



## ARIZONA STATE SENATE

### Fifty-First Legislature, First Regular Session

#### FACT SHEET FOR H.B. 2482

##### public service corporations; assets transfer

##### Purpose

Exempts telecommunications corporations whose retail telecommunications services are all classified as competitive from the regulations pertaining to disposition of public service corporations and acquisition of capital stock from other public service corporations.

##### Background

A.R.S. § 40-314 defines a public service corporation as any person or corporation that provides electric or communication service to the public by means of electric or communication facilities.

Pursuant to A.R.S. § 40-202, the Arizona Corporation Commission (ACC) is required to supervise and regulate every public service corporation in the state and do all things necessary and convenient in the exercise of that power and jurisdiction. In supervising and regulating long-distance telecommunications corporations, the ACC is required to encourage competition and growth in the telecommunications industry and promote economic development and investment in new telecommunications technologies, infrastructure and services. In furtherance of this policy, the ACC is required to establish procedures and standards for identifying and regulating competitive long-distance telecommunications markets.

Current statute (A.R.S. § 40-285) prohibits a public service corporation from purchasing, acquiring, taking or holding any part of the capital stock of any other public service corporation without a permit from the ACC. Additionally, a public service corporation is prohibited from selling, leasing, assigning, mortgaging or otherwise disposing of or encumbering the whole or any part of its railroad, line, plant, or system necessary or useful in the performance of its duties to the public, or any franchise or permit or any right. Furthermore, a public service company is prohibited from merging such system or any part thereof with any other public service corporation without first having secured from the ACC an order authorizing it so to do.

There is no anticipated fiscal impact associated with this legislation.

##### Provisions

1. Exempts telecommunications corporations whose retail telecommunications services are all classified as competitive from the regulations pertaining to disposition of public service corporations and acquisition of capital stock from other public service corporations, unless otherwise determined by an ACC order.

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2. Makes technical and conforming changes.
3. Becomes effective on the general effective date.

House Action:

TI	2/21/13	DPA	5-0-0-1-0-0
3 <sup>rd</sup> Read	2/28/13		56-0-4-0-0

Prepared by Senate Research  
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JT/LE/tf