

1 STATE OF OKLAHOMA

2 2nd Session of the 59th Legislature (2024)

3 COMMITTEE SUBSTITUTE  
4 FOR ENGROSSED  
5 HOUSE BILL 3961

By: Echols of the House

and

6 Hall of the Senate

7  
8 COMMITTEE SUBSTITUTE

9 An Act relating to ad valorem tax; amending 68 O.S.  
10 2021, Sections 2808 and 2847, which relate to  
11 definitions and annual assessments of centrally  
12 assessed property; defining term; requiring the State  
13 Board of Equalization to assess broadband service  
14 providers at certain ratio for certain period; and  
15 providing an effective date.

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

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

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

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

25 2. "Public service corporation" means all transportation  
26 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.

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