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April 8, 2024

COMMITTEE SUBSTITUTE
FOR ENGROSSED
HOUSE BILL NO. 3961

By: Echols of the House

and

Hall of the Senate

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[ ad valorem tax - centrally assessed property -  
broadband service providers - effective date ]
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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, 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

1 highway, along, over, or under the same in a manner not permitted to
2 the general public;

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

13 ~~3.~~ 4. "Transmission company" means any company, corporation,
14 trustee, receiver, or other person owning, leasing, or operating for
15 hire any telegraph or telephone line or radio broadcasting system;

16 ~~4.~~ 5. "Person" means individuals, partnerships, associations,
17 and corporations in the singular as well as plural number;

18 ~~5.~~ 6. "Video services provider" means a subclass of public
19 service corporations consisting of any public service corporation
20 offering video programming services;

21 ~~6.~~ 7. "Video programming" shall have the same meaning as set
22 forth in 47 U.S.C., Section 522(20); and

23 ~~7.~~ 8. "Fixed wireless broadband Internet service provider"
24 means an entity that solely offers access to the Internet through a

1 stationary fixed point-to-point connection often requiring direct
2 line of sight between the provider's wireless transmitter and its
3 end-user consumer's receiver.

4 B. As used in the Ad Valorem Tax Code, ~~"transmission company"~~
5 transmission company and ~~"public service corporation"~~ public service
6 corporation shall not be construed to include cable television
7 companies or fixed wireless broadband Internet service providers.

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

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

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

20 B. Taxable values of real and personal property of all
21 railroads, air carriers, and public service corporations shall be
22 established in accordance with the requirements of Section 8 of
23 Article X of the Oklahoma Constitution. The State Board of
24 Equalization shall determine the taxable value of all taxable

1 property that the Board is required by law to assess and value, and
2 shall determine such taxable value in accordance with the
3 requirements of Section 8 of Article X of the Oklahoma Constitution.

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

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

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

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

1 D. The State Board of Equalization shall assess the property
2 used to provide broadband service placed in service after the
3 effective date of this act of that subclass of public service
4 corporations known as broadband service providers, as defined in
5 Section 2808 of this title, at a ratio of fifteen percent (15%) for
6 the year 2025 and subsequent years.

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

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

17 COMMITTEE REPORT BY: COMMITTEE ON FINANCE
18 April 8, 2024 - DO PASS AS AMENDED BY CS
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