

BILL SUMMARY
2nd Session of the 59th Legislature

Bill No.:	HB 3961
Version:	INT
Request Number:	8444
Author:	Echols
Date:	2/6/2024
Impact:	\$0

Research Analysis

HB3961, as introduced, classifies rural internet service provider (ISP) property as its own class of property for ad valorem taxing purposes and gives rural ISPs the option to elect to have their property locally assessed by the county assessor or centrally assessed by the State Board of Equalization. The Oklahoma Tax Commission is required to create the election forms, which must be submitted to the county assessor by March 1 if the provider would like the property to be locally assessed.

Prepared By: Quyen Do

Fiscal Analysis

As introduced, HB3961 classifies rural internet service provider (Rural ISP) property as a type of property for the purposes of ad valorem taxation. The measure allows for a provider to elect to have such property assessed by the applicable county, and have property valued according to the same requirements as other real and personal property.

The Oklahoma Tax Commission has provided the following information regarding the revenue impact of the bill:

REVENUE IMPACT: There is no impact on tax revenue to the State. The proposed change may have an unknown impact to tax revenue collected by local jurisdictions if Rural ISPs elect for local valuation. Currently, the assessment ratio for public service providers, including Rural ISPs, is 22.85%, whereas the average local assessment ratio is 11.7%. The election may change the assessment rate of the relevant property, and the resulting taxable valuation may be increased or decreased dependent upon each county's assessment.

FY 25: None.

FY 26: None.

Prepared By: Zach Penrod

Other Considerations

None.

