

SECOND REGULAR SESSION

[TRULY AGREED TO AND FINALLY PASSED]

HOUSE BILL NO. 2057

102ND GENERAL ASSEMBLY

4052H.01T

2024

AN ACT

To repeal section 67.2677, RSMo, and to enact in lieu thereof one new section relating to municipal franchise fees for video service providers.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Section 67.2677, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 67.2677, to read as follows:

67.2677. 1. For purposes of sections 67.2675 to 67.2714, the following terms mean:

(1) "Cable operator", as defined in 47 U.S.C. Section 522(5);

(2) "Cable system", as defined in 47 U.S.C. Section 522(7);

(3) "Franchise", an initial authorization, or renewal of an authorization, issued by a franchising entity, regardless of whether the authorization is designated as a franchise, permit, license, resolution, contract, certificate, agreement, or otherwise, that authorizes the provision of video service and any affiliated or subsidiary agreements related to such authorization;

(4) "Franchise area", the total geographic area authorized to be served by an incumbent cable operator in a political subdivision as of August 28, 2007, or, in the case of an incumbent local exchange carrier, as such term is defined in 47 U.S.C. Section 251(h), or affiliate thereof, the area within such political subdivision in which such carrier provides telephone exchange service;

(5) "Franchise entity", a political subdivision that was entitled to require franchises and impose fees on cable operators on the day before the effective date of sections 67.2675 to 67.2714, provided that only one political subdivision may be a franchise entity with regard to a geographic area;

(6) (a) "Gross revenues", limited to amounts billed to video service subscribers for the following:

EXPLANATION — Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

- 19 a. Recurring charges for video service; and
- 20 b. Event-based charges for video service, including but not limited to pay-per-view
- 21 and video-on-demand charges;
- 22 (b) "Gross revenues" do not include:
- 23 a. Discounts, refunds, and other price adjustments that reduce the amount of
- 24 compensation received by an entity holding a video service authorization;
- 25 b. Uncollectibles;
- 26 c. Late payment fees;
- 27 d. Amounts billed to video service subscribers to recover taxes, fees, or surcharges
- 28 imposed on video service subscribers or video service providers in connection with the
- 29 provision of video services, including the video service provider fee authorized by this
- 30 section;
- 31 e. Fees or other contributions for PEG or I-Net support;
- 32 f. Charges for services other than video service that are aggregated or bundled with
- 33 amounts billed to video service subscribers, if the entity holding a video service authorization
- 34 reasonably can identify such charges on books and records kept in the regular course of
- 35 business or by other reasonable means;
- 36 g. Rental of set top boxes, modems, or other equipment used to provide or facilitate
- 37 the provision of video service;
- 38 h. Service charges related to the provision of video service including, but not limited
- 39 to, activation, installation, repair, and maintenance charges;
- 40 i. Administrative charges related to the provision of video service including, but not
- 41 limited to, service order and service termination charges; or
- 42 j. A pro rata portion of all revenue derived from advertising, less refunds, rebates, or
- 43 discounts;
- 44 (c) Except with respect to the exclusion of the video service provider fee, gross
- 45 revenues shall be computed in accordance with generally accepted accounting principles;
- 46 (7) "Household", an apartment, a house, a mobile home, or any other structure or part
- 47 of a structure intended for residential occupancy as separate living quarters;
- 48 (8) "Incumbent cable operator", the cable service provider serving cable subscribers
- 49 in a particular franchise area on September 1, 2007;
- 50 (9) "Low-income household", a household with an average annual household income
- 51 of less than thirty-five thousand dollars;
- 52 (10) "Person", an individual, partnership, association, organization, corporation, trust,
- 53 or government entity;
- 54 (11) "Political subdivision", a city, town, village, county;

55 (12) "Public right-of-way", the area of real property in which a political subdivision
56 has a dedicated or acquired right-of-way interest in the real property, including the area on,
57 below, or above the present and future streets, alleys, avenues, roads, highways, parkways, or
58 boulevards dedicated or acquired as right-of-way and utility easements dedicated for
59 compatible uses. The term does not include the airwaves above a right-of-way with regard to
60 wireless telecommunications or other nonwire telecommunications or broadcast service;

61 (13) "Video programming", programming provided by, or generally considered
62 comparable to programming provided by, a television broadcast station, as set forth in 47
63 U.S.C. Section 522(20);

64 (14) "Video service", the provision, **by a video service provider**, of video
65 programming provided through wireline facilities located at least in part in the public right-
66 of-way without regard to delivery technology, including internet protocol technology whether
67 provided as part of a tier, on demand, or **on** a per-channel basis. This definition includes
68 cable service as defined by 47 U.S.C. Section 522(6), but does not include any video
69 programming provided by a commercial mobile service provider defined in 47 U.S.C. Section
70 332(d), or any video programming [~~provided solely as part of and~~] **accessed** via a service that
71 enables users to access content, information, electronic mail, or other services offered over
72 the ~~public~~ internet, **including streaming content**;

73 (15) "Video service authorization", the right of a video service provider or an
74 incumbent cable operator that secures permission from the public service commission
75 pursuant to sections 67.2675 to 67.2714, to offer video service to subscribers in a political
76 subdivision;

77 (16) "Video service network", wireline facilities, or any component thereof, located at
78 least in part in the public right-of-way that deliver video service, without regard to delivery
79 technology, including internet protocol technology or any successor technology. The term
80 video service network shall include cable systems;

81 (17) "Video service provider", any person that distributes video service through a
82 video service network pursuant to a video service authorization;

83 (18) "Video service provider fee", the fee imposed under section 67.2689.

84 2. The repeal and reenactment of this section shall become effective August 28, 2023.

✓