86R24600 JXC-F

By:  Phelan, et al. H.B. No. 3535

Substitute the following for H.B. No. 3535:

By:  Harless C.S.H.B. No. 3535

A BILL TO BE ENTITLED

AN ACT

relating to the payment of certain fees to municipalities by entities that provide telecommunications and cable or video services.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1.  Section 283.051, Local Government Code, is amended by adding Subsections (d), (e), and (f) to read as follows:

(d)  In this subsection, "affiliated group" has the meaning assigned by Section 171.0001, Tax Code. A certificated telecommunications provider is not required to pay any compensation under Subsection (a) for a given calendar year if the provider determines that the sum of the compensation due from the provider and any member of the provider's affiliated group to all municipalities in this state under Subsection (a) is less than the sum of the fees due from the provider and any member of the provider's affiliated group to all municipalities in this state under Section 66.005, Utilities Code. The determination under this subsection for a given year must be based on amounts actually paid, or amounts that would have been paid notwithstanding this subsection, during the 12-month period ending June 30 of the immediately preceding calendar year by the provider and any member of the provider's affiliated group. In the case of a conflict between this subsection and Section 283.055, this subsection prevails.

(e)  Notwithstanding the aggregate amount of compensation or fees paid in this state calculated under Subsection (d), Subsection (d) does not exempt a certificated telecommunications provider from paying compensation under Subsection (a) to a municipality if the provider is not required to pay a fee authorized by Section 66.005, Utilities Code, or another fee described in 47 U.S.C. Section 542(g), to that municipality. This subsection applies only to a municipality described in this subsection and does not limit the application of Subsection (d) to any other municipality.

(f)  A certificated telecommunications provider shall file, not later than October 1 of each year, an annual written notification with each municipality in which the provider provides telecommunications services of the provider's requirement to pay compensation under Subsection (a) or exemption from the requirement to pay compensation under Subsection (d) for the following calendar year.

SECTION 2.  Section 66.005, Utilities Code, is amended by adding Subsections (d), (e), and (f) to read as follows:

(d)  In this subsection, "affiliated group" has the meaning assigned by Section 171.0001, Tax Code. A holder of a state-issued certificate of franchise authority is not subject to the fee imposed under Subsection (a) for a given calendar year if the holder determines that the sum of fees due from the holder and any member of the holder's affiliated group to all municipalities in this state under Subsection (a) is less than the sum of the compensation due from the holder and any member of the holder's affiliated group to all municipalities in this state under Section 283.051, Local Government Code. The determination under this subsection for a given year must be based on amounts actually paid, or amounts that would have been paid notwithstanding this subsection, during the 12-month period ending June 30 of the immediately preceding calendar year by the holder and any member of the holder's affiliated group. In the case of a conflict between this subsection and Section 283.055, Local Government Code, this subsection prevails.

(e)  Notwithstanding the aggregate amount of compensation or fees paid in this state calculated under Subsection (d), Subsection (d) does not exempt a holder of a state-issued certificate of franchise authority from paying the fee imposed under Subsection (a) to a municipality if the holder is not required to pay compensation under Section 283.051, Local Government Code, to that municipality. This subsection applies only to a municipality described in this subsection and does not limit the application of Subsection (d) to any other municipality. Nothing in this subsection affects the application of Section 66.006 or 66.009 to any holder of a state-issued certificate of franchise authority.

(f)  A holder of a state-issued certificate of franchise authority shall file, not later than October 1 of each year, an annual written notification with each municipality in which the holder provides cable or video services of the holder's requirement to pay the fee under Subsection (a) or exemption from the requirement to pay the fee under Subsection (d) for the following calendar year.

SECTION 3.  (a) The change in law made by this Act applies only to a payment made on or after January 1, 2020. A payment made before January 1, 2020, is governed by the law in effect on the date the payment was made, and the former law is continued in effect for that purpose.

(b)  A determination of compensation or fees described by Section 283.051(d), Local Government Code, as added by this Act, or Section 66.005(d), Utilities Code, as added by this Act, for the year 2020 must be based on amounts actually paid between July 1, 2018, and June 30, 2019.

SECTION 4.  This Act takes effect September 1, 2019.