

AGENDA ITEM #: _____

DATE: June 10, 2019

CAR #: 2019-6654



CITY COUNCIL ACTION REPORT

SUBJECT: APPROVE UNIFORM VIDEO SERVICE LICENSE AGREEMENT, APPLICATION AND AFFIDAVIT FORM

STAFF PRESENTER(S): Linda Beals, Real Estate Coordinator

OTHER PRESENTER(S): None

Summary: Approve Uniform Video Service License Agreement along with the Application and Affidavit Form pursuant to new state law requiring local governments to adopt a standard form of application and agreement.

Recommendation:

ADOPT RESOLUTION NO. 2019-1965 APPROVING UNIFORM STANDARD FORMS FOR VIDEO SERVICE LICENSING APPLICATION, AFFIDAVIT AND LICENSE AGREEMENT AND AUTHORIZING THE CITY MANAGER OR DESIGNEE TO NEGOTIATE AND EXECUTE LICENSE AGREEMENTS IN ACCORDANCE WITH APPLICABLE LAWS.

Fiscal Impact: This change in state law will affect the amount of revenue received from each cable provider. Pursuant to state law, the provider's overall license fee and the transaction privilege tax may not exceed 5% of the provider's gross revenue received from local subscribers. Additionally, any additional fees, assessed by the city, must be deducted from the provider's total license fee. The law also prohibits the city from requiring in-kind services from providers.

Background and Previous Actions

On May 16, 2018, the Arizona State Legislature enacted SB1140 (Laws 2018, 2nd Reg. Sess. Ch. 331 section 1), Fifty Third legislature. According the legislative findings, the newly enacted provision will streamline the video services licensing process and provide for statewide uniform agreement terms and conditions for video service providers that use city right of ways and highways for equipment. The law requires local governments to adopt a statewide uniform licensing application, affidavit and agreement by July 1, 2019. Beginning January 1, 2020, video service providers may submit applications utilizing the uniform documents and streamlined process.

The other major components of the law are as follows:

- Provides specific timeframes for application review and denial.
- Limits the city's ability to assess cable licensing fees. The fee cannot exceed 5% of the provider's gross revenues received from subscribers located within city boundaries. The total license fee and transaction privilege tax may not exceed the 5%.
- In-kind services may be negotiated by the city but cannot be required as a condition of the license.
- Limits local government channel capacity.
- Requires provider to provide basic video service to one outlet and one receiving device at each government building.
- Provides for a 10-year license term for each license.
- Requires compliance with customer service standards as set forth in federal law.
- Authorizes the finalization of the license agreement without council approval.

Staff Analysis

The proposed Uniform Video Service Licensing Agreement, Application and Affidavit form will allow the city to comply with the new State law. The application and agreement will be used for current and future cable providers utilizing the city's right of way for the providers' equipment.

Attachments

Resolution 2019-1965

Exhibit A - Uniform Video Service License Agreement

Exhibit B – Uniform Video Service License Application and Affidavit