

# SENATE BILL NO. 1316

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR CIERPIOT.

5113S.01H

KRISTINA MARTIN, Secretary

## AN ACT

To repeal section 67.2677, RSMo, and to enact in lieu thereof one new section relating to municipal franchise fees for video service providers.

*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Section 67.2677, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 67.2677, to read as follows:

67.2677. [1.] For purposes of sections 67.2675 to 67.2714, the following terms mean:

(1) "Cable operator", as defined in 47 U.S.C. Section 522(5);

(2) "Cable system", as defined in 47 U.S.C. Section 522(7);

(3) "Franchise", an initial authorization, or renewal of an authorization, issued by a franchising entity, regardless of whether the authorization is designated as a franchise, permit, license, resolution, contract, certificate, agreement, or otherwise, that authorizes the provision of video service and any affiliated or subsidiary agreements related to such authorization;

(4) "Franchise area", the total geographic area authorized to be served by an incumbent cable operator in a political subdivision as of August 28, 2007, or, in the case of an incumbent local exchange carrier, as such term is defined in 47 U.S.C. Section 251(h), or affiliate thereof,

**EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

19 the area within such political subdivision in which such  
20 carrier provides telephone exchange service;

21 (5) "Franchise entity", a political subdivision that  
22 was entitled to require franchises and impose fees on cable  
23 operators on the day before the effective date of sections  
24 67.2675 to 67.2714, provided that only one political  
25 subdivision may be a franchise entity with regard to a  
26 geographic area;

27 (6) (a) "Gross revenues", limited to amounts billed  
28 to video service subscribers for the following:

29 a. Recurring charges for video service; and  
30 b. Event-based charges for video service, including  
31 but not limited to pay-per-view and video-on-demand charges;

32 (b) "Gross revenues" do not include:

33 a. Discounts, refunds, and other price adjustments  
34 that reduce the amount of compensation received by an entity  
35 holding a video service authorization;

36 b. Uncollectibles;

37 c. Late payment fees;

38 d. Amounts billed to video service subscribers to  
39 recover taxes, fees, or surcharges imposed on video service  
40 subscribers or video service providers in connection with  
41 the provision of video services, including the video service  
42 provider fee authorized by this section;

43 e. Fees or other contributions for PEG or I-Net  
44 support;

45 f. Charges for services other than video service that  
46 are aggregated or bundled with amounts billed to video  
47 service subscribers, if the entity holding a video service  
48 authorization reasonably can identify such charges on books  
49 and records kept in the regular course of business or by  
50 other reasonable means;

51 g. Rental of set top boxes, modems, or other equipment  
52 used to provide or facilitate the provision of video service;

53 h. Service charges related to the provision of video  
54 service including, but not limited to, activation,  
55 installation, repair, and maintenance charges;

56 i. Administrative charges related to the provision of  
57 video service including, but not limited to, service order  
58 and service termination charges; or

59 j. A pro rata portion of all revenue derived from  
60 advertising, less refunds, rebates, or discounts;

61 (c) Except with respect to the exclusion of the video  
62 service provider fee, gross revenues shall be computed in  
63 accordance with generally accepted accounting principles;

64 (7) "Household", an apartment, a house, a mobile home,  
65 or any other structure or part of a structure intended for  
66 residential occupancy as separate living quarters;

67 (8) "Incumbent cable operator", the cable service  
68 provider serving cable subscribers in a particular franchise  
69 area on September 1, 2007;

70 (9) "Low-income household", a household with an  
71 average annual household income of less than thirty-five  
72 thousand dollars;

73 (10) "Person", an individual, partnership,  
74 association, organization, corporation, trust, or government  
75 entity;

76 (11) "Political subdivision", a city, town, village,  
77 county;

78 (12) "Public right-of-way", the area of real property  
79 in which a political subdivision has a dedicated or acquired  
80 right-of-way interest in the real property, including the  
81 area on, below, or above the present and future streets,  
82 alleys, avenues, roads, highways, parkways, or boulevards

83 dedicated or acquired as right-of-way and utility easements  
84 dedicated for compatible uses. The term does not include  
85 the airwaves above a right-of-way with regard to wireless  
86 telecommunications or other nonwire telecommunications or  
87 broadcast service;

88 (13) "Video programming", programming provided by, or  
89 generally considered comparable to programming provided by,  
90 a television broadcast station, as set forth in 47 U.S.C.  
91 Section 522(20);

92 (14) "Video service", the provision of video  
93 programming **by a video service provider** provided through  
94 wireline facilities located at least in part in the public  
95 right-of-way without regard to delivery technology,  
96 including internet protocol technology whether provided as  
97 part of a tier, on demand, or **on** a per-channel basis. This  
98 definition includes cable service as defined by 47 U.S.C.  
99 Section 522(6), but does not include any video programming  
100 provided by a commercial mobile service provider defined in  
101 47 U.S.C. Section 332(d), or any video programming [provided  
102 solely as part of and] **accessed** via a service that enables  
103 users to access content, information, electronic mail, or  
104 other services offered over the [public] internet, **including**  
105 **streaming content**;

106 (15) "Video service authorization", the right of a  
107 video service provider or an incumbent cable operator that  
108 secures permission from the public service commission  
109 pursuant to sections 67.2675 to 67.2714, to offer video  
110 service to subscribers in a political subdivision;

111 (16) "Video service network", wireline facilities, or  
112 any component thereof, located at least in part in the  
113 public right-of-way that deliver video service, without  
114 regard to delivery technology, including internet protocol

115 technology or any successor technology. The term video  
116 service network shall include cable systems;

117 (17) "Video service provider", any person that  
118 distributes video service through a video service network  
119 pursuant to a video service authorization;

120 (18) "Video service provider fee", the fee imposed  
121 under section 67.2689.

122 [2. The repeal and reenactment of this section shall  
123 become effective August 28, 2023.]

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