Any video service provider that currently holds a franchise with a local franchising entity or had previously received a franchise to provide video service from a local entity is entitled to seek a state franchise in the area designated in that franchise upon:

- (a) the expiration of its local franchise; or
- (b) a mutually agreed upon date set by both the local franchising entity and the incumbent cable operator to terminate the franchise provided in writing by both parties to the department; or
- (c) (1) When a video service provider that holds a state franchise provides the notice required pursuant to Section 53058.3 (j) to a local jurisdiction that it intends to initiate providing video service in 10 days, a video service provider operating under a franchise issued by a local franchising authority may elect to obtain a state franchise to replace its locally-issued franchise.
- (2) The franchise issued by the local franchising entity will terminate when the state franchising authority issues a state franchise for the video service provider that includes the entire service area served by video service provider and the video service provider notifies the local entity that it will begin providing video service in that area under a state franchise.
- (3) Notwithstanding any rights to the contrary, a video service provider opting into a state franchise under this subsection, shall continue to serve all areas as required by its local franchise agreement existing on the effective date of this article until that local franchise otherwise would have terminated.
- (d) The terms affiliates or successor entity in this section shall include but not be limited to any entity receiving, obtaining, or operating under an incumbent cable franchise through merger, sale, assignment, restructuring or any other type of transaction.