Present law establishes a franchise fee, of up to 5% of gross revenues, be imposed by local governments for licensees of cable services and video programming provided through wireline facilities located at least in part in the public rights of way. Present law excludes certain video programming from the local franchise tax. Proposed law adds to the list of exclusions streaming services and direct broadcast satellite services.

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

There is no anticipated direct material effect on governmental revenues as a result of this measure. Proposed law clarifies present law by explicitly stating that streaming services and direct broadcast satellite services are not to be included in the definition of cable service and video programming and thus these service providers cannot be assessed a franchise fee. According to committee testimony, franchise fees have never been assessed on streaming services and direct broadcast satellites.