

REVISED
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SUPPLEMENTAL NOTE ON SENATE BILL NO. 144

As Recommended by Senate Committee on
Utilities

Brief*

SB 144 would amend the definition of “video service” in the Video Competition Act.

The bill would clarify within the definition of “video service,” that for video programming services provided through wireline facilities located at least in part in the public rights of way, the services would be provided by a video services provider through wireline facilities owned, controlled, constructed, or operated by the provider of the video service.

The bill would add two exceptions to the definition, to state “video service” does not include any video programming provided by:

- A provider of direct-to-home satellite services that are transmitted from a satellite directly to a customer’s premises without using or accessing any portion of the public right-of-way; or
- A provider of video programming accessed through a service that enables users to access content, information, email, or other services offered over the internet, including streaming content.

The bill would also make technical amendments.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Background

The bill was introduced by the Senate Committee on Utilities at the request of Senator Olson.

Senate Committee on Utilities

In the Senate Committee hearing, a representative of DISH Network and DIRECTV provided **proponent** testimony on the bill, stating the bill would clarify existing law to ensure municipalities cannot collect cable franchise fees from streaming companies; no city in the state or country has collected franchise fees to date.

Written-only neutral testimony was provided by a representative of the League of Kansas Municipalities.

Written-only **opponent** testimony was provided by representatives of the cities of Merriam, Mission, Overland Park, Prairie Village, and Westwood.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget, the Kansas Corporation Commission indicates the bill would reduce agency fee revenues by \$4,000 in FY 2024 and subsequent fiscal years. Under current law, video service authorization application filing fees are \$1,000 and amendment filing fees are \$250. On average, the agency receives two applications and eight amendments each year, and such filing would no longer be made under the bill. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2024 Governor's Budget Report*.

The League of Kansas Municipalities indicates that enactment of the bill would reduce local government revenues by unknown amounts. According to the Kansas Association of Counties, enactment of the bill could reduce

county revenues if a county receives franchise fees from satellite or streaming services, but such arrangements are uncommon.

Video Competition Act; broadcast satellite services; video programming delivered over the internet; streaming services