

BILL ANALYSIS

Senate Research Center
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S.B. 924
By: Hancock
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As Filed

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

As proposed, S.B. 924 amends current law relating to entities that provide cable services or 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 Sections 66.002(2) and (10), Utilities Code, as follows:

(2) Provides that the term "cable service" 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 the term "video service" does not include any video service provided by a commercial mobile service provider as defined in 47 U.S.C. Section 332(d), 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 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. Makes nonsubstantive changes.

SECTION 2. Effective date: upon passage or September 1, 2025.