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BILL ANALYSIS

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Senate Bill 636 (as introduced 7-17-07)
Sponsor: Senator Buzz Thomas
Committee: Energy Policy and Public Utilities

Date Completed: 9-19-07

CONTENT

The bill would amend the Uniform Video Services Local Franchise Act to revise the fee a video service provider must pay to the franchising entity for public, education, and government access facilities and services.

The Act prohibits a person from providing video services (such as video programming or cable services) in any local unit of government without first obtaining a uniform video service local franchise. A video service provider must pay the franchising entity (the local unit of government) an annual video service provider fee, as well as an annual fee to support the cost of public, education, and government access facilities and services. This fee must equal one of the following:

- If there was an existing franchise agreement on January 1, 2007, the fee paid to the franchising entity by the incumbent video provider with the largest number of cable service subscribers in the franchising entity as determined by the existing franchise agreement.
- At the expiration of the existing agreement, the amount described above not to exceed 2% of gross revenue.
- If there was no existing franchise agreement, a percentage of gross revenue as established by the franchising entity not to exceed 2% of gross revenue.
- An amount agreed to by the franchising entity and the video service provider.

Under the bill, the fee would have to be equal to one of the following:

- If a provider were operating under an existing agreement on January 1, 2007, the fee as determined by the existing agreement until the agreement expired.
- At the expiration of the existing agreement, an amount established by the franchising entity not to exceed 2% of gross revenue.
- If there were no existing franchise agreement, or at the time on or after January 1, 2007, that a provider entered into or possessed a uniform video service local franchise agreement, an amount established by the franchising entity not to exceed 2% of gross revenue.
- An amount agreed to by the franchising entity and the video service provider.

MCL 484.3306

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: David Zin

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