

PROPOSED

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

JEFF WENINGER

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03/18/2022  
11:34 AM  
C: LAT