



**ARIZONA STATE SENATE**  
*Fifty-Second Legislature, Second Regular Session*

**AMENDED**  
FACT SHEET FOR H.B. 2497

local governments; permits; equipment  
(NOW: equipment; permits; local government)

Purpose

Specifies requirements of a political subdivision to allow for the installation, operation and maintenance of microcell equipment in public streets, roads, alleys and public highways and outlines stipulations for charging fees.

Background

Licensing authority is granted to cities, including charter cities, or towns in incorporated areas, while counties have licensing authority in unincorporated areas. Licensing authority is used to authorize and regulate the construction, operation and maintenance of cable television systems for the use of public streets, roads and alleys. A licensing authority may impose conditions, restrictions and limitations on usage. Statute allows a licensing authority to adopt resolutions or ordinances on licenses and impose a license fee based on gross revenues and stipulates the license is subject to the limits established by the Communications Act of 1934, as amended (47 U.S.C. sections 151 through 615b) and the Federal Communications Commission (A.R.S. § 9-506).

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

Provisions

***Wi-Fi Radio Equipment License Authority and Restrictions***

1. Specifies a licensing authority is prohibited from charging ongoing fees on Wi-Fi radio equipment attached to cable television systems in public streets, roads and alleys but allows a permit fee to be established.
2. Stipulates any prohibited ongoing fees for permitted Wi-Fi equipment in public streets, roads and alleys applies retroactively to any existing agreement from the effective date of this act.
3. Grandfathers all agreements to pay application, construction, permit, inspection and other fees and charges for Wi-Fi radio equipment that the cable operator agreed to before December 31, 2015, until the first day of renewal or extension of the terms.

4. Requires a municipality upon application to issue a permit to a cable operator to attach Wi-Fi radio equipment to the cable television system in public streets, roads and alleys in the area of jurisdiction. All permits are required to allow installation, operation and maintenance of the allowed Wi-Fi radio equipment.
5. Allows a municipality to require Wi-Fi radio equipment at a single location fit within a 15 inch cube and be contained entirely within a ground-mounted pedestal or be mounted to one of the cable operator's aerial horizontal conductors otherwise allowed by the license.
6. Stipulates this applies to all permits issued for Wi-Fi radio equipment to be attached to the cable television system in public streets, roads and alleys issued before the effective date of this act.
7. Stipulates that this does not affect the following:
  - a) the authority of a political subdivision including special taxing district, the licensing authority or any other person controlling utility poles in the public streets, roads and alleys to deny, limit, restrict or determine the terms and conditions for the use of or attachment to the utility poles;
  - b) the ability of a licensing authority to impose a competitively neutral requirements for a cable operator to access underground facilities;
  - c) prohibit a tax, rent, fee or charge on revenue from services provided through allowed Wi-Fi radio equipment; or
  - d) affect the authority of a municipality to manage public streets, roads and alleys within its boundaries or exercise its police power.

***Microcell Equipment in Public Highways***

8. Requires a political subdivision to allow installation, operation and maintenance of microcell equipment in the public highways within a political subdivision by the following: a) a telecommunications corporation licensed by the municipality; b) a telecommunications corporation that provides interstate services; or c) a cable operator in the area of jurisdiction licensed by the municipality.
9. Stipulates all application fees, permit fees and charges levied for applications or permits must be competitively neutral, nondiscriminatory in manner and directly related to the costs incurred for providing services.
10. Prohibits a political subdivision from charging fee, rent or other charge for use of aerial strand mounted microcell equipment in public highways.
11. Stipulates a municipality may levy a reoccurring rent, fee or charges for microcell equipment on a cable operator for use of utility poles based on revenue from services provided through microcell equipment.

12. Specifies only a qualified service provider is allowed to use microcell equipment to provide commercial mobile services.
13. Limits the following, unless specifically agreed to by a political subdivision:
  - a) no more than two strand-mounted antennae and radio pairs owned by a corporation, cable operator or qualified service provider used to provide commercial mobile service; and
  - b) related devices including power supplies, housings, cables and similar supporting furnishings and improvements.
14. Stipulates a political subdivision does not include an agricultural improvement district or other special taxing district that controls utility poles or an irrigation district.
15. Defines *allowed Wi-Fi radio equipment, utility pole, qualified service provider and microcell equipment*.
16. Includes a legislative intent and findings clause.
17. Stipulates a licensed operator authorized to attach to the cable television system and operate and maintain allowed Wi-Fi radio equipment in public streets, roads, and alleys applies to all licenses that took effect or were issued before the general effective date of this act.
18. Stipulates this applies to all persons in this act allowed to install, operate and maintain microcell equipment in the public highways within a political subdivision that took effect or were issued before the general effective date of this act.
19. Makes technical and conforming changes.
20. Becomes effective on the general effective date, with a retroactive provision as noted.

Amendments Adopted by Committee

1. Adopted the Kavanagh strike everything amendment dated March 14, 2016.
2. Made a correction to the effective date of retroactivity to be effective on agreements made on or before December 31, 2015.

House Action

CMA            2/02/16    DPA    5-3-0-0  
3<sup>rd</sup> Read       2/18/16                    37-22-1

Senate Action

GOV            3/16/16    DPA/SE    7-0-0-0  
3<sup>rd</sup> Read       3/31/16                    30-0-0-0

Prepared by Senate Research  
April 1, 2016  
RH/rf