

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

COMMITTEE SUBSTITUTE
FOR ENGROSSED
HOUSE BILL NO. 3961

By: Echols of the House

and

Hall of the Senate

COMMITTEE SUBSTITUTE

An Act relating to ad valorem tax; amending 68 O.S. 2021, Sections 2808 and 2847, which relate to definitions and annual assessments of centrally assessed property; defining term; requiring the State Board of Equalization to assess broadband service providers at certain ratio for certain period; and providing an effective date.

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

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

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

1. "Broadband service providers" means a subclass of public service corporations consisting of any public service corporation offering broadband-based services including Internet access, Voice over Internet Protocol, or Internet Protocol television to end user consumers;

2. "Public service corporation" means all transportation companies, transmission companies, all gas, electric, light, heat,

1 and power companies, and all waterworks and water power companies,
2 and all persons authorized to exercise the right of eminent domain
3 or to use or occupy any right-of-way, street, alley, or public
4 highway, along, over, or under the same in a manner not permitted to
5 the general public;

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

16 ~~3.~~ 4. "Transmission company" means any company, corporation,
17 trustee, receiver, or other person owning, leasing, or operating for
18 hire any telegraph or telephone line or radio broadcasting system;

19 ~~4.~~ 5. "Person" means individuals, partnerships, associations,
20 and corporations in the singular as well as plural number;

21 ~~5.~~ 6. "Video services provider" means a subclass of public
22 service corporations consisting of any public service corporation
23 offering video programming services;

24

1 ~~6.~~ 7. "Video programming" shall have the same meaning as set
2 forth in 47 U.S.C., Section 522(20); and

3 ~~7.~~ 8. "Fixed wireless broadband Internet service provider"
4 means an entity that solely offers access to the Internet through a
5 stationary fixed point-to-point connection often requiring direct
6 line of sight between the provider's wireless transmitter and its
7 end-user consumer's receiver.

8 B. As used in the Ad Valorem Tax Code, ~~"transmission company"~~
9 transmission company and ~~"public service corporation"~~ public service
10 corporation shall not be construed to include cable television
11 companies or fixed wireless broadband Internet 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.
24

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 State Board of Equalization shall assess the property
7 used to provide broadband service placed in service after the
8 effective date of this act of that subclass of public service
9 corporations known as broadband service providers, as defined in
10 Section 2808 of this title, at a ratio of fifteen percent (15%) for
11 the year 2025 and subsequent years.

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

21 SECTION 3. This act shall become effective November 1, 2024.

22
23 59-2-3687 QD 4/5/2024 5:03:11 PM
24