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| <b>BILL/VERSION:</b>   | <b>SB 1122 / COMMITTEE SUB</b> | <b>ANALYST:</b> EC                        |
| <b>AUTHORS:</b>        | Sen. Rader                     | <b>DATE:</b> 2/3/2026                     |
| <b>TAX(ES):</b>        | Ad Valorem                     |   |
| <b>SUBJECT(S):</b>     | Broadband                      |   |
| <b>EFFECTIVE DATE:</b> | January 1, 2027                | <b>Emergency</b> <input type="checkbox"/> |

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**ESTIMATED REVENUE IMPACT:**

**FY28: \$20.0 million decrease in tax revenue to local tax jurisdictions.**

**ANALYSIS:** The proposal amends 68 O.S. §§ 2808 and 2847 to modify the assessment of public service corporation property for ad valorem tax purposes by establishing a 15% assessment ratio for the subclass of broadband service providers.

Under SB 1122, all real and personal property of broadband service providers<sup>1</sup> assessed by the State Board of Equalization is subject to assessment at 15% of fair cash value. This represents a decrease from the current assessment ratio applicable to public service corporation property, including broadband providers, which is about 22.85%.

Based on public service assessment data for tax year 2025 and assuming application of the proposed 15% assessment ratio to the full asset base of qualifying telecommunications providers, assessed value is estimated to decrease by about \$187.9 million, resulting in an estimated \$20.0 million reduction in local property tax collections based on recent statewide weighted average millage rates.

The estimates have a direct impact on local taxing jurisdictions and may indirectly affect state funding through the school funding formula.

**ADMINISTRATIVE IMPACT:** SB 1122 will require modifications to OTC systems to distinguish broadband service providers and apply a separate assessment ratio. The cost to implement these changes is expected to remain approximately \$372,000.

<sup>1</sup>The introduced version of SB 1122 limited the reduced assessment ratio to newly constructed wired broadband infrastructure installed in FCC-designated underserved areas, required valuation on a net book basis, and applied only for a limited period.

2/10/26  
DATE

Huan Gong  
DR. HUAN GONG, CHIEF TAX ECONOMIST

2/10/26  
DATE

Marie Schuble  
MARIE SCHUBLE, DIVISION DIRECTOR

2/10/26  
DATE

Joseph P. Gappa  
JOSEPH P. GAPPA, FOR THE COMMISSION

*The revenue impact provided herein is an estimate of the potential impact on the collection or apportionment of tax revenues affected by the proposed legislation. It is not intended to be an estimate of the overall fiscal impact on the state budget if the proposed legislation is enacted. This estimate reflects current available data as of the date of issuance and is subject to revision if additional information becomes known.*