

1 STATE OF OKLAHOMA

2 2nd Session of the 58th Legislature (2022)

3 COMMITTEE SUBSTITUTE
4 FOR ENGROSSED
5 HOUSE BILL 3082

By: Bashore of the House

and

Howard of the Senate

7
8 COMMITTEE SUBSTITUTE

9 An Act relating to Ad Valorem Tax Code; amending 68
10 O.S. 2021, Sections 2808 and 2847, which relate to
11 definitions and annual assessments; defining terms;
12 providing assessment ratio of broadband service
13 providers; and providing an effective date.

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

15 SECTION 1. AMENDATORY 68 O.S. 2021, Section 2808, is
16 amended to read as follows:

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

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

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

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

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

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

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

21 7. "Fixed wireless broadband Internet service provider" means
22 an entity that solely offers access to the Internet through a
23 stationary fixed point-to-point connection often requiring direct
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1 line of sight between the provider's wireless transmitter and its
2 end-user consumer's receiver; and

3 8. "Broadband service providers" means a subclass of public
4 service corporations consisting of any public service corporation
5 offering broadband-based services including Internet access, Voice
6 over Internet Protocol, and Internet Protocol television, to end-
7 user consumers.

8 B. As used in the Ad Valorem Tax Code, "transmission company"
9 and "public service corporation" shall not be construed to include
10 cable television companies or fixed wireless broadband Internet
11 service providers.

12 C. Any real or personal property used by any company,
13 corporation, trustee, receiver, or other person owning, leasing, or
14 operating for hire any pipeline or oil or gas gathering system which
15 was assessed by the State Board of Equalization after January 1,
16 1997, shall continue to be assessed by the State Board of
17 Equalization through ad valorem tax year 1998.

18 SECTION 2. AMENDATORY 68 O.S. 2021, Section 2847, is
19 amended to read as follows:

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

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

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

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

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

21 3. The percentage determined pursuant to paragraph 2 of this
22 subsection shall be applied to the taxable fair cash value allocated
23 to Oklahoma, and the resulting fair cash value attributable to video
24 programming services shall be assessed using the statewide average

1 of the assessment ratios applied to the assets of cable television
2 companies in that tax year. Unless the taxpayer or the State Board
3 of Equalization demonstrates otherwise, the statewide average
4 assessment ratio applied to the personal property of a cable
5 television company shall be assumed to be twelve percent (12%).

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

15 E. The State Board of Equalization shall assess the property of
16 that subclass of public service corporations known as broadband
17 service providers, as defined in Section 2808 of this title, at a
18 ratio of sixteen percent (16%).

19 SECTION 3. This act shall become effective January 1, 2023.
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