video service provider's operation of its video service network to  
32 provide video service in the service area.

33           (b) Includes all revenue from charges for video service to  
34 subscribers and all charges for installation, removal, connection or  
35 reinstatement of equipment necessary for a subscriber to receive video  
36 service and any other receipts from subscribers derived from the video  
37 service provider's operation of the video service network to provide video  
38 service, including receipts from forfeited deposits, sale or rental of  
39 equipment to provide video service, late charges, interest and sale of  
40 program guides.

41           (c) Does not include:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 (c) Is effective under federal, state or local law on December 31,  
2 2019 for the person to continue to construct or operate a video service  
3 network within the boundaries of a county.

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

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

9 22. "Subscriber":

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

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

15 23. "Telecommunications":

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

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

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

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

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

32 27. "Video service":

33 (a) Means the provision BY A VIDEO SERVICE PROVIDER of multichannel  
34 video programming generally considered comparable to video programming  
35 delivered by a television broadcast station, video service or other  
36 digital television service, whether provided as part of a tier, on demand  
37 or on a per-channel basis, without regard to the technology used to  
38 deliver the video service, including internet protocol technology or any  
39 successor technology.

40 (b) Includes cable service.

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

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



1 (ii) ~~Direct broadcast~~ DIRECT-TO-HOME satellite ~~service~~ SERVICES AS  
2 DEFINED IN 47 UNITED STATES CODE SECTION 303(v).

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

5 28. "Video service network":

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

9 (b) Includes a cable system.

10 29. "Video service provider":

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

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

16 (c) Does not include ANY OF THE FOLLOWING:

17 (i) A holdover cable operator.

18 (ii) A PROVIDER OF VIDEO PROGRAMMING ACCESSED THROUGH A SERVICE  
19 THAT ENABLES USERS TO ACCESS CONTENT, INFORMATION, EMAIL, MESSAGING OR  
20 OTHER SERVICES THAT ARE OFFERED VIA THE INTERNET, INCLUDING STREAMING  
21 CONTENT.

22 (iii) A PROVIDER OF DIRECT-TO-HOME SATELLITE SERVICES AS DEFINED IN  
23 47 UNITED STATES CODE SECTION 303(v).

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

26 11-1918. Boundary change; license fees; exemption; notice

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

30 B. A VIDEO SERVICE PROVIDER MAY NOT BE SUBJECT TO OR REQUIRED TO  
31 PAY LICENSE FEES ON GROSS REVENUES AS PRESCRIBED IN SECTION 11-1943 WITHIN  
32 THE AREA ENCOMPASSED BY A BOUNDARY CHANGE FOR AT LEAST THIRTY DAYS AFTER  
33 THE NOTIFICATION OF A BOUNDARY CHANGE, REQUIRED BY SUBSECTION A OF THIS  
34 SECTION, IS PROVIDED TO THE VIDEO SERVICE PROVIDER.

35 C. THE NOTICE REQUIRED BY SUBSECTION A OF THIS SECTION SHALL BE  
36 PROVIDED TO THE CONTACT PERSON AND ADDRESS SPECIFIED BY THE VIDEO SERVICE  
37 PROVIDER. THE VIDEO SERVICE PROVIDER SHALL INFORM THE COUNTY OF ANY  
38 CHANGE IN THE DESIGNATED CONTACT PERSON OR ADDRESS BY PROVIDING WRITTEN  
39 NOTICE TO THE COUNTY BOARD OF SUPERVISORS.

APPROVED BY THE GOVERNOR MAY 2, 2022.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 2, 2022.