

# HOUSE BILL 502

L6, I3, C5

6lr1786

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By: **Delegates Cluster, Arentz, Malone, and McConkey**

Introduced and read first time: February 1, 2016

Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Cable Television – Equipment Rentals**

3 FOR the purpose of limiting certain equipment rental charges that may be included in rates  
4 of certain cable television system franchises under certain circumstances; limiting  
5 the amount of a certain charge; providing that this Act does not limit the rates  
6 charged for certain program content; providing for the application of this Act;  
7 providing that existing obligations or contract rights may not be impaired by this  
8 Act; and generally relating to cable television service and franchises.

9 BY repealing and reenacting, with amendments,  
10 Article – Local Government  
11 Section 1–708  
12 Annotated Code of Maryland  
13 (2013 Volume and 2015 Supplement)

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
15 That the Laws of Maryland read as follows:

16 **Article – Local Government**

17 1–708.

18 (a) (1) Unless otherwise defined by local law, in this section, “cable television  
19 system” means a nonbroadcast facility that consists of a set of transmission paths and  
20 associated signal generation, reception, and central equipment, under common ownership  
21 and control, that distributes or is designed to distribute to subscribers the signals of one or  
22 more television broadcast stations.

23 (2) “Cable television system” does not include a facility that:

24 (i) serves 49 or fewer subscribers; or

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (ii) serves only subscribers in one or more multiple dwelling units  
2 under common ownership, control, or management.

3 (b) This section does not authorize the governing body of a county to enact laws  
4 or regulations for a municipality.

5 (c) The governing body of a county or municipality may:

6 (1) grant a franchise for a cable television system that uses a public  
7 right-of-way;

8 (2) impose franchise fees;

9 (3) establish rates applicable to a franchise; and

10 (4) adopt rules and regulations for the operation of a franchise.

11 **(D) (1) THE RATES FOR A CABLE TELEVISION SYSTEM FRANCHISE MAY**  
12 **INCLUDE AN EQUIPMENT CHARGE THAT IS A RENTAL FEE FOR CABLE TELEVISION**  
13 **RECEIVING EQUIPMENT ONLY UNTIL THE SUBSCRIBER HAS PAID THE COST OF THE**  
14 **EQUIPMENT TO THE CABLE TELEVISION SYSTEM.**

15 **(2) AFTER THE SUBSCRIBER HAS PAID THE COST OF THE EQUIPMENT,**  
16 **THE EQUIPMENT CHARGE FOR A CABLE TELEVISION SYSTEM MAY INCLUDE ONLY A**  
17 **SYSTEM CHARGE FOR PROVIDING SERVICE TO THE SUBSCRIBER'S EQUIPMENT.**

18 **(3) THE SYSTEM CHARGE MAY NOT EXCEED \$3 A MONTH.**

19 **(4) THIS SUBSECTION MAY NOT BE CONSTRUED TO LIMIT THE RATES**  
20 **CHARGED FOR PROGRAM CONTENT THAT THE SUBSCRIBER PURCHASES FROM THE**  
21 **CABLE TELEVISION SYSTEM.**

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to  
23 apply to any cable television franchise agreement entered into or renewed on or after the  
24 effective date of this Act.

25 SECTION 3. AND BE IT FURTHER ENACTED, That a presently existing obligation  
26 or contract right may not be impaired in any way by this Act.

27 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect  
28 October 1, 2016.