

STATE OF OKLAHOMA

1st Session of the 60th Legislature (2025)

SENATE BILL 1122

By: Hall

AS INTRODUCED

An Act relating to ad valorem tax; amending 68 O.S. 2021, Sections 2808 and 2847, which relate to definitions and assessments of railroad, air carrier, and public service corporation property; defining term; requiring the State Board of Equalization to assess certain property used to provide wired broadband service; prescribing requirements for assessment; prescribing assessment ratio; authorizing the Oklahoma Tax Commission to promulgate rules; updating statutory language; 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. "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. "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. "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. "Person" means individuals, partnerships, associations, and
17 corporations in the singular as well as plural number;

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

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

23 7. "Fixed wireless broadband Internet service provider" means
24 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; and

4 8. "Broadband service providers" means a subclass of public
5 service corporations consisting of any public service corporation
6 offering broadband-based services including Internet access, Voice
7 over Internet Protocol, or Internet Protocol television to end-user
8 consumers. For the purposes of this paragraph, "broadband" means
9 wired internet at speeds in excess of one hundred megabits per
10 second (100 Mbps) for download and twenty megabits per second (20
11 Mbps) for upload.

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

16 C. Any real or personal property used by any company,
17 corporation, trustee, receiver, or other person owning, leasing, or
18 operating for hire any pipeline or oil or gas gathering system which
19 was assessed by the State Board of Equalization after January 1,
20 1997, shall continue to be assessed by the State Board of
21 Equalization through ad valorem tax year 1998.

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

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

5 B. Taxable values of real and personal property of all
6 railroads, air carriers, and public service corporations shall be
7 established in accordance with the requirements of Section 8 of
8 Article X of the Oklahoma Constitution. The State Board of
9 Equalization shall determine the taxable value of all taxable
10 property that the Board is required by law to assess and value, and
11 shall determine such taxable value in accordance with the
12 requirements of Section 8 of Article X of the Oklahoma Constitution.

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

16 1. Every video services provider shall file with the State
17 Board of Equalization a certification regarding total gross receipts
18 for the immediate preceding calendar year by April 15 and shall
19 specify the total gross receipts derived from video programming
20 services;

21 2. The State Board of Equalization shall determine the
22 percentage of gross receipts the video services provider has derived
23 from video programming in the immediately preceding calendar year;
24 and

1 3. The percentage determined pursuant to paragraph 2 of this
2 subsection shall be applied to the taxable fair cash value allocated
3 to ~~Oklahoma~~ this state, and the resulting fair cash value
4 attributable to video programming services shall be assessed using
5 the statewide average of the assessment ratios applied to the assets
6 of cable television companies in that tax year. Unless the taxpayer
7 or the State Board of Equalization demonstrates otherwise, the
8 statewide average assessment ratio applied to the personal property
9 of a cable television company shall be assumed to be twelve percent
10 (12%).

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

20 E. The State Board of Equalization shall assess the property
21 used to provide wired broadband service that is constructed or
22 installed and placed in service after the effective date of this
23 act, in an area where the coverage for wired internet at speeds in
24 excess of one hundred megabits per second (100 Mbps) for download

1 and twenty megabits per second (20 Mbps) for upload is equal to or
2 less than ten percent (10%) according to the most recent FCC
3 National Broadband Map published by the Federal Communications
4 Commission at the time the property is constructed or installed and
5 placed in service, of that subclass of public service corporations
6 known as broadband service providers, as defined in Section 2808 of
7 this title, at a ratio of fifteen percent (15%) for tax years 2026
8 through 2036. Provided, the property assessed pursuant to this
9 subsection shall only include property exclusively used to provide
10 broadband internet service to areas meeting the coverage
11 requirements as provided in this subsection including fiber, cable,
12 transmission lines, fiber support infrastructure, cable support
13 infrastructure, transmission line support infrastructure, network
14 infrastructure, and facilities used to contain network
15 infrastructure. The valuation of all assets shall be calculated on
16 a net book basis to each assessment rate as provided in this
17 subsection and subsection D of this section. The Oklahoma Tax
18 Commission may promulgate rules to effectuate the provisions of this
19 subsection.

20 SECTION 3. This act shall become effective January 1, 2026.

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