

ENROLLED SENATE
BILL NO. 1589

By: Coffee and Myers of the
Senate

and

Benge and Murphey of the
House

An Act relating to ad valorem tax valuation and assessment; amending 68 O.S. 2001, Sections 2808, as amended by Section 1, Chapter 119, O.S.L. 2009 and 2847, as amended by Section 2, Chapter 119, O.S.L. 2009 (68 O.S.L. 2009, Sections 2808 and 2847), which relate to ad valorem taxation of centrally assessed property; defining terms; providing for assessment of certain subclass of property; requiring wireless telecommunications company to file specified certification with State Board of Equalization; requiring Board of Equalization to determine percentage of gross receipts during specified time period; specifying method of valuation for certain assets of wireless telecommunication property and assessment ratio to be applied; and limiting applicability of provisions to specified time periods.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 68 O.S. 2001, Section 2808, as amended by Section 1, Chapter 119, O.S.L. 2009 (68 O.S. Supp. 2009, Section 2808), is amended to read as follows:

Section 2808. A. As used in the Ad Valorem Tax Code:

1. "Public service corporation" means all transportation companies, transmission companies, all gas, electric, light, heat and power companies and all waterworks and water power companies, and all persons authorized to exercise the right of eminent domain or to use or occupy any right-of-way, street, alley, or public highway, along, over or under the same in a manner not permitted to the general public;

2. "Transportation company" means any company, corporation, trustee, receiver, or any other person owning, leasing or operating for hire, a street railway, canal, steamboat line, and also any sleeping car company, parlor car company and express company, and any other company, trustee, or person in any way engaged in such business as a common carrier. As used in the Ad Valorem Tax Code, the term "transportation company" shall not include any railroad or any air carrier. However, all railroad and air carrier property shall continue to be valued and assessed by the State Board of Equalization for purposes of ad valorem taxation;

3. "Transmission company" means any company, corporation, trustee, receiver, or other person owning, leasing or operating for hire any telegraph or telephone line or radio broadcasting system;

4. "Person" means individuals, partnerships, associations, and corporations in the singular as well as plural number;

5. "Video services provider" means a subclass of public service corporations consisting of any public service corporation offering video programming services; ~~and~~

6. "Video programming" shall have the same meaning as set forth in 47 U.S.C., Section 522(20);

7. "Wireless telecommunications company" means a provider of commercial mobile radio service, as defined in Section 20.3 of Title 47 of the Code of Federal Regulations as in effect on June 1, 1999; and

8. "Specified wireless telecommunications property" means a subclass of public service corporation property in which a wireless telecommunication company has invested that is first included in

assessments for tax years 2010, 2011 and 2012. Provided, this subclassification shall cease to exist and have no effect for tax years beginning on or after January 1, 2013.

B. As used in the Ad Valorem Tax Code, "transmission company" and "public service corporation" shall not be construed to include cable television companies.

C. Any real or personal property used by any company, corporation, trustee, receiver, or other person owning, leasing, or operating for hire any pipeline or oil or gas gathering system which was assessed by the State Board of Equalization after January 1, 1997, shall continue to be assessed by the State Board of Equalization through ad valorem tax year 1998.

SECTION 2. AMENDATORY 68 O.S. 2001, Section 2847, as amended by Section 2, Chapter 119, O.S.L. 2009 (68 O.S. Supp. 2009, Section 2847), is amended to read as follows:

Section 2847. A. The property of all railroads, air carriers and public service corporations shall be assessed annually by the State Board of Equalization at its fair cash value estimated at the price it would bring at a fair voluntary sale.

B. Taxable values of real and personal property of all railroads, air carriers and public service corporations shall be established in accordance with the requirements of Section 8 of Article X of the Oklahoma Constitution. The State Board of Equalization shall determine the taxable value of all taxable property that the Board is required by law to assess and value, and shall determine such taxable value in accordance with the requirements of Section 8 of Article X of the Oklahoma Constitution.

C. The State Board of Equalization shall assess the property of that subclass of public service corporations known as video services providers, as defined in Section 2808 of this title, as provided:

1. Every video services provider shall file with the State Board of Equalization a certification regarding total gross receipts for the immediate preceding calendar year by April 15 and shall specify the total gross receipts derived from video programming services;

2. The State Board of Equalization shall determine the percentage of gross receipts the video services provider has derived from video programming in the immediately preceding calendar year; and

3. The percentage determined pursuant to paragraph 2 of this subsection shall be applied to the taxable fair cash value allocated to Oklahoma, and the resulting fair cash value attributable to video programming services shall be assessed using the statewide average of the assessment ratios applied to the assets of cable television companies in that tax year. Unless the taxpayer or the State Board of Equalization demonstrates otherwise, the statewide average assessment ratio applied to the personal property of a cable television company shall be assumed to be twelve percent (12%).

D. The State Board of Equalization shall assess the property of that subclass of public service corporations known as specified wireless communication property, as defined in Section 2808 of this title, as provided:

1. Every wireless communication company shall file with the State Board of Equalization a certification regarding the growth in total gross receipts for the immediate preceding calendar year by April 15. The growth in total gross receipts for assessments included in tax years 2010, 2011 and 2012 shall be certified as being derived from specified wireless telecommunication property;

2. The State Board of Equalization shall determine the total percentage of gross receipts the wireless telecommunication company has derived from specified wireless telecommunication property in each of the preceding calendar years;

3. The percentage determined pursuant to paragraph 2 of this subsection shall be applied to the taxable fair cash value allocated to Oklahoma, and the resulting fair cash value attributable to specified wireless telecommunication property shall be assessed using the assessment ratio of twelve percent (12%); and

4. The provisions of this subsection shall only apply to tax years 2010, 2011 and 2012.

E. The percentage of fair cash value for real and personal property of railroads, air carriers and public service corporations required by the Oklahoma Constitution to be taxable shall be the percentage at which it was assessed on January 1, 1996, in accordance with the provisions of paragraph 3 of subsection A of Section 8 of Article X of the Oklahoma Constitution, and, subject to the requirements of federal law, shall be uniformly applied to calculate the taxable values of public service corporation property within the state for the applicable assessment year.

Passed the Senate the 21st day of May 2010.

Presiding Officer of the Senate

Passed the House of Representatives the 25th day of May, 2010.

Presiding Officer of the House
of Representatives