

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 58<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB 3082</b>
<b>Version:</b>	<b>FULLPCS1</b>
<b>Request Number:</b>	<b>10929</b>
<b>Author:</b>	<b>Rep. Bashore</b>
<b>Date:</b>	<b>3/3/2022</b>
<b>Impact:</b>	<b>Tax Commission:</b>

**Ad Valorem Revenue Decrease (Local)**

**FY-24: (\$1,900,000)**

**Research Analysis**

The proposed committee substitute for HB 3082 amends the Ad Valorem Tax Code by deleting obsolete language and adding a definition for *cooperative broadband service providers*, meaning wholly owned subsidiaries or affiliate entities of a cooperative organized under the Rural Electric Cooperative Act that offer broadband-based services to end-user consumers.

Prepared By: Emily McPherson

**Fiscal Analysis**

Information provided by the Tax Commission:

HB 3082 proposes to create new language defining “cooperative broadband service providers” to mean wholly owned subsidiaries or affiliate entities of a cooperative organized under the Rural Electric Cooperative Act, Section 437 et seq. of Title 18 of the Oklahoma Statutes, that offer broadband-based services including Internet access, Voice over Internet Protocol, and Internet Protocol television, to end-user consumers.

Currently, “transmission company” and “public service corporation” shall not include cable television companies and fixed wireless broadband Internet service providers. HB 3082 proposes to also exclude “cooperative broadband service providers” from the definitions of “transmission company”, “transportation company” and “public service corporation” and any subclass thereof for purposes of the Ad Valorem Tax Code. Companies that fall within the proposed exclusion currently pay the public service assessment rate of twenty-two and eighty-five one-hundredths percent (22.85%). Under the proposed changes in HB 3082 these companies would pay locally assessed real and personal property tax rates between ten percent (10%) and fifteen percent (15%).

Six companies located in 37 counties whose activities fall with the definition of “cooperative broadband service providers” are currently centrally assessed. For tax year 2022, four additional qualifying companies will also be centrally assessed. However, the property values attributable to the four are not yet available. The estimated difference for the six companies between central and local assessment is \$1,900,000. The measure proposes an effective date of January 1, 2023. A loss of \$1,900,000 in property tax revenues to local jurisdictions is estimated for FY 24.

Prepared By: Mark Tygret

**Other Considerations**

None.

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