



ARIZONA STATE SENATE
Fifty-Fifth Legislature, Second Regular Session

AMENDED

FACT SHEET FOR S.B. 1179

technical correction; release of animals

(NOW: JLBC; reporting)

(NOW: video service; boundary change; definition)

As passed by the Senate, S.B. 1179 required the annual Joint Legislative Budget Committee report on state debt and obligations to include outlined information for the next fiscal year, rather than the most recent fiscal year.

The House of Representatives adopted a strike-everything amendment that does the following:

Purpose

Adds requirements for notification to video service providers of a boundary change by a city, town or county (local government). Modifies the definitions of *video service* and *video service provider*.

Background

Statute grants a local government the exclusive authority to issue a video service license to a person to provide video service and to construct and operate a video service network in any service area within its boundaries (A.R.S. §§ [9-1411](#) and [11-1911](#)). For the privilege of a video service provider to occupy or use any highway within the boundaries of a local government to provide video service through a video service network, the local government may require a video service provider to pay a license fee based on the gross revenues that the video service provider receives from its subscribers located within its boundaries (A.R.S. §§ [9-1443](#) and [11-1943](#)). A local government whose boundaries change must notify in a timely manner each video service provider that operates within the boundaries (A.R.S. §§ [9-1418](#) and [11-1918](#)).

Video service is the provision of multichannel video programming generally considered comparable to video programming delivered by a television broadcast station, video service or other digital television service, whether provided as part of a tier, on demand or on a per-channel basis, without regard to the technology used to deliver the video service, including internet protocol technology or any successor technology. *Video service* includes cable services and excludes: 1) video programming provided solely as part of, and through, a service that enables users to access content, information, email, messaging or other services that are offered via the public internet; 2) direct broadcast satellite service; and 3) wireless multichannel video programming that is provided by a commercial mobile service provider. A *video service provider* is any person that provides or offers to provide video service over a video service network to subscribers in Arizona. *Video service provider* includes an incumbent cable operator that elected to terminate its local license and a multichannel video programming distributor and excludes a holdover cable operator (A.R.S. §§ [9-1401](#) and [11-1901](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Requires the notification of a local government's boundary change to be made by certified mail, email or personal delivery to video service providers.
2. Requires the notification of a local government's boundary change to be provided to the contact person and address specified by the video service provider.
3. Requires the video service provider to inform the local government of any change in the designated contact person or address by providing written notice to the governing body of the local government.
4. Prohibits a video service provider from being subject to or required to pay license fees on gross revenues within the area encompassed by a boundary change for at least 30 days after the notification of a boundary change is provided to the video service provider.
5. Includes, in the definition of *video service*, the criteria that the provision of multichannel video programming be provided by a video service provider.
6. Excludes, from the definition of video service, video programming accessed through, rather than provided solely as part of, and through, a service that enables users to access content, information, email, messaging or other services that are offered via the internet and specifies that services offered may include streaming content.
7. Excludes, from the definition of *video service*, direct-to-home satellite services as defined by U.S. Code, rather than direct broadcast satellite service.
8. Adds, to the exclusions from the definition of *video service provider*:
 - a) a provider of video programming accessed through a service that enables users to access content, information, email, messaging or other services that are offered via the internet, including streaming content; and
 - b) a provider of direct-to-home satellite services as defined in U.S. Code.
9. Makes technical and conforming changes.
10. Becomes effective on the general effective date.

Amendments Adopted by the House of Representatives

- Adopted the strike-everything amendment relating to video service and local government boundary changes.

House Action

COM	3/22/22	DPA/SE	9-0-0-1
3 rd Read	4/19/22		51-2-7