

SUBJECT: Termination of franchises to provide cable service in municipalities.

COMMITTEE: State Affairs — favorable, without amendment

VOTE: 7 ayes — Cook, Farrar, Frullo, Geren, Hilderbran, Huberty, Smithee
2 nays — Craddick, Harless
2 absent — Menéndez, Oliveira
2 present not voting — Giddings, Turner

SENATE VOTE: On final passage, March 13 — 31-0, on Local and Uncontested Calendar

WITNESSES: For — (*Registered, but did not testify:* Jeff Burdett, Texas Cable Association)
Against — None

BACKGROUND: Under certain circumstances, Utilities Code, ch. 66 prevents cable and video service providers from switching from a municipal franchise agreement to a statewide franchise agreement. Cable and video providers claimed in *Time Warner vs. Hudson* that such a restriction was unconstitutional. Time Warner, et al. prevailed and all appeals were exhausted. In the final order, the court ruled that certain provisions of the Utilities Code, ch. 66 were invalid.

DIGEST: SB 327 would amend the Utilities Code, ch. 66 to conform to the court order.

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2013.