HCS SS SCS SB 284 -- VIDEO SERVICE REGULATIONS

This bill establishes the 2007 Video Services Providers Act which changes the laws regarding new video franchise agreements. In its main provisions, the bill:

(1) Requires the Missouri Public Service Commission to regulate video service by issuing video service certificates that grant authority to construct networks and provide service within political subdivisions. Currently, political subdivisions enter into separate franchise agreements with the video service providers;

(2) Allows existing video service providers to provide service under existing agreements with political subdivisions until the agreements expire, apply for a new video service authorization, or convert their existing franchise into a video service authorization. The holder of a video service authorization may terminate the authorization or transfer it to another party upon notice to the commission;

(3) Allows political subdivisions to collect a service fee of up to 5% of the gross revenue of each video service provider, but the fees for all video service providers in the franchise area must be the same. Political subdivisions may adjust fees yearly by providing 90 days' notice to providers. A schedule for the payment of fees is specified and providers are allowed to charge customers for the tax if it is itemized on the customer's bill;

(4) Allows political subdivisions to conduct audits of video service providers and engage in mediation with providers in order to resolve customer disputes. Procedures for audits, mediation, and court challenges are specified;

(5) Requires the commission to make a report on the implementation of the provisions of the bill, including customer comments, to the General Assembly by August 28, 2008, and annually thereafter for three years;

(6) Specifies detailed requirements that allow political subdivisions to require a provider to offer noncommercial public, educational, and governmental (PEG) channels. New and existing providers will be required to meet the same criteria for providing PEG channels. Existing providers must fulfill their obligations to PEG channels until their existing contract expires or January 1, 2012, whichever is earlier;

(7) Requires new providers to serve low-income households in their franchise areas by establishing a target of 25% service to low-income homes within three years and 30% service within five

years. Providers having more than one million access lines in this state will have to meet the 25% target in three years and a 50% target within six years. The commission may waive these low-income service requirements in certain cases; and

(8) Allows political subdivisions to retain reasonable regulation of their public rights-of-way and the placement of video service equipment.