

## **BILL ANALYSIS**

Senate Research Center  
88R20962 JXC-F

C.S.S.B. 1117  
By: Hancock  
Business & Commerce  
4/4/2023  
Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

A cable franchise fee is an annual fee charged by local governments to a private cable television company as compensation for occupying a right-of-way for its cable lines. A telecommunications provider that installs lines in a city's right-of-way pays the city for the right to occupy that right-of way. Current law states that the provider pays the city five percent of their gross revenue.

Many municipalities across the country are attempting to compel satellite TV and video streaming providers to pay cable franchise fees, despite these services not requiring cable lines. If they are successful, customers could pay five percent more for satellite TV and each of their video streaming bills.

S.B. 1117 would add clarifying language to prohibit municipalities from charging a cable franchise on a video service provider.

(Original Author's/Sponsor's Statement of Intent)

C.S.S.B. 1117 amends current law relating to entities that provide video services.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 66.002(2) and (10), Utilities Code, as follows:

(2) Provides that "cable service" is defined as set forth in 47 U.S.C. Section 522(6). Provides that the term does not include any video programming accessed via a service that enables users to access content, information, e-mail, or other services offered over the Internet, including streaming content.

(10) Provides that "video service" means video programming services provided by a video service provided through wireline facilities located at least in part in the public right-of-way without regard to delivery technology, including Internet protocol technology. Provides that the term, rather than this definition, does not include:

(A) creates this paragraph from existing text and makes a nonsubstantive change;

(B) direct-to-home satellite services, as defined in 47 U.S.C. Section 303(v) that are transmitted from a satellite directly to a customer's premises without using or accessing a portion of the public right-of-way; or

(C) any video programming accessed via a service that enables users to access content, information, e-mail, or other services offered over the Internet, including streaming content.

SECTION 2. Effective date: upon passage or September 1, 2023.