CHAPTER 331

SENATE BILL 1140

AN ACT

AMENDING TITLE 9, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 13; AMENDING SECTION 41-1092.01, ARIZONA REVISED STATUTES; RELATING TO VIDEO AND CABLE SERVICE PROVIDERS.

(TEXT OF BILL BEGINS ON NEXT PAGE)
Be it enacted by the Legislature of the State of Arizona:

Section 1. Title 9, Arizona Revised Statutes, is amended by adding chapter 13, to read:

CHAPTER 13
VIDEO SERVICE
ARTICLE 1. GENERAL PROVISIONS

9-1401. Definitions
IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:
1. "AFFILIATE" MEANS A PERSON THAT DIRECTLY OR INDIRECTLY, THROUGH ONE OR MORE INTERMEDIARIES, CONTROLS, IS CONTROLLED BY OR IS UNDER COMMON CONTROL WITH A VIDEO SERVICE PROVIDER.
2. "AGREEMENT" MEANS ANY AGREEMENT OR CONTRACT.
3. "BOUNDARIES OF A LOCAL GOVERNMENT" OR "BOUNDARIES" MEANS:
   (a) FOR A CITY OR TOWN, ALL OF THE AREA WITHIN THE CORPORATE LIMITS OF THE CITY OR TOWN.
   (b) FOR A COUNTY, ALL OF THE AREA OF THE COUNTY THAT IS NOT WITHIN THE CORPORATE LIMITS OF ANY CITY OR TOWN, INCLUDING UNINCORPORATED TERRITORY THAT IS SURROUNDED ON ALL SIDES BY A COMBINATION OF ONE OR MORE CITIES, TOWNS OR INDIAN RESERVATIONS.
4. "CABLE OPERATOR" HAS THE SAME MEANING PRESCRIBED IN 47 UNITED STATES CODE SECTION 522.
5. "CABLE SERVICE" HAS THE SAME MEANING PRESCRIBED IN 47 UNITED STATES CODE SECTION 522.
6. "CABLE SYSTEM" HAS THE SAME MEANING PRESCRIBED IN 47 UNITED STATES CODE SECTION 522.
7. "COMMERCIAL MOBILE SERVICE PROVIDER" MEANS A PERSON THAT PROVIDES COMMERCIAL MOBILE SERVICE AS DEFINED IN 47 UNITED STATES CODE SECTION 332(d) OR COMMERCIAL MOBILE RADIO SERVICE AS DESCRIBED IN 47 CODE OF FEDERAL REGULATIONS SECTION 20.9.
8. "DAY" MEANS A CALENDAR DAY, EXCEPT A SATURDAY OR SUNDAY OR A HOLIDAY PRESCRIBED IN SECTION 1-301.
9. "GROSS REVENUE":
   (a) MEANS ALL CASH, CREDITS, PROPERTY OF ANY KIND OR NATURE OR OTHER CONSIDERATION THAT IS RECEIVED DIRECTLY OR INDIRECTLY BY A VIDEO SERVICE PROVIDER, ITS AFFILIATES, OR ANY PERSON, FIRM OR CORPORATION IN WHICH THE VIDEO SERVICE PROVIDER HAS A FINANCIAL INTEREST OR THAT HAS A FINANCIAL INTEREST IN THE VIDEO SERVICE PROVIDER AND THAT IS DERIVED FROM THE VIDEO SERVICE PROVIDER'S OPERATION OF ITS VIDEO SERVICE NETWORK TO PROVIDE VIDEO SERVICE IN THE SERVICE AREA.
   (b) INCLUDES ALL REVENUE FROM CHARGES FOR VIDEO SERVICE TO SUBSCRIBERS AND ALL CHARGES FOR INSTALLATION, REMOVAL, CONNECTION OR REINSTATEMENT OF EQUIPMENT NECESSARY FOR A SUBSCRIBER TO RECEIVE VIDEO SERVICE AND ANY OTHER RECEIPTS FROM SUBSCRIBERS DERIVED FROM THE VIDEO SERVICE PROVIDER'S OPERATION OF THE VIDEO SERVICE NETWORK TO PROVIDE VIDEO SERVICE, INCLUDING RECEIPTS FROM FORFEITED DEPOSITS, SALE OR RENTAL OF
EQUIPMENT TO PROVIDE VIDEO SERVICE, LATE CHARGES, INTEREST AND SALE OF PROGRAM GUIDES.

(c) DOES NOT INCLUDE:

(i) ANY REVENUE NOT RECEIVED, EVEN IF BILLED, SUCH AS BAD DEBT NET OF ANY RECOVERIES OF BAD DEBT OR ANY REFUNDS, CREDITS, ALLOWANCES OR DISCOUNTS TO SUBSCRIBERS TO THE EXTENT THAT THE REFUND, REBATE, CREDIT, ALLOWANCE OR DISCOUNT IS ATTRIBUTED TO VIDEO SERVICE.

(ii) REVENUE FROM COMMERCIAL ADVERTISING ON THE VIDEO SERVICE NETWORK, THE USE OR LEASE OF STUDIO FACILITIES OF THE VIDEO SERVICE NETWORK, INTERNET ACCESS SERVICE, THE USE OR LEASE OF ITS FACILITIES LOCATED IN THE HIGHWAYS, THE USE OR LEASE OF LEASED ACCESS CHANNELS OR BANDWIDTH, THE USE OR LEASE OF TOWERS, THE PRODUCTION OF VIDEO PROGRAMMING BY THE VIDEO SERVICE PROVIDER, THE SALE, EXCHANGE, USE OR CABLECAST OF ANY PROGRAMMING BY THE VIDEO SERVICE PROVIDER IN THE SERVICE AREA, SALES TO THE VIDEO SERVICE PROVIDER'S SUBSCRIBERS BY PROGRAMMERS OF HOME SHOPPING SERVICES, REIMBURSEMENTS PAID BY PROGRAMMERS FOR LAUNCH FEES OR MARKETING EXPENSES, LICENSE FEES, TAXES OR OTHER FEES OR CHARGES THAT THE VIDEO SERVICE PROVIDER COLLECTS AND PAYS TO ANY GOVERNMENTAL AUTHORITY, ANY INCREASE IN THE VALUE OF ANY STOCK, SECURITY OR ASSET, OR ANY DIVIDENDS OR OTHER DISTRIBUTIONS MADE FROM ANY STOCK OR SECURITIES.

10. "HIGHWAY" MEANS ALL ROADS, STREETS AND ALLEYS AND OTHER DEDICATED PUBLIC RIGHTS-OF-WAY THAT ARE OPERATED AND MAINTAINED BY A LOCAL GOVERNMENT.

11. "HOLDER" MEANS A VIDEO SERVICE PROVIDER THAT HAS BEEN ISSUED A UNIFORM VIDEO SERVICE LICENSE PURSUANT TO THIS CHAPTER.

12. "HOLDOVER CABLE OPERATOR" MEANS AN INCUMBENT CABLE OPERATOR THAT ELECTS UNDER SECTIONS 9-1412 AND 9-1413 TO CONTINUE TO OPERATE WITHIN ITS SERVICE AREA PURSUANT TO ITS LOCAL LICENSE.

13. "INCUMBENT CABLE OPERATOR" MEANS A CABLE OPERATOR OR OTHER VIDEO SERVICE PROVIDER THAT ON DECEMBER 31, 2019 IS PROVIDING VIDEO SERVICE IN THIS STATE PURSUANT TO A LOCAL LICENSE.


15. "INTERACTIVE COMPUTER SERVICE" HAS THE SAME MEANING PRESCRIBED IN 47 UNITED STATES CODE SECTION 230(f).

16. "LICENSE" MEANS A FRANCHISE AS DEFINED IN 47 UNITED STATES CODE SECTION 522.

17. "LICENSE FEE" MEANS A LICENSE FEE IMPOSED BY A LOCAL GOVERNMENT ON A VIDEO SERVICE PROVIDER FOR USING THE HIGHWAYS TO PROVIDE AND FOR THE PRIVILEGE OF PROVIDING VIDEO SERVICE.

18. "LOCAL GOVERNMENT" MEANS ANY CITY, INCLUDING A CHARTER CITY, TOWN OR COUNTY.

19. "LOCAL LAW" MEANS ANY CHARTER, CODE, ORDINANCE, RESOLUTION, REGULATION OR OTHER LAW OF A LOCAL GOVERNMENT.
20. "LOCAL LICENSE" MEANS ANY LICENSE, AGREEMENT, PERMIT OR SIMILAR AUTHORIZATION THAT MEETS ALL OF THE FOLLOWING:
(a) ALLOWS A PERSON TO CONSTRUCT OR OPERATE A VIDEO SERVICE NETWORK WITHIN THE BOUNDARIES OF A LOCAL GOVERNMENT.
(b) IS ISSUED, GRANTED, APPROVED, EXTENDED OR RENEWED BY THE LOCAL GOVERNMENT BEFORE JANUARY 1, 2020 PURSUANT TO THE AUTHORITY OF ANY FEDERAL, STATE OR LOCAL LAW IN EFFECT AT THE TIME OF THE ISSUANCE, GRANT, APPROVAL, EXTENSION OR RENEWAL.
(c) IS EFFECTIVE UNDER FEDERAL, STATE OR LOCAL LAW ON DECEMBER 31, 2019 FOR THE PERSON TO CONTINUE TO CONSTRUCT OR OPERATE A VIDEO SERVICE NETWORK WITHIN THE BOUNDARIES OF A LOCAL GOVERNMENT.
22. "SERVICE AREA" MEANS THAT PART OF THE BOUNDARIES OF A LOCAL GOVERNMENT WITHIN WHICH A VIDEO SERVICE PROVIDER IS AUTHORIZED TO PROVIDE VIDEO SERVICE PURSUANT TO A UNIFORM VIDEO SERVICE LICENSE OR A LOCAL LICENSE.
23. "SUBSCRIBER" MEANS ANY PERSON IN THIS STATE THAT PURCHASES VIDEO SERVICE. SUBSCRIBER DOES NOT INCLUDE ANY PERSON THAT PURCHASES VIDEO SERVICE FOR RESALE AND THAT, ON RESALE, IS REQUIRED TO PAY A LICENSE FEE PURSUANT TO THIS CHAPTER OR THE TERMS OF A LOCAL LICENSE.
24. "TELECOMMUNICATIONS":
(a) MEANS THE TRANSMISSION, BETWEEN OR AMONG POINTS SPECIFIED BY THE USER, OF INFORMATION OF THE USER’S CHOOSING, WITHOUT CHANGE IN THE FORM OR CONTENT OF THE INFORMATION SENT AND RECEIVED, REGARDLESS OF THE FACILITIES, EQUIPMENT OR TECHNOLOGY USED.
(b) DOES NOT INCLUDE COMMERCIAL MOBILE RADIO SERVICE, PAY PHONE SERVICE, INTERSTATE SERVICE OR CABLE SERVICE.
25. "TELECOMMUNICATIONS PROVIDER" MEANS A PERSON THAT IS REQUIRED TO OBTAIN FROM THE CORPORATION COMMISSION A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO PROVIDE TELECOMMUNICATIONS SERVICE.
26. "TELECOMMUNICATIONS SERVICE" MEANS THE OFFERING OF TELECOMMUNICATIONS FOR A FEE DIRECTLY TO THE PUBLIC, OR TO SUCH USERS AS TO BE EFFECTIVELY AVAILABLE DIRECTLY TO THE PUBLIC, REGARDLESS OF THE EQUIPMENT, FACILITIES OR TECHNOLOGY USED.
27. "UNIFORM VIDEO SERVICE LICENSE" MEANS A LICENSE THAT IS ISSUED BY A LOCAL GOVERNMENT IN THE FORM OF A UNIFORM VIDEO SERVICE LICENSE AGREEMENT AS ADOPTED PURSUANT TO SECTION 9-1411.
28. "VIDEO SERVICE":
(a) MEANS THE PROVISION OF MULTICHANNEL VIDEO PROGRAMMING GENERALLY CONSIDERED COMPARABLE TO VIDEO PROGRAMMING DELIVERED BY A TELEVISION BROADCAST STATION, VIDEO SERVICE OR OTHER DIGITAL TELEVISION SERVICE, WHETHER PROVIDED AS PART OF A TIER, ON DEMAND OR ON A PER-CHANNEL BASIS, WITHOUT REGARD TO THE TECHNOLOGY USED TO DELIVER THE VIDEO SERVICE, INCLUDING INTERNET PROTOCOL TECHNOLOGY OR ANY SUCCESSOR TECHNOLOGY.
(b) INCLUDES CABLE SERVICE.

(c) DOES NOT INCLUDE ANY OF THE FOLLOWING:

(i) VIDEO PROGRAMMING PROVIDED SOLELY AS PART OF, AND THROUGH, A SERVICE THAT ENABLES USERS TO ACCESS CONTENT, INFORMATION, E-MAIL, MESSAGING OR OTHER SERVICES THAT ARE OFFERED VIA THE PUBLIC INTERNET.

(ii) DIRECT BROADCAST SATELLITE SERVICE.

(iii) WIRELESS MULTICHANNEL VIDEO PROGRAMMING THAT IS PROVIDED BY A COMMERCIAL MOBILE SERVICE PROVIDER.

29. "VIDEO SERVICE NETWORK":

(a) MEANS A WIRELINE NETWORK, OR ANY COMPONENT OF A WIRELINE NETWORK, THAT IS LOCATED IN THIS STATE, CONSTRUCTED IN WHOLE OR IN PART IN, ON, UNDER OR OVER ANY HIGHWAY AND USED TO PROVIDE VIDEO SERVICE.

(b) INCLUDES A CABLE SYSTEM.

30. "VIDEO SERVICE PROVIDER":

(a) MEANS ANY PERSON THAT PROVIDES OR OFFERS TO PROVIDE VIDEO SERVICE OVER A VIDEO SERVICE NETWORK TO SUBSCRIBERS IN THIS STATE.

(b) INCLUDES AN INCUMBENT CABLE OPERATOR THAT ELECTED PURSUANT TO SECTIONS 9-1412 AND 9-1413 TO TERMINATE ITS LOCAL LICENSE AND A MULTICHANNEL VIDEO PROGRAMMING DISTRIBUTOR.

(c) DOES NOT INCLUDE A HOLDOVER CABLE OPERATOR.

9-1402. State preemption; uniform regulation and licensing

A. THE LICENSING OF VIDEO SERVICE PROVIDERS AND THE REGULATION AND USE OF VIDEO SERVICE ARE MATTERS OF STATEWIDE CONCERN. EXCEPT AS PROVIDED IN THIS CHAPTER, THE LICENSING OF VIDEO SERVICE PROVIDERS AND THE REGULATION AND USE OF VIDEO SERVICE ARE NOT SUBJECT TO FURTHER REGULATION BY A LOCAL GOVERNMENT. THE REGULATION OF VIDEO SERVICE PURSUANT TO THIS CHAPTER, INCLUDING APPLICATION TO THE LOCAL LICENSES OF INCUMBENT CABLE OPERATORS, IS REASONABLE AND NECESSARY TO PROMOTE ALL OF THE FOLLOWING:

1. Provision of competitive video, telecommunications and information service throughout this state.

2. More uniform regulation of competitive video service throughout this state.

3. Streamlined licensing by local governments and more uniform terms and conditions for video service providers that use highways to provide video and other services over video service networks.

4. Continued management by local governments of use of their highways with reasonable burdens on construction and maintenance across boundaries between local governments for video service providers to use highways to provide video and other services over video service networks.

5. Continued levying of license fees by local governments on subscriber service revenues derived from operating video service networks to provide video service.


B. TO THE FULLEST EXTENT ALLOWED BY FEDERAL LAW, THIS CHAPTER OCCUPIES THE ENTIRE FIELD OF LICENSING AND REGULATION OF VIDEO SERVICE.
C. EXCEPT AS OTHERWISE PROVIDED IN THIS CHAPTER, FROM AND AFTER DECEMBER 31, 2019 THIS CHAPTER PREEMPTS AND LIMITS THE ABILITY OF A LOCAL GOVERNMENT TO REGULATE OR ENFORCE ALL OF THE FOLLOWING:

1. THE APPLICATION OF CHAPTER 5, ARTICLE 1.1 OF THIS TITLE TO VIDEO SERVICE PROVIDERS.

2. ANY LOCAL LAW AND ANY AGREEMENT WITH A LOCAL GOVERNMENT THAT DOES ANY OF THE FOLLOWING:
   (a) REQUIRES A PERSON OTHER THAN A HOLDOVER CABLE OPERATOR TO OBTAIN OR HOLD FROM A LOCAL GOVERNMENT ANY LICENSE, PERMIT OR SIMILAR AUTHORIZATION THAT IS A PREREQUISITE TO PROVIDING VIDEO SERVICE OR TO CONSTRUCTING, MAINTAINING OR USING THE HIGHWAYS TO OPERATE A VIDEO SERVICE NETWORK IN THE HIGHWAYS WITHIN ITS BOUNDARIES.
   (b) REGULATES THE PROVISION OF VIDEO SERVICE OR THE CONSTRUCTION OR OPERATION OF A VIDEO SERVICE NETWORK IF THE LOCAL LAW DOES NOT CONFORM TO THIS CHAPTER.
   (c) IMPOSES ON A VIDEO SERVICE PROVIDER ANY REQUIREMENT THAT IS RELATED TO INFRASTRUCTURE, FACILITIES OR DEPLOYMENT OF EQUIPMENT THAT DOES NOT CONFORM TO THIS CHAPTER, INCLUDING OFFICE LOCATION, INSTITUTIONAL NETWORK, BUILD-OUT, LINE EXTENSION, INVESTMENT OR OTHER OPERATIONAL REQUIREMENTS THAT ARE NOT DIRECTLY RELATED TO THE LOCAL GOVERNMENT'S MANAGEMENT OF THE HIGHWAYS.
   (d) REQUIRES A VIDEO SERVICE PROVIDER TO OBTAIN A LICENSE OR OTHER AUTHORIZATION FROM THE LOCAL GOVERNMENT TO PROVIDE TELECOMMUNICATIONS SERVICE, INFORMATION SERVICE, INTERACTIVE COMPUTER SERVICE OR OTHER SERVICE IF THE VIDEO SERVICE PROVIDER USES ITS VIDEO SERVICE NETWORK WITHIN THE BOUNDARIES OF THE LOCAL GOVERNMENT TO PROVIDE THE SERVICE.
   (e) REQUIRES A VIDEO SERVICE PROVIDER TO PAY TO LOCATE IN DUCTS OR CONDUITS OR ON POLES OWNED BY THE LOCAL GOVERNMENT IF THE LOCAL GOVERNMENT REQUIRES INSTALLATION IN THE DUCTS OR CONDUITS OR ON THE POLES.

9-1403. Limited application

THIS CHAPTER DOES NOT:

1. PREVENT A TELECOMMUNICATIONS PROVIDER FROM EXERCISING ANY RIGHTS OR AUTHORITY THAT THE TELECOMMUNICATIONS PROVIDER HAS AS A PUBLIC UTILITY UNDER FEDERAL OR STATE LAW.

2. AFFECT ANY AUTHORITY OF A LOCAL GOVERNMENT, AN AGRICULTURAL IMPROVEMENT DISTRICT, ANY SPECIAL TAXING DISTRICT OR ANY OTHER PERSON THAT CONTROLS UTILITY POLES ON THE HIGHWAYS TO DENY, LIMIT, RESTRICT OR DETERMINE THE RATES, TERMS AND CONDITIONS FOR THE USE OF OR ATTACHMENT BY A VIDEO SERVICE PROVIDER TO UTILITY OR OTHER POLES OWNED BY THE LOCAL GOVERNMENT OR OTHER PERSON. FOR THE PURPOSES OF THIS PARAGRAPH, "AUTHORITY OF A LOCAL GOVERNMENT" INCLUDES POLICE POWERS.

3. VEST IN THE CORPORATION COMMISSION ANY AUTHORITY OR JURISDICTION OVER VIDEO SERVICE, VIDEO SERVICE PROVIDERS OR VIDEO SERVICE NETWORKS OR OVER THE RATES, TERMS AND CONDITIONS OF POLE ATTACHMENTS UNDER 47 UNITED STATES CODE SECTION 224.
4. AFFECT OR PREEMPT ANY GENERALLY APPLICABLE LOCAL LAWS, INCLUDING
A LOCAL GOVERNMENT'S POLICE POWER, TO MANAGE THE USE AND OCCUPANCY OF THE
HIGHWAYS WITHIN THE LOCAL GOVERNMENT'S BOUNDARIES OR TO EXERCISE THE LOCAL
GOVERNMENT'S POLICE POWERS IF THE LOCAL GOVERNMENT APPLIES THE LOCAL LAWS
AND THE EXERCISE OF POLICE POWERS TO ALL USERS OF THE HIGHWAYS IN A
NONDISCRIMINATORY MANNER.

ARTICLE 2. LOCAL LICENSES

9-1411. Local governments; uniform video service license
agreements; forms; provisions

A. FROM AND AFTER DECEMBER 31, 2019, A LOCAL GOVERNMENT HAS THE
EXCLUSIVE AUTHORITY TO ISSUE A UNIFORM VIDEO SERVICE LICENSE TO A PERSON
TO PROVIDE VIDEO SERVICE AND TO CONSTRUCT AND OPERATE A VIDEO SERVICE
NETWORK IN ANY SERVICE AREA WITHIN ITS BOUNDARIES.

B. ON OR BEFORE JULY 1, 2019, EACH LOCAL GOVERNMENT SHALL ADOPT A
STANDARD FORM OF UNIFORM VIDEO SERVICE LICENSE AGREEMENT FOR VIDEO SERVICE
PROVIDERS TO BE USED BY THE LOCAL GOVERNMENT AND A STANDARD FORM OF
APPLICATION AND AFFIDAVIT AS DESCRIBED IN SECTION 9-1414. A LOCAL
GOVERNMENT SHALL PRESCRIBE OTHER FORMS ONLY AS NECESSARY TO IMPLEMENT THIS
CHAPTER.

C. THE UNIFORM VIDEO SERVICE LICENSE AGREEMENT ADOPTED UNDER
SUBSECTION B OF THIS SECTION MUST INCLUDE ALL OF THE FOLLOWING PROVISIONS
IN SUBSTANTIALLY THE FOLLOWING FORM AND MAY NOT INCLUDE ANY OTHER
PROVISIONS:

1. THE NAME OF THE VIDEO SERVICE PROVIDER, ITS TYPE OF ENTITY AND
   ITS JURISDICTION OF FORMATION.

2. THE ADDRESS AND TELEPHONE NUMBER OF THE VIDEO SERVICE PROVIDER'S
   PRINCIPAL PLACE OF BUSINESS.

3. THE NAME AND ADDRESS OF THE VIDEO SERVICE PROVIDER'S PRINCIPAL
   EXECUTIVE OFFICERS OR GENERAL PARTNERS AND ANY PERSONS AUTHORIZED TO
   REPRESENT THE VIDEO SERVICE PROVIDER BEFORE THE LOCAL GOVERNMENT.

4. IF THE VIDEO SERVICE PROVIDER IS NOT AN INCUMBENT CABLE
   OPERATOR, THE DATE ON WHICH THE PROVIDER EXPECTS TO PROVIDE VIDEO SERVICES
   IN THE AREA IDENTIFIED UNDER PARAGRAPH 5 OF THIS SUBSECTION.

5. AN EXACT DESCRIPTION OF THE SERVICE AREA TO BE SERVED, AS
   IDENTIFIED BY A GEOGRAPHIC INFORMATION SYSTEM DIGITAL BOUNDARY THAT MEETS
   OR EXCEEDS NATIONAL MAP ACCURACY STANDARDS.

6. A REQUIREMENT THAT THE VIDEO SERVICE PROVIDER PAY THE LICENSE
   FEES REQUIRED UNDER THIS CHAPTER AND ALL OTHER LAWFUL FEES AND CHARGES
   IMPOSED BY THE LOCAL GOVERNMENT.

7. A REQUIREMENT THAT THE VIDEO SERVICE PROVIDER FILE IN A TIMELY
   MANNER WITH THE FEDERAL COMMUNICATIONS COMMISSION ALL FORMS REQUIRED BY
   THAT AGENCY BEFORE OFFERING VIDEO SERVICE IN THE SERVICE AREA, INCLUDING
   THE FORMS REQUIRED BY 47 CODE OF FEDERAL REGULATIONS SECTION 76.1801.

8. A REQUIREMENT THAT THE VIDEO SERVICE PROVIDER AGREES TO COMPLY
   WITH AND BE SUBJECT TO ALL VALID AND ENFORCEABLE FEDERAL AND STATE LAWS.
9. A requirement that the video service provider agrees to comply with all generally applicable, nondiscriminatory local laws, including highway use, mapping, insurance, performance bonds, security fund, indemnification or similar requirements that apply to the use and occupation of any highway and that conform to this chapter.

10. A requirement that the video service provider comply with the public, education and government programming requirements of this chapter.

11. A requirement that the video service provider comply with all customer service rules of the Federal Communications Commission under 47 code of Federal Regulations section 76.309(c) applicable to cable operators.

12. A requirement that the video service provider comply with the consumer privacy requirements of 47 United States Code section 551 applicable to cable operators.

13. A grant of authority by the local government to provide video service in the service area as described under paragraph 5 of this subsection.

14. A grant of authority by the local government to use and occupy the highways in the delivery of the video service, subject to the laws of this state and the police powers of the local government.

15. The term of the uniform video service license.

16. A requirement that the parties to the agreement are subject to and must comply with this chapter.

D. Except as otherwise provided in this chapter, from and after December 31, 2019 a person may not act as a video service provider or construct or operate a video service network within the boundaries of a local government without first having been issued and continuing to hold a uniform video service license with a service area encompassing the boundaries.

E. A local license shall remain enforceable in accordance with its terms until terminated under section 9-1412, subsection B.

9-1412. Incumbent cable operator; election on local license; procedure to obtain uniform video service license and terminate local license

A. From and after December 31, 2019, an incumbent cable operator may elect to do either of the following:

1. Continue to operate within a service area as defined in the local license pursuant to section 9-1413.

2. Terminate the incumbent cable operator's local license for a service area by applying for and obtaining a uniform video service license pursuant to this article.

B. On or before July 1, 2020, to elect to terminate a local license under subsection A of this section in the same manner as any other video service provider, an incumbent cable operator shall apply for a uniform video service license that includes only the service area that is defined
IN THE LOCAL LICENSE. IF AN INCUMBENT CABLE OPERATOR OBTAINS A UNIFORM VIDEO SERVICE LICENSE FOR THE SERVICE AREA, BOTH OF THE FOLLOWING APPLY:

1. THE APPLICANT’S LOCAL LICENSE IS TERMINATED AS TO THE SERVICE AREA BY OPERATION OF LAW FROM AND AFTER THE DATE THE LOCAL GOVERNMENT ISSUES THE UNIFORM VIDEO SERVICE LICENSE.

2. THE INCUMBENT CABLE OPERATOR SHALL OPERATE WITHIN THE SERVICE AREA DEFINED IN THE LOCAL LICENSE UNLESS THE INCUMBENT CABLE OPERATOR ELECTS UNDER SECTION 9-1414, SUBSECTION C TO APPLY FOR A UNIFORM VIDEO SERVICE LICENSE FOR A SERVICE AREA THAT CONSISTS OF THE BOUNDARIES OF THE LOCAL GOVERNMENT.

9-1413. Incumbent cable operator; procedure to continue operating under local license


1. CHAPTER 5, ARTICLE 1.1 OF THIS TITLE.
2. SECTION 9-584.
3. CHAPTER 5, ARTICLE 8 OF THIS TITLE.
4. TITLE 11, CHAPTER 13, ARTICLE 1.

B. TO OPERATE WITHIN A SERVICE AREA FROM AND AFTER THE DATE THE LOCAL LICENSE EXPIRES, THE HOLDOVER CABLE OPERATOR MUST APPLY FOR AND OBTAIN A UNIFORM VIDEO SERVICE LICENSE IN THE SAME MANNER AS ANY OTHER VIDEO SERVICE PROVIDER.

C. IF A HOLDOVER CABLE OPERATOR IS ISSUED A UNIFORM VIDEO SERVICE LICENSE WITH A SERVICE AREA THAT INCLUDES THE SERVICE AREA DEFINED UNDER THE LOCAL LICENSE WHILE OPERATING PURSUANT TO THE LOCAL LICENSE UNDER SUBSECTION A OF THIS SECTION, THE UNIFORM VIDEO SERVICE LICENSE DOES NOT BECOME EFFECTIVE UNTIL THE LOCAL LICENSE EXPIRES.

D. A HOLDOVER CABLE OPERATOR THAT ELECTS TO APPLY FOR A UNIFORM VIDEO SERVICE LICENSE SHALL DO SO AT LEAST ONE MONTH BEFORE THE LOCAL LICENSE EXPIRES.

9-1414. Uniform video service license; application; fees

A. TO OBTAIN A UNIFORM VIDEO SERVICE LICENSE, A PERSON SHALL FILE WITH THE CLERK OF THE LOCAL GOVERNMENT AN APPLICATION AND AFFIDAVIT THAT ARE SIGNED BY ONE OF THE PRINCIPAL EXECUTIVE OFFICERS OR GENERAL PARTNERS OF THE APPLICANT AND THAT COMPLY WITH THIS SECTION.
B. THE APPLICATION AND AFFIDAVIT SHALL BE IN THE FORM REQUIRED BY
THE LOCAL GOVERNMENT AND SHALL BE REQUIRED TO CONTAIN ALL OF AND NOT MORE
THAN THE FOLLOWING:
1. EACH SERVICE AREA IN WHICH THE APPLICANT INTENDS TO PROVIDE
VIDEO SERVICE IN THE FORMAT AS DESCRIBED IN SECTION 9-1411, SUBSECTION C.
EXCEPT AS PROVIDED IN SECTION 9-1412, SUBSECTION B, PARAGRAPH 2, UNDER A
UNIFORM VIDEO SERVICE LICENSE THE BOUNDARIES OF THE LOCAL GOVERNMENT IS A
SINGLE SERVICE AREA AND THE SERVICE AREA CONSISTS OF ALL OF THE TERRITORY
WITHIN THE BOUNDARIES OF THAT LOCAL GOVERNMENT.
2. THE INFORMATION PRESCRIBED BY SECTION 9-1411, SUBSECTION C,
PARAGRAPHS 1 THROUGH 4. THE HOLDER SHALL NOTIFY THE LOCAL GOVERNMENT IN
WRITING OF CHANGES TO THIS INFORMATION WITHIN THIRTY DAYS AFTER THE CHANGE
OCCURS.
3. THE TERM OF THE UNIFORM VIDEO SERVICE LICENSE, WHICH MAY NOT
EXCEED TEN YEARS.
4. AN AGREEMENT TO PAY ALL LAWFUL FEES AND CHARGES IMPOSED BY THE
LOCAL GOVERNMENT.
C. AN INCUMBENT CABLE OPERATOR DESCRIBED IN SECTION 9-1412,
SUBSECTION B, PARAGRAPH 2 MAY ELECT TO APPLY FOR A UNIFORM VIDEO SERVICE
LICENSE FOR A SERVICE AREA THAT CONSISTS OF THE BOUNDARIES OF A LOCAL
GOVERNMENT.
D. IF THE LOCAL GOVERNMENT DETERMINES THAT THE APPLICATION AND
AFFIDAVIT ARE INCOMPLETE OR OTHERWISE DEFICIENT FOR FAILURE TO COMPLY WITH
THIS SECTION, THE LOCAL GOVERNMENT SHALL PROVIDE WRITTEN NOTICE TO THE
APPLICANT NOT LATER THAN FIFTEEN DAYS AFTER THE DATE OF FILING OF THE
APPLICATION AND AFFIDAVIT. THE WRITTEN NOTICE SHALL DO BOTH OF THE
FOLLOWING:
1. EXPLAIN THE INCOMPLETENESS OR DEFICIENCY IN DETAIL.
2. SPECIFY THE INFORMATION OR OTHER ITEMS THAT ARE NECESSARY UNDER
THIS SECTION FOR PROPER COMPLETION OF THE APPLICATION AND AFFIDAVIT.
E. THE LOCAL GOVERNMENT MAY NOT DO ANY OF THE FOLLOWING:
1. CHARGE A FEE FOR FILING OR PROCESSING AN APPLICATION, AFFIDAVIT,
NOTICE OR OTHER DOCUMENT UNDER THIS CHAPTER.
2. VOTE ON OR TAKE OTHER OFFICIAL ACTION REGARDING THE APPLICATION,
AFFIDAVIT, NOTICE OR OTHER DOCUMENT.
3. REQUIRE THE APPLICANT TO OBTAIN THE APPROVAL OF THE LOCAL
GOVERNMENT REGARDING THE APPLICATION, AFFIDAVIT, NOTICE OR OTHER DOCUMENT.
4. REQUIRE THE APPLICANT TO ENTER INTO AN AGREEMENT AS DESCRIBED IN
SECTION 9-1442, SUBSECTION 1.
9-1415. Authority granted by uniform video service license;
conditions and limitations prohibited; providing
video service
A. NOT LATER THAN THIRTY DAYS AFTER THE DATE AN APPLICANT FILES A
COMPLETED APPLICATION AND AFFIDAVIT PURSUANT TO SECTION 9-1414, THE LOCAL
GOVERNMENT SHALL ISSUE A UNIFORM VIDEO SERVICE LICENSE TO THE APPLICANT IN
THE FORM PRESCRIBED BY SECTION 9-1411. IF THE LOCAL GOVERNMENT DOES NOT
NOTIFY THE APPLICANT ABOUT THE COMPLETENESS OF THE UNIFORM VIDEO SERVICE
LICENSE AGREEMENT WITHIN THE TIME PERIOD PRESCRIBED BY SECTION 9-1414,
SUBSECTION D OR ISSUE THE AGREEMENT WITHIN THE TIME PERIOD REQUIRED UNDER
THIS SUBSECTION, THE AGREEMENT SHALL BE CONSIDERED COMPLETE AND ISSUED TO
THE APPLICANT IN THE FORM SUBMITTED.

B. THE UNIFORM VIDEO SERVICE LICENSE ISSUED TO AN APPLICANT,
INCLUDING AN INCUMBENT CABLE OPERATOR, BY A LOCAL GOVERNMENT IS A
NONEXCLUSIVE LICENSE GRANTING TO THE HOLDER OF THE UNIFORM VIDEO SERVICE
LICENSE THE AUTHORITY FOR THE TERM REQUESTED IN THE APPLICATION TO DO ALL
OF THE FOLLOWING:
1. PROVIDE VIDEO SERVICE IN ALL SERVICE AREAS DESIGNATED IN THE
APPLICATION AND AFFIDAVIT FILED WITH THE LOCAL GOVERNMENT.
2. CONSTRUCT AND OPERATE A VIDEO SERVICE NETWORK IN THE HIGHWAYS IN
EACH SERVICE AREA IN COMPLIANCE WITH THIS CHAPTER AND ALL LOCAL LAWS THAT
ARE NOT IN CONFLICT OR OTHERWISE DO NOT CONFORM TO THIS CHAPTER OR THE
PURPOSES AND OBJECTIVES OF THIS CHAPTER.
3. OPERATE AND MAINTAIN FACILITIES INSTALLED IN THE HIGHWAYS IN THE
SERVICE AREA UNDER A LOCAL LICENSE PURSUANT TO ALL OF THE FOLLOWING:
(a) SECTION 9-506, SUBSECTIONS I AND J.
(b) SECTION 9-584.
(c) CHAPTER 5, ARTICLE 8 OF THIS TITLE AND TITLE 11, CHAPTER 13,
ARTICLE 1.

C. A LOCAL GOVERNMENT MAY NOT CONDITION OR LIMIT A UNIFORM VIDEO
SERVICE LICENSE BY IMPOSING ANY OBLIGATION OR REQUIREMENT THAT IS NOT
AUTHORIZED BY THIS CHAPTER, INCLUDING ANY OF THE FOLLOWING:
1. ANY OFFICE LOCATION, INSTITUTIONAL NETWORK OR OTHER BUILD-OUT,
LINE EXTENSION, INVESTMENT OR OTHER REQUIREMENTS RELATING TO THE OVERALL
SCOPE, EXTENT AND TIMING OF INFRASTRUCTURE, FACILITIES OR DEPLOYMENT OF
EQUIPMENT.
2. ANY REQUIREMENTS TO PAY TO ANY PERSON ANY APPLICATION, DOCUMENT,
LICENSE, SERVICE OR OTHER FEE, TAX, CHARGE OR ASSESSMENT THAT IS NOT
AUTHORIZED BY THIS CHAPTER.

D. A HOLDER OF A UNIFORM VIDEO SERVICE LICENSE SHALL PROVIDE VIDEO
SERVICE IN ACCORDANCE WITH THE CERTIFICATIONS MADE BY THE HOLDER IN EACH
APPLICATION AND AFFIDAVIT THAT THE HOLDER FILES WITH A LOCAL GOVERNMENT
PURSUANT TO THIS ARTICLE.

9-1416. Amendment of uniform video service license to add
service area

A. TO ADD ONE OR MORE NEW SERVICE AREAS TO A UNIFORM VIDEO SERVICE
LICENSE, THE HOLDER SHALL FILE WITH THE CLERK OF THE LOCAL GOVERNMENT AN
APPLICATION FOR AN AMENDMENT TO THE UNIFORM VIDEO SERVICE LICENSE TO ADD
EACH NEW SERVICE AREA.
B. THE APPLICATION IS SUBJECT TO THE SAME PROCEDURES, REQUIREMENTS, LIMITATIONS AND TIME PERIODS AS AN APPLICATION FOR ISSUANCE OF A UNIFORM VIDEO SERVICE LICENSE PURSUANT TO SECTIONS 9-1414 AND 9-1415.

9-1417. Termination of service
A. TO TERMINATE THE AUTHORITY TO PROVIDE VIDEO SERVICE TO AN EXISTING SERVICE AREA AUTHORIZED UNDER THE UNIFORM VIDEO SERVICE LICENSE, THE HOLDER OF THE UNIFORM VIDEO SERVICE LICENSE SHALL FILE WITH THE CLERK OF THE LOCAL GOVERNMENT WRITTEN NOTICE OF THE TERMINATION.

B. THE HOLDER MAY TERMINATE SERVICE ON AND AFTER THE DATE THAT THE HOLDER FILES THE WRITTEN NOTICE WITH THE CLERK OF THE LOCAL GOVERNMENT.

C. THE HOLDER SHALL:
1. COMPLY WITH APPLICABLE FEDERAL LAWS, INCLUDING RULES AND REGULATIONS OF THE FEDERAL COMMUNICATIONS COMMISSION.
2. GIVE ALL AFFECTED SUBSCRIBERS AND LOCAL GOVERNMENTS NOTICE AT LEAST NINETY DAYS BEFORE TERMINATION OF SERVICE IN ALL OF A SERVICE AREA THAT CONSISTS OF THE BOUNDARIES OF THE LOCAL GOVERNMENT.

9-1418. Boundary change
EACH LOCAL GOVERNMENT WHOSE BOUNDARIES CHANGE SHALL NOTIFY IN A TIMELY MANNER EACH VIDEO SERVICE PROVIDER THAT OPERATES IN THE BOUNDARIES.

9-1419. Transfer of uniform video service license
A. EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION OR OTHERWISE REQUIRED BY FEDERAL LAW, INCLUDING RULES AND REGULATIONS OF THE FEDERAL COMMUNICATIONS COMMISSION, A UNIFORM VIDEO SERVICE LICENSE IS FULLY TRANSFERABLE TO ANY PERSON WHETHER THE TRANSFER ARISES THROUGH MERGER, SALE, ASSIGNMENT, RESTRUCTURING, CHANGE OF CONTROL OR OTHER TYPE OF TRANSACTION. A TRANSFER DOES NOT INCLUDE AN ASSIGNMENT OF A UNIFORM VIDEO SERVICE LICENSE FOR THE PURPOSE OF SECURING INDEBTEDNESS. A TRANSFER MAY INCLUDE LESS THAN ALL SERVICE AREAS ASSOCIATED WITH A UNIFORM VIDEO SERVICE LICENSE.


9-1420. Extension


C. TRANSFERRING, AMENDING OR MODIFYING A UNIFORM VIDEO SERVICE LICENSE UNDER OTHER SECTIONS OF THIS ARTICLE DOES NOT EXTEND THE TERM OF THE UNIFORM VIDEO SERVICE LICENSE.
9-1421. Subscriber complaints
   A. A SUBSCRIBER MAY SUBMIT COMPLAINTS ABOUT VIDEO SERVICE TO ANY OF
      THE FOLLOWING:
      1. THE LOCAL GOVERNMENT WHERE THE SUBSCRIBER RESIDES.
      2. THE ATTORNEY GENERAL.
      3. THE FEDERAL COMMUNICATIONS COMMISSION.
      4. OTHER AUTHORITIES AS PROVIDED BY LAW.
   B. A LOCAL GOVERNMENT MAY CHOOSE TO MONITOR AND ASSIST SUBSCRIBERS
      WITH THE SUBSCRIBER SERVICE STANDARDS PURSUANT TO 47 CODE OF FEDERAL
      REGULATIONS SECTION 76.309(c) OR TO BE IDENTIFIED ON BILLS TO SUBSCRIBERS
      AS THE LOCAL FRANCHISE AUTHORITY FOR A SERVICE AREA CONSISTENT WITH RULES
      OF THE FEDERAL COMMUNICATIONS COMMISSION.

   ARTICLE 3. DUTIES OF VIDEO SERVICE PROVIDERS

9-1431. Video service; revocation for nonuse
   A. NOT LATER THAN TWENTY-FOUR MONTHS AFTER THE DATE THAT A LOCAL
      GOVERNMENT ISSUES A UNIFORM VIDEO SERVICE LICENSE PURSUANT TO SECTIONS
      9-1414 AND 9-1415 OR AN AMENDED UNIFORM VIDEO SERVICE LICENSE PURSUANT TO
      SECTION 9-1416, THE HOLDER OF THE UNIFORM VIDEO SERVICE LICENSE SHALL
      OFFER AND PROVIDE VIDEO SERVICE TO AT LEAST ONE SUBSCRIBER WITHIN EACH
      SERVICE AREA AUTHORIZED BY THE UNIFORM VIDEO SERVICE LICENSE OR AMENDED
      UNIFORM VIDEO SERVICE LICENSE UNLESS THE HOLDER CANNOT MEET THE
      REQUIREMENT FOR REASONS BEYOND THE HOLDER'S CONTROL.
   B. IF A HOLDER FAILS TO COMPLY WITH SUBSECTION A OF THIS SECTION, A
      LOCAL GOVERNMENT MAY REVOKE THE HOLDER'S UNIFORM VIDEO SERVICE LICENSE FOR
      AFFECTED SERVICE AREAS.

9-1432. Reports; confidentiality; definition
   A. A VIDEO SERVICE PROVIDER THAT IS NOT AN INCUMBENT CABLE OPERATOR
      AND THAT HOLDS A UNIFORM VIDEO SERVICE LICENSE WITH A SERVICE AREA WITHIN
      THE BOUNDARIES OF A LOCAL GOVERNMENT SHALL PREPARE AND SUBMIT TO THE LOCAL
      GOVERNMENT A SEMIANNUAL REPORT THAT IDENTIFIES THE LOCATIONS WITHIN THE
      BOUNDARIES THAT ARE ABLE TO RECEIVE VIDEO SERVICE FROM THE VIDEO SERVICE
      PROVIDER. THIS REPORTING REQUIREMENT APPLIES UNTIL THE VIDEO SERVICE
      PROVIDER HAS CONSTRUCTED ALL OF THE FACILITIES THE VIDEO SERVICE PROVIDER
      INTENDS TO CONSTRUCT WITHIN THE BOUNDARIES OF THE LOCAL GOVERNMENT.
   B. THE VIDEO SERVICE PROVIDER SHALL FILE THE REPORT WITH THE LOCAL
      GOVERNMENT NOT LATER THAN TWENTY DAYS AFTER THE LAST DAY OF THE SECOND AND
      FOURTH CALENDAR QUARTERS OF EACH YEAR.
   C. INFORMATION CONTAINED IN A REPORT THAT IS SUBMITTED TO A LOCAL
      GOVERNMENT PURSUANT TO THIS SECTION:
      1. IS CONFIDENTIAL PROPRIETARY INFORMATION OF THE VIDEO SERVICE
         PROVIDER.
      2. IS NOT A PUBLIC RECORD.
      3. MUST BE MANAGED SO THAT ANY CRITICAL INFRASTRUCTURE INFORMATION
         CONTAINED IN THE REPORT IS PROTECTED AS PROVIDED BY LAW.
4. MAY NOT BE DISCLOSED TO ANY PERSON WHO IS NOT AN OFFICER OR
EMPLOYEE OF THE LOCAL GOVERNMENT UNLESS THE VIDEO SERVICE PROVIDER HAS
CONSENTED IN WRITING TO THE DISCLOSURE.
D. FOR THE PURPOSES OF THIS SECTION, "CRITICAL INFRASTRUCTURE
INFORMATION" HAS THE SAME MEANING PRESCRIBED IN SECTION 41-1801.
9-1433. Nondiscriminatory manner; compliance with standards
and federal law
A. A VIDEO SERVICE PROVIDER SHALL ACTIVATE AND OFFER VIDEO SERVICE
IN A NONDISCRIMINATORY MANNER WITHIN EACH SERVICE AREA AND MAY NOT DENY
ACCESS TO VIDEO SERVICE TO ANY GROUP OF POTENTIAL RESIDENTIAL SUBSCRIBERS
WITHIN A PARTICULAR PART OF A SERVICE AREA BECAUSE OF THE INCOME PROFILE
OF THE PERSONS WHO RESIDE IN THAT PART OF THE SERVICE AREA.
B. IN PROVIDING VIDEO SERVICE, A VIDEO SERVICE PROVIDER SHALL
COMPLY WITH ALL OF THE FOLLOWING:
1. 47 UNITED STATES CODE SECTION 551.
2. ALL ENGINEERING AND SAFETY CODES APPLICABLE TO THE VIDEO SERVICE
PROVIDER'S CONSTRUCTION PRACTICES AND INSTALLATION OF EQUIPMENT.
3. ANY TECHNICAL STANDARDS GOVERNING THE DESIGN, CONSTRUCTION AND
OPERATION OF A VIDEO SERVICE NETWORK REQUIRED BY FEDERAL LAW.
4. 47 CODE OF FEDERAL REGULATIONS PART 11, AS ADOPTED AND AS MAY BE
AMENDED BY THE FEDERAL COMMUNICATIONS COMMISSION, TO THE EXTENT THOSE
PROVISIONS REQUIRE A VIDEO SERVICE PROVIDER TO PARTICIPATE IN THE
EMERGENCY ALERT SYSTEM.
5. 47 CODE OF FEDERAL REGULATIONS SECTIONS 76.309, 76.1601,
76.1602, 76.1603, 76.1604, 76.1618, 76.1619, 76.1620, 76.1621 AND 76.1622,
AS ADOPTED AND AS MAY BE AMENDED BY THE FEDERAL COMMUNICATIONS COMMISSION,
ON STANDARDS GOVERNING THE QUALITY OF VIDEO SERVICE AND SUBSCRIBER
SERVICE. A VIDEO SERVICE PROVIDER MAY NOT BE REQUIRED TO COMPLY WITH ANY
SUBSCRIBER SERVICE STANDARDS THAT ARE MORE BURDENSOME THAN THOSE SET FORTH
IN THIS PARAGRAPH.
ARTICLE 4. LOCAL GOVERNMENTS
9-1441. Management of highways; local governments; permits or
licenses
A. IN MANAGING A HIGHWAY UNDER LOCAL LAWS AS PRESCRIBED IN SECTION
9-1411, SUBSECTION C, PARAGRAPH 9, A LOCAL GOVERNMENT MAY MANAGE THE USE
OF THE HIGHWAY, INCLUDING ALL OF THE FOLLOWING:
1. REQUIRING A VIDEO SERVICE PROVIDER THAT IS CONSTRUCTING,
INSTALLING, WORKING WITHIN, MAINTAINING OR REPAIRING FACILITIES IN, ON,
UNDER OR OVER ANY HIGHWAY TO OBTAIN A CONSTRUCTION, ENCROACHMENT OR
OCCUPANCY PERMIT FOR THE WORK.
2. INSPECTING THE CONSTRUCTION, INSTALLATION, MAINTENANCE OR REPAIR
WORK PERFORMED ON SUCH FACILITIES.
3. LIMITING THE INSTALLATION OF NEW AERIAL FACILITIES.
B. If a video service provider requests a permit or inspection, the local government shall grant or deny the request within the time frame that the local government has in place under Section 9-835 or 11-1605.

C. If emergency response work or repair becomes necessary in, on, under or over any highway, a video service provider may begin that work or repair without prior approval from a local government if the video service provider notifies the local government as promptly as reasonably possible after learning that the work or repair is necessary.

9-1442. Fees and charges; emergency alert; damage; undergrounding; wireless facilities; definition

A. Except the license fee on gross revenue authorized by section 9-1443 and transaction privilege taxes as provided in subsection B of this section, a local government may not levy a tax, rent, fee or charge, however denominated, on a video service provider for the use of the highways to provide video service or levy a tax, fee or charge on the privilege of engaging in the business of providing video service in the service area. Taxes, rents, fees and charges include all of the following:

1. Access channel support except for in-kind services, goods or payments as provided in subsection C of this section.

2. Rental, application, construction, permit, inspection, inconvenience and other fees and charges related to a video service provider's use of the highways, including the use authorized by subsection D of this section except that a local government may impose on a video service provider some or all of the fees and charges described in this paragraph. A video service provider shall offset the fees and charges imposed pursuant to this paragraph against the next license fee payment made pursuant to section 9-1443.

B. Any transaction privilege taxes otherwise authorized by local law to be levied on the business of providing video service or in relation to use of the highways to provide video service may be levied on a video service provider if the taxes are levied only on gross revenue and the rate of the taxes is subject to this subsection. This subsection does not authorize the imposition of transaction privilege taxes on interstate telecommunications service. The license fee and any transaction privilege taxes levied on gross revenue constitute a franchise fee within the meaning of the term in 47 United States Code section 542(g). The total of the rates of the license fee and of any transaction privilege taxes on gross revenue levied or assessed by a local government for the privilege of providing video service and related use of the highways to provide video service may not exceed a rate of five percent.

C. Subsection A of this section does not prohibit a local government from levying fees and charges on a video service provider or its affiliates pursuant to section 9-584 or pursuant to chapter 5, article...
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8 OF THIS TITLE OR TITLE 11, CHAPTER 13, ARTICLE 1 WITHOUT AN OFFSET AGAINST LICENSE FEES.

D. A LOCAL GOVERNMENT MAY NOT REQUIRE A VIDEO SERVICE PROVIDER TO PROVIDE IN-KIND GOODS OR SERVICES, MAKE IN-KIND PAYMENTS, ASSESSMENTS OR OBLIGATIONS OR PAY A FEE IN ADDITION TO THE MONETARY LICENSE FEE LEVIED OR ASSESSED AS PROVIDED IN SECTION 9-1443, EXCEPT FOR ANY OF THE FOLLOWING:

1. A LOCAL LAW MAY IMPOSE AND ENFORCE OBLIGATIONS EQUALLY AND UNIFORMLY ON ALL VIDEO SERVICE PROVIDERS THAT ARE OPERATING WITHIN THE BOUNDARIES OF A LOCAL GOVERNMENT AND ON ALL HOLDOVER CABLE OPERATORS THAT HOLD A LOCAL LICENSE THAT REMAINS IN EFFECT UNDER SECTION 9-1414, SUBSECTION A. UNDER THE LOCAL LAW, A LOCAL GOVERNMENT:

(a) MAY REQUIRE ALL VIDEO SERVICE PROVIDERS TO PROVIDE CHANNEL CAPACITY FOR THE VIDEO SERVICE PROVIDER TO TRANSMIT PROGRAMMING OVER WHICH THE VIDEO SERVICE PROVIDER EXERCISES NO EDITORIAL CONTROL EXCEPT AS AUTHORIZED BY 47 UNITED STATES CODE SECTION 531(e). THE CHANNEL CAPACITY SHALL BE LIMITED TO ONE OF THE FOLLOWING:

(i) NOT MORE THAN TWO CHANNELS OF PUBLIC, EDUCATIONAL OR GOVERNMENTAL ACCESS PROGRAMMING IN THE BASIC SERVICE TIER OF THE VIDEO SERVICE NETWORK AND NOT MORE THAN TWO CHANNELS OF NONCOMMERCIAL GOVERNMENTAL PROGRAMMING, AT LEAST ONE OF WHICH MAY BE PROGRAMMED BY THE FEDERAL GOVERNMENT, IN THE DIGITAL PROGRAMMING TIER OF THE VIDEO SERVICE NETWORK.

(ii) NOT MORE THAN TWO LINES OF ACCESS PROGRAMMING WITH EACH LINE OF PROGRAMMING CARRIED ON UP TO TWO STANDARD DEFINITION CHANNELS AND TWO SWITCHED DIGITAL HIGH-DEFINITION CHANNELS.

(b) SHALL SPECIFY THE PROGRAMMING AND THE VIDEO SERVICE PROVIDER MAY REQUIRE THAT THE CHANNELS REGULARLY DISPLAY AN UNOBTRUSIVE LOGO OR OTHER SUITABLE IDENTIFIER OF THE VIDEO SERVICE PROVIDER, IF THE LOCAL GOVERNMENT REQUIRES CHANNEL CAPACITY PURSUANT TO SUBDIVISION (a) OF THIS PARAGRAPH.

(c) MAY REQUIRE ALL VIDEO SERVICE PROVIDERS TO INCUR COSTS AND EXPENSES TO PROVIDE, MAINTAIN AND OPERATE FACILITIES AND EQUIPMENT OF THE VIDEO SERVICE NETWORK, INCLUDING FACILITIES AND EQUIPMENT FOR SIGNAL CARRIAGE, PROCESSING, REFORMATTING AND INTERCONNECTION FOR ALL OF THE FOLLOWING:

(i) TO CONNECT THE VIDEO SERVICE NETWORK OR CABLE SYSTEM, AS IT MAY BE RELOCATED FROM TIME TO TIME, TO TRANSMIT PROGRAMMING TO AND FROM EXISTING LOCATIONS OF PUBLIC, EDUCATIONAL OR GOVERNMENTAL ACCESS FACILITIES AND TO ALLOW MONITORING OF ACCESS PROGRAMMING AT THE FACILITIES.

(ii) TO TRANSMIT PUBLIC, EDUCATIONAL AND GOVERNMENTAL ACCESS CHANNELS TO SUBSCRIBERS WITH THE SAME PREVAILING QUALITY, FUNCTIONALITY AND IDENTIFICATION AS OTHER CHANNELS.

(d) MAY REQUIRE ALL VIDEO SERVICE PROVIDERS AND INCUMBENT CABLE OPERATORS TO PROVIDE AT NO INITIAL OR RECURRING CHARGE THE BASIC SERVICE
TIER OF VIDEO SERVICE TO ONE OUTLET AND ONE RECEIVING DEVICE AT EACH BUILDING OCCUPIED BY THE LOCAL GOVERNMENT IF THE BUILDING IS NOT MORE THAN TWO HUNDRED FEET FROM THE NEAREST TECHNICALLY AND COMMERCIALLY FEASIBLE POINT OF CONNECTION ON THE VIDEO SERVICE NETWORK.

2. A LOCAL GOVERNMENT MAY RETAIN NONRECEIVING EQUIPMENT THAT IT OWNS WITHOUT CHARGE FOR THE EQUIPMENT'S USE AND AT THE LOCAL GOVERNMENT'S EXPENSE, INCLUDING EQUIPMENT PREVIOUSLY PROVIDED BY AN INCUMBENT CABLE OPERATOR.

E. A LOCAL LAW MAY NOT IMPOSE ANY OBLIGATION ON A VIDEO SERVICE PROVIDER UNDER SUBSECTION D OF THIS SECTION THAT IS MORE BURDENSOME THAN THE LEAST BURDENSOME REQUIREMENT UNDER ANY LOCAL LICENSE WITH A SERVICE AREA WITHIN THE BOUNDARIES OF THE LOCAL GOVERNMENT THAT WAS IN EFFECT ON FEBRUARY 1, 2019.

F. NONE OF THE ANNUAL FAIR MARKET VALUE OF ANY CHANNEL CAPACITY PROVIDED PURSUANT TO SUBSECTION D, PARAGRAPH 1, SUBDIVISION (a), THE ANNUAL COSTS AND EXPENSES INCURRED PURSUANT TO SUBSECTION D, PARAGRAPH 1, SUBDIVISION (c) AND THE ANNUAL FAIR MARKET VALUE OF BASIC SERVICE AND LINE EXTENSION PROVIDED PURSUANT TO SUBSECTION D, PARAGRAPH 1, SUBDIVISION (d) MAY BE OFFSET AGAINST THE LICENSE FEE LEVIED OR ASSESSED UNDER THIS SECTION.

G. NOTWITHSTANDING SUBSECTION A OF THIS SECTION, BY A NONDISCRIMINATORY LOCAL LAW THAT IMPOSES AND ENFORCES THE OBLIGATIONS EQUALLY AND UNIFORMLY ON ALL VIDEO SERVICE PROVIDERS OPERATING WITHIN THE BOUNDARIES OF A LOCAL GOVERNMENT, A LOCAL GOVERNMENT MAY REQUIRE THAT A VIDEO SERVICE PROVIDER BEAR ALL OF THE REASONABLE COSTS THAT ARE ASSOCIATED WITH REPAIR AND RESTORATION OF DAMAGE CAUSED TO PRIVATE PROPERTY OR HIGHWAYS BY THE REPAIR, REPLACEMENT, INSTALLATION, CONSTRUCTION, MAINTENANCE OR OPERATION OF THE VIDEO SERVICE PROVIDER'S FACILITIES IN THE HIGHWAYS AND THAT ARE IMPOSED ON A COMPETITIVELY NEUTRAL AND NONDISCRIMINATORY BASIS IN RELATION TO COSTS BORNE BY TELECOMMUNICATIONS CORPORATIONS UNDER SECTION 9-582, SUBSECTION C.

H. ON APPLICATION A LOCAL GOVERNMENT SHALL ISSUE TO A VIDEO SERVICE PROVIDER OR ITS AFFILIATE A PERMIT TO ATTACH ALLOWED WI-FI RADIO EQUIPMENT TO THE VIDEO SERVICE NETWORK IN THE HIGHWAYS WITHIN THE BOUNDARIES OF THE LOCAL GOVERNMENT. THE PERMIT SHALL ALLOW INSTALLATION, OPERATION AND MAINTENANCE OF ALLOWED WI-FI RADIO EQUIPMENT. A LOCAL GOVERNMENT MAY REQUIRE THAT ALL OF THE ALLOWED WI-FI RADIO EQUIPMENT AT A SINGLE LOCATION FIT WITHIN A FIFTEEN-INCH CUBE AND BE CONTAINED ENTIRELY WITHIN A GROUND-MOUNTED PEDESTAL OR BE CONNECTED DIRECTLY TO AND MOUNTED AT THE SAME HEIGHT AS ONE OF THE VIDEO SERVICE PROVIDER'S AERIAL HORIZONTAL CONDUCTORS. THIS SUBSECTION DOES NOT DO ANY OF THE FOLLOWING:

1. PROHIBIT A LOCAL GOVERNMENT FROM REQUIRING A VIDEO SERVICE PROVIDER TO PLACE UNDERGROUND AERIAL FACILITIES TO WHICH ALLOWED WI-FI EQUIPMENT IS ATTACHED.
2. PROHIBIT THE IMPOSITION OF A TAX, RENT, FEE OR CHARGE ON REVENUE FROM SERVICES PROVIDED THROUGH ALLOWED WI-FI RADIO EQUIPMENT.

3. AFFECT THE AUTHORITY OF A LOCAL GOVERNMENT TO MANAGE THE HIGHWAYS WITHIN ITS BOUNDARIES OR TO EXERCISE ITS POLICE POWERS, INCLUDING REVIEW AND APPROVAL OF AN APPLICATION BEFORE ISSUING A PERMIT.

4. AFFECT ANY AUTHORITY OF A POLITICAL SUBDIVISION, INCLUDING AN AGRICULTURAL IMPROVEMENT DISTRICT OR ANY OTHER SPECIAL TAXING DISTRICT, THE LOCAL GOVERNMENT OR ANY OTHER PERSON CONTROLLING UTILITY POLES IN THE HIGHWAYS TO DENY, LIMIT, RESTRICT OR DETERMINE THE TERMS AND CONDITIONS FOR THE USE OF OR ATTACHMENT TO THE UTILITY POLES OR ATTACHMENTS TO OTHER POLES OF THE POLITICAL SUBDIVISION, LOCAL GOVERNMENT OR OTHER PERSON BY A VIDEO SERVICE PROVIDER.

I. THIS SECTION DOES NOT PROHIBIT A VIDEO SERVICE PROVIDER FROM AGREETING WITH A LOCAL GOVERNMENT TO PROVIDE IN-KIND SERVICES OR GOODS OR MAKE IN-KIND PAYMENTS IN THE SERVICE AREA THAT ARE OTHERWISE PROHIBITED BY THIS SECTION IF THE AGREEMENT WITH THE LOCAL GOVERNMENT IS NOT ENTERED INTO AS A CONDITION OF OPERATING IN THE SERVICE AREA UNDER A UNIFORM VIDEO SERVICE LICENSE ISSUED PURSUANT TO THIS CHAPTER. THE AGREEMENT MAY AUTHORIZE THE VIDEO SERVICE PROVIDER TO RETAIN LICENSE FEES AND TAXES COLLECTED FROM ITS SUBSCRIBERS IN THE AMOUNT OF ANY OFFSET TO LICENSE FEES SPECIFIED IN THE AGREEMENT.

J. FOR THE PURPOSES OF THIS SECTION, "ALLOWED WI-FI RADIO EQUIPMENT" MEANS RADIO EQUIPMENT THAT USES ONLY UNLICENSED RADIO SPECTRUM AND THAT ENABLES WIRELESS COMMUNICATION WITH A COMMUNICATIONS NETWORK FOR UNLICENSED SERVICES SUCH AS WI-FI SERVICE.

9-1443. License fee; requirements, conditions and limitations; pass through to subscribers

A. FOR THE PRIVILEGE OF A VIDEO SERVICE PROVIDER TO OCCUPY OR USE, IN WHOLE OR IN PART, ANY HIGHWAY WITHIN THE BOUNDARIES OF A LOCAL GOVERNMENT TO PROVIDE VIDEO SERVICE THROUGH A VIDEO SERVICE NETWORK, THE LOCAL GOVERNMENT MAY REQUIRE A VIDEO SERVICE PROVIDER TO PAY A LICENSE FEE TO THE LOCAL GOVERNMENT BASED ON THE GROSS REVENUE THAT THE VIDEO SERVICE PROVIDER RECEIVES FROM ITS SUBSCRIBERS LOCATED WITHIN THE BOUNDARIES OF THE LOCAL GOVERNMENT. THE LICENSE FEE BOTH:

1. IS SUBJECT TO THE LIMIT PRESCRIBED IN SECTION 9-1442, SUBSECTION B AND TO OFFSET, INCLUDING AMOUNTS COLLECTED FROM SUBSCRIBERS, AS PRESCRIBED BY SECTION 9-1442, SUBSECTIONS A AND I AND SUBSECTION D OF THIS SECTION.

2. SHALL BE DUE NO MORE OFTEN THAN QUARTERLY.

B. IF THE LOCAL GOVERNMENT REQUIRES A LICENSE FEE PURSUANT TO SUBSECTION A OF THIS SECTION, THE LOCAL GOVERNMENT SHALL ADOPT A LOCAL LAW THAT IMPOSES THE LICENSE FEE EQUALLY AND UNIFORMLY ON ALL OF THE FOLLOWING THAT ARE OPERATING WITHIN THE BOUNDARIES OF THE LOCAL GOVERNMENT:

1. VIDEO SERVICE PROVIDERS.

2. HOLDOVER CABLE OPERATORS.
C. A VIDEO SERVICE PROVIDER SHALL PAY THE ENTIRE AMOUNT OF THE LICENSE FEE DIRECTLY TO THE LOCAL GOVERNMENT IN A CHECK, DRAFT OR NOTE OR AUTOMATED CLEARING HOUSE TRANSACTION THAT IS PAYABLE IN LEGAL TENDER AS DEFINED IN SECTION 43-1021.

D. A VIDEO SERVICE PROVIDER MAY DO ALL OF THE FOLLOWING:

1. PASS THE LICENSE FEE THROUGH TO AND COLLECT THE LICENSE FEE FROM ITS SUBSCRIBERS WITHIN THE BOUNDARIES OF THE LOCAL GOVERNMENT, INCLUDING FOR AN INCUMBENT CABLE OPERATOR ANY CHANGE IN LICENSE FEES THAT RESULTS FROM A CHANGE IN THE APPLICABLE DEFINITION OF GROSS REVENUE.

2. DESIGNATE THE AMOUNT OF THE LICENSE FEE COLLECTED FROM EACH SUBSCRIBER AS A SEPARATE LINE ITEM ON THE SUBSCRIBER'S BILL.

9-1444. Ownership of a video service network

A. A CITY OR TOWN MAY NOT ACQUIRE AN OWNERSHIP INTEREST IN A VIDEO SERVICE NETWORK UNLESS THE OWNERSHIP INTEREST IS ACQUIRED AT NOT LESS THAN FAIR MARKET VALUE.

B. EXCEPT FOR THE PURPOSES OF ACTING AS AN INTERMEDIARY IN A TRANSFER OF A UNIFORM VIDEO SERVICE LICENSE, A COUNTY MAY NOT OWN A VIDEO SERVICE NETWORK.

9-1445. Review and audit; bundling discounts; action to recover underpayment or overpayment

A. NOT MORE THAN ONCE EVERY THREE YEARS, A LOCAL GOVERNMENT MAY ON REASONABLE WRITTEN NOTICE AUDIT THE BUSINESS BOOKS AND RECORDS OF A VIDEO SERVICE PROVIDER TO THE EXTENT NECESSARY TO ENSURE PAYMENT OF LICENSE FEES PURSUANT TO THIS CHAPTER. THE LOCAL GOVERNMENT MAY NOT AUDIT ANY PERIOD THAT ENDS MORE THAN THREE YEARS BEFORE THE DATE THAT THE NOTICE OF AUDIT IS RECEIVED. ANY AUDITS OF A PERIOD OF TIME BEFORE ISSUANCE OF A UNIFORM VIDEO SERVICE LICENSE SHALL BE CONDUCTED PURSUANT TO THE LOCAL LAWS IN EFFECT DURING THE PERIOD OF TIME.

B. EXCEPT AS OTHERWISE PROVIDED BY FEDERAL LAW, IF A VIDEO SERVICE PROVIDER OFFERS VIDEO SERVICE BUNDLED WITH OTHER SERVICES THAT ARE NOT VIDEO SERVICE FOR A SINGLE DISCOUNTED PRICE, ALL OF THE FOLLOWING APPLY:

1. THE METHOD THAT THE VIDEO SERVICE PROVIDER USES TO DETERMINE GROSS REVENUE SUBJECT TO LICENSE FEES BY ALLOCATING THE SINGLE DISCOUNTED PRICE AMONG THE BUNDLE OF VIDEO SERVICE AND NONVIDEO SERVICES SHALL BE REASONABLE AND SUPPORTED BY THE VIDEO SERVICE PROVIDER'S BOOKS AND RECORDS.

2. THE LOCAL GOVERNMENT SHALL ACCEPT AS REASONABLE, FOR PURPOSES OF MEETING THE VIDEO SERVICE PROVIDER'S BURDEN OF PROOF, AN ALLOCATION BASED ON AN OBJECTIVE AND VERIFIABLE METHOD USING THE BOOKS AND RECORDS THAT THE VIDEO SERVICE PROVIDER KEPT IN THE REGULAR COURSE OF BUSINESS FOR OTHER PURPOSES, INCLUDING NONTAX PURPOSES.

3. A VIDEO SERVICE PROVIDER MAY NOT USE BUNDLED OFFERINGS AS A MEANS TO EVADE PAYING LICENSE FEES.

C. THE LOCAL GOVERNMENT AND THE VIDEO SERVICE PROVIDER SHALL EACH PAY ITS OWN COSTS AND FEES RELATING TO EACH AUDIT PERFORMED PURSUANT TO
SUBSECTION A OF THIS SECTION. IF THE SUM DETERMINED TO BE UNDERPAID
EXCEEDS FIVE PERCENT OF THE TOTAL FEES THAT THE AUDIT DETERMINES SHOULD
HAVE BEEN PAID FOR THE PERIOD, THE VIDEO SERVICE PROVIDER SHALL PAY THE
LOCAL GOVERNMENT'S REASONABLE COSTS OF THE AUDIT.

D. THE RATE OF INTEREST FOR BOTH UNDERPAYMENTS AND OVERPAYMENTS IS
THE FEDERAL SHORT-TERM RATE DETERMINED PURSUANT TO 26 UNITED STATES CODE
SECTION 6621(b), PLUS THREE PERCENTAGE POINTS.

E. A PERSON THAT PERFORMS A REVIEW AND AUDIT UNDER SUBSECTION A OF
THIS SECTION MAY NOT RECEIVE COMPENSATION THAT IS BASED, IN WHOLE OR IN
PART, ON EITHER OF THE FOLLOWING:
1. FINDING A PARTICULAR RESULT.
2. THE AMOUNT OF ANY UNDERPAYMENT OR OVERPAYMENT OF THE LICENSE FEE
THAT IS IDENTIFIED BECAUSE OF THE REVIEW AND AUDIT.

F. A COMPLAINT BY A LOCAL GOVERNMENT FOR UNDERPAYMENT OF A LICENSE
FEE FROM A VIDEO SERVICE PROVIDER OR BY A VIDEO SERVICE PROVIDER FOR
OVERPAYMENT OF A LICENSE FEE TO A LOCAL GOVERNMENT SHALL BE MADE PURSUANT
TO ARTICLE 5 OF THIS CHAPTER.

G. A COMPLAINT FOR A VIOLATION OF THE LICENSE FEE OBLIGATIONS UNDER
THIS CHAPTER MAY NOT BE MADE UNLESS A WRITTEN DEMAND BY A LOCAL GOVERNMENT
FOR PAYMENT OF THE LICENSE FEES OR A WRITTEN DEMAND BY A VIDEO SERVICE
PROVIDER FOR REFUND OF LICENSE FEES IS MADE WITHIN FOUR MONTHS AFTER THE
LOCAL GOVERNMENT OR VIDEO SERVICE PROVIDER REALIZES IT HAS BEEN DAMAGED OR
KNOWS OR REASONABLY SHOULD KNOW OF THE DAMAGE CAUSED BY THE ALLEGED
VIOLATION.

H. A COMPLAINT MUST BE FILED PURSUANT TO ARTICLE 5 OF THIS CHAPTER
WITHIN TWO YEARS AFTER THE WRITTEN DEMAND IS MADE PURSUANT TO THIS
SUBSECTION BUT NOT SOONER THAN FOUR MONTHS AFTER THE WRITTEN DEMAND.

ARTICLE 5. ENFORCEMENT

9-1451. Enforcement; office of administrative hearings; fees; fund

A. A LOCAL GOVERNMENT MAY FILE A WRITTEN COMPLAINT AGAINST A VIDEO
SERVICE PROVIDER AND A VIDEO SERVICE PROVIDER MAY FILE A WRITTEN COMPLAINT
AGAINST A LOCAL GOVERNMENT ALLEGING A VIOLATION OF THIS CHAPTER OR THE
UNIFORM VIDEO SERVICE LICENSE AGREEMENT. UNLESS OTHERWISE PROVIDED IN
SECTION 9-1445, SUBSECTIONS F, G AND H OR THIS SECTION:
1. ALL COMPLAINTS MUST BE FILED WITH THE OFFICE OF ADMINISTRATIVE
HEARINGS.

2. THE COMPLAINANT MUST SERVE A COPY OF THE COMPLAINT ON THE PARTY
THAT IS THE SUBJECT OF THE COMPLAINT BY PERSONAL DELIVERY OR CERTIFIED
MAIL, RETURN RECEIPT REQUESTED, OR BY ANY OTHER METHOD REASONABLY
CALCULATED TO EFFECT ACTUAL NOTICE TO THE LOCAL GOVERNMENT'S LAST ADDRESS
OF RECORD FOR THE PARTY THAT IS THE SUBJECT OF THE COMPLAINT.

3. THE PARTY THAT IS THE SUBJECT OF THE COMPLAINT MAY FILE A
RESPONSE TO THE COMPLAINT WITH THE OFFICE OF ADMINISTRATIVE HEARINGS
WITHIN TWENTY DAYS AFTER SERVICE PURSUANT TO PARAGRAPH 2 OF THIS
SUBSECTION. RESPONSES SHALL BE SERVED PURSUANT TO PARAGRAPH 2 OF THIS
SUBSECTION.

B. BEFORE FILING A COMPLAINT PURSUANT TO THIS SECTION ALL OF THE
FOLLOWING APPLY:
   1. THE COMPLAINANT MUST PROVIDE NOTICE OF THE ALLEGED VIOLATION OF
      THIS CHAPTER TO THE PARTY THAT IS THE SUBJECT OF THE COMPLAINT.
   2. THE PARTY THAT IS THE SUBJECT OF THE COMPLAINT MUST HAVE A
      PERIOD OF NOT LESS THAN TWENTY DAYS AFTER THE DATE IT RECEIVES THE NOTICE
      TO RESOLVE THE ALLEGED VIOLATION.

C. A HEARING BEFORE THE OFFICE OF ADMINISTRATIVE HEARINGS SHALL BE
   HELD IF A COMPLAINT THAT COMPLIES WITH THIS SECTION IS FILED WITH THE
   OFFICE OF ADMINISTRATIVE HEARINGS. UNLESS OTHER DEADLINES ARE ESTABLISHED
   FOR A PARTICULAR COMPLAINT, ALL OF THE FOLLOWING APPLY:
   1. THE HEARING SHALL BE HELD WITHIN TWO MONTHS AFTER THE DATE THAT
      THE COMPLAINT IS FILED AND SERVICE IS COMPLETED PURSUANT TO SUBSECTION A
      OF THIS SECTION.
   2. THE DATE SCHEDULED FOR THE HEARING MAY BE ADVANCED OR DELAYED ON
      THE AGREEMENT OF THE PARTIES OR ON A SHOWING OF GOOD CAUSE.

D. THE OFFICE OF ADMINISTRATIVE HEARINGS SHALL PREPARE AND SERVE A
   NOTICE OF HEARING ON ALL PARTIES AT LEAST ONE MONTH BEFORE THE HEARING
   THAT STATES THE TIME AND PLACE OF THE HEARING.

E. A PREHEARING CONFERENCE MAY BE HELD PURSUANT TO SECTION
   41-1092.05.

F. UNLESS IT CONFLICTS WITH THE REQUIREMENTS OF THIS SECTION, THE
   HEARING SHALL BE CONDUCTED PURSUANT TO SECTION 41-1092.07.

G. THE COMPLAINANT HAS THE BURDEN OF PERSUASION AT A HEARING UNDER
   THIS SECTION.

H. THE DECISION OF THE ADMINISTRATIVE LAW JUDGE IS THE FINAL
   ADMINISTRATIVE DECISION WITH RESPECT TO THE COMPLAINT. THE OFFICE OF
   ADMINISTRATIVE HEARINGS SHALL SERVE A COPY OF THE ADMINISTRATIVE LAW
   JUDGE'S DECISION ON ALL PARTIES. THE FINAL ADMINISTRATIVE DECISION MAY BE
   APPEALED TO THE SUPERIOR COURT PURSUANT TO TITLE 12, CHAPTER 7, ARTICLE 6.
   NOTWITHSTANDING SECTION 12-910, THE SUPERIOR COURT PROCEEDING SHALL BE A
   TRIAL DE NOVO.

I. A PARTY MAY MOVE FOR REHEARING PURSUANT TO SECTION 41-1092.09
   AND THE OFFICE OF ADMINISTRATIVE HEARINGS SHALL RULE ON THE MOTION. MOVING
   FOR REHEARING OR REVIEW IS NOT NECESSARY FOR THE PARTY TO SEEK JUDICIAL
   REVIEW OF THE DECISION OF THE ADMINISTRATIVE LAW JUDGE UNDER SUBSECTION H
   OF THIS SECTION.

J. SERVICE IS COMPLETE ON PERSONAL SERVICE OR FIVE DAYS AFTER THE
   DATE THAT THE OFFICE OF ADMINISTRATIVE HEARINGS MAILS THE FINAL
   ADMINISTRATIVE DECISION TO EACH PARTY'S LAST KNOWN ADDRESS OF RECORD WITH
   THE LOCAL GOVERNMENT.

K. THE OFFICE OF ADMINISTRATIVE HEARINGS SHALL ADOPT RULES PURSUANT
   TO TITLE 41, CHAPTER 6 TO ADMINISTER HEARINGS UNDER THIS CHAPTER.
L. The Office of Administrative Hearings shall establish, administer and collect fees in an amount to be determined by the Director of the Office of Administrative Hearings. The Director shall deposit, pursuant to sections 35-146 and 35-147, all monies in the Video Service Provider Complaint Fund established by subsection M of this section.

M. The Video Service Provider Complaint Fund is established consisting of monies collected pursuant to subsection L of this section. The Office of Administrative Hearings shall administer the fund. Monies in the fund are continuously appropriated. The Office of Administrative Hearings shall use the monies in the fund for the purpose of administering the duties specified in this article.

9-1452. Statute of limitations; costs and attorney fees; federal subscriber service requirements

A. Except as provided in section 9-1445, subsections F, G and H, a complaint under this article must be filed within two years after the complainant realizes it has been damaged and knows or reasonably should know the cause, source, act, event, instrumentality or condition that caused or contributed to the alleged violation.

B. Each party to a dispute under this chapter shall bear its own attorney fees and costs.

C. This article does not apply to claims that a video service provider has failed to meet subscriber service standards prescribed by section 9-1433, subsection B, paragraph 5 or has violated title 44, chapter 10, article 7. Claims of violations of federal subscriber service standards shall be made pursuant to the procedure established under federal law.

Sec. 2. Section 41-1092.01, Arizona Revised Statutes, is amended to read:

41-1092.01. Office of administrative hearings; director; powers and duties; fund

A. An office of administrative hearings is established.

B. The governor shall appoint the director pursuant to section 38-211. At a minimum, the director shall have the experience necessary for appointment as an administrative law judge. The director also shall possess supervisory, management and administrative skills, as well as knowledge and experience relating to administrative law.

C. The director shall:

1. Serve as the chief administrative law judge of the office.

2. Make and execute the contracts and other instruments that are necessary to perform the director’s duties.

3. Subject to chapter 4, article 4 of this title, hire employees, including full-time administrative law judges, and contract for special services, including temporary administrative law judges, that are necessary to carry out this article. An administrative law judge employed or contracted by the office shall have graduated from an accredited
college of law or shall have at least two years of administrative or
managerial experience in the subject matter or agency section the
administrative law judge is assigned to in the office.

4. Make rules that are necessary to carry out this article,
including rules governing ex parte communications in contested cases.

5. Submit a report to the governor, speaker of the house of
representatives and president of the senate by November 1 of each year
describing the activities and accomplishments of the office. The
director's annual report shall include a summary of the extent and effect
of agencies' utilization of administrative law judges, court reporters and
other personnel in proceedings under this article and recommendations for
changes or improvements in the administrative procedure act or any
agency's practice or policy with respect to the administrative procedure
act.

6. Secure, compile and maintain all decisions, opinions or reports
of administrative law judges issued pursuant to this article and the
reference materials and supporting information that may be appropriate.

7. Develop, implement and maintain a program for the continuing
training and education of administrative law judges and agencies in regard
to their responsibilities under this article. The program shall require
that an administrative law judge receive training in the technical and
subject matter areas of the sections to which the administrative law judge
is assigned.

8. Develop, implement and maintain a program of evaluation to aid
the director in the evaluation of administrative law judges appointed
pursuant to this article that includes comments received from the public.

9. Annually report the following to the governor, the president of
the senate and the speaker of the house of representatives by December 1
for the prior fiscal year:

(a) The number of administrative law judge decisions rejected or
modified by agency heads.

(b) By category, the number and disposition of motions filed
pursuant to section 41-1092.07, subsection A to disqualify office
administrative law judges for bias, prejudice, personal interest or lack
of expertise.

(c) By agency, the number and type of violations of section
41-1009.

10. Schedule hearings pursuant to section 41-1092.05 upon the
request of an agency or the filing of a notice of appeal pursuant to
section 41-1092.03.

D. The director shall not require legal representation to appear
before an administrative law judge.

E. Except as provided in subsection F of this section, all state
agencies supported by state general fund sources, unless exempted by this
article, and the registrar of contractors shall use the services and
personnel of the office to conduct administrative hearings. All other agencies shall contract for services and personnel of the office to conduct administrative hearings.

F. An agency head, board or commission that directly conducts an administrative hearing as an administrative law judge is not required to use the services and personnel of the office for that hearing.

G. Each state agency, and each political subdivision contracting for office services pursuant to subsection I of this section, shall make its facilities available, as necessary, for use by the office in conducting proceedings pursuant to this article.

H. The office shall employ full-time administrative law judges to conduct hearings required by this article or other laws as follows:
   1. The director shall assign administrative law judges from the office to an agency, on either a temporary or a permanent basis, at supervisory or other levels, to preside over contested cases and appealable agency actions in accordance with the special expertise of the administrative law judge in the subject matter of the agency.
   2. The director shall establish the subject matter and agency sections within the office that are necessary to carry out this article. Each subject matter and agency section shall provide training in the technical and subject matter areas of the section as prescribed in subsection C, paragraph 7 of this section.

I. If the office cannot furnish an office administrative law judge promptly in response to an agency request, the director may contract with qualified individuals to serve as temporary administrative law judges. These temporary administrative law judges are not employees of this state.

J. The office may provide administrative law judges on a contract basis to any governmental entity to conduct any hearing not covered by this article. The director may enter into contracts with political subdivisions of this state, and these political subdivisions may contract with the director for the purpose of providing administrative law judges and reporters for administrative proceedings or informal dispute resolution. The contract may define the scope of the administrative law judge's duties. Those duties may include the preparation of findings, conclusions, decisions or recommended decisions or a recommendation for action by the political subdivision. For these services, the director shall request payment for services directly from the political subdivision for which the services are performed, and the director may accept payment on either an advance or reimbursable basis.

K. The office shall apply monies received pursuant to subsections E and J of this section to offset its actual costs for providing personnel and services.
L. THE OFFICE SHALL RECEIVE COMPLAINTS AGAINST A LOCAL GOVERNMENT OR VIDEO SERVICE PROVIDER AS DEFINED IN SECTION 9-1401 AND SHALL COMPLY WITH THE DUTIES IMPOSED ON THE OFFICE PURSUANT TO TITLE 9, CHAPTER 13.

Sec. 3. Legislative findings

Pursuant to section 41-1107, Arizona Revised Statutes, the legislature has determined that it is reasonable and necessary to promote a matter of statewide concern by regulating the licensure and provision of video service to promote all of the following:

1. Provision of competitive video, telecommunications and information service throughout this state.

2. More uniform regulation of competitive video service throughout this state.

3. Streamlined licensing by local governments and more uniform terms and conditions for video service providers that use highways to provide video and other services over video service networks.

4. Continued management of local governments' use of their highways with reasonable burdens on construction and maintenance across boundaries between local governments for video service providers to use highways.

5. Continued levying of license fees by local governments on subscriber service revenues derived from operating video service networks to provide video service.


APPROVED BY THE GOVERNOR MAY 16, 2018.