

Legislative Analysis



MODIFY DEFINITION OF VIDEO SERVICE

Phone: (517) 373-8080
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House Bill 4965 as reported from committee

Sponsor: Rep. Joey Andrews

Committee: Regulatory Reform

Revised 10-10-23

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 4965 would amend the Uniform Video Services Act to provide that the term *video services*, as used in the act, does not include direct-to-home satellite services or streaming content and to specify that it only includes services provided by a video service provider.

The act requires video providers to enter into a franchise agreement with a local unit of government before offering *video services* within the local unit's boundaries.

Video service now means programming, cable services, internet protocol television (IPTV), or open video system (OVS) as defined in 47 USC 573¹ provided through facilities located at least in part in the public rights-of-way without regard to delivery technology, including internet protocol technology. It does not include any video programming provided by a commercial mobile service provider defined in 47 USC 332(d)² or provided solely as part of, and through, a service that enables users to access content, information, electronic mail, or other services offered over the internet.

The bill would modify this definition to provide that video service includes only video programming, cable services, IPTV, or OVS *provided by a video service provider*. It would also specify that video service does not include direct-to-home satellite services as defined in 47 USC 303(v)³ or streaming content.

MCL 484.3301

BRIEF DISCUSSION:

According to supporters of the bill, it is intended to restate the current language more clearly to specify that streaming services are not included in video services.

Opponents of the bill argue that the bill would change current law to except streaming services because the current language requires any provider that uses the public right-of-way to deliver video services (including streaming) is required to pay a franchise fee for the use of the right-of-way.

In addition, opponents of the bill argue that allowing streaming services to be exempt from these fees would place the cost for maintaining the right-of-way infrastructure on the taxpayers,

¹ <https://www.law.cornell.edu/uscode/text/47/573>

² <https://www.law.cornell.edu/uscode/text/47/332>

³ https://www.law.cornell.edu/definitions/uscode.php?width=840&height=800&iframe=true&def_id=47-USC-1886400918-895978877&term_occur=999&term_src=title:47:chapter:5:subchapter:III:part:I:section:303

rather than the businesses that rely on it. They also contend that these fees are often used to fund important local services.

Others countered that mandating these fees for streaming services would just result in them passing the cost along and raising prices for consumers.

FISCAL IMPACT:

House Bill 4965 would not have a direct fiscal impact on the state or any local government units, to the extent that the bill would not require any new expenditures or directly create new revenue. However, the bill could have an indirect impact, to the extent that the more limited scope of the “video service” definition in the bill could influence future agreements and fee collections from video service providers, though this impact would be dependent on several factors and is currently indeterminate.

POSITIONS:

A representative of DISH Network and Direct TV testified in support of the bill. (9-26-23)

Representatives of the following entities testified in opposition to the bill (9-26-23):

- PROTEC
- Michigan Community Media Association
- WKTV
- Orion Neighborhood Television

The following entities indicated opposition to the bill:

- Michigan Municipal League (9-26-23)
- Michigan Townships Association (9-26-23)
- Waterford Township (9-26-23)
- Oxford Community Television (9-26-23)
- Orion Township (9-26-23)
- Community Television Network Ann Arbor (10-10-23)
- Marine City (10-10-23)
- City of St. Clair (10-10-23)
- City of Livonia (10-10-23)
- City of Clare (10-10-23)
- Independence Charter Township (10-10-23)
- Cottrellville Township (10-10-23)

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.