



BILL/VERSION: SB 1122 / INTRODUCED

ANALYST: EC

AUTHORS: Sen. Hall

DATE: 1/30/2025

TAX(ES): Ad Valorem Tax

SUBJECT(S): Broadband

EFFECTIVE DATE: November 1, 2025

Emergency ☐

ESTIMATED REVENUE IMPACT:

FY26: No impact to state revenue, unknown decrease to local tax revenue.

FY27: No impact to state revenue, unknown decrease to local tax revenue.

ANALYSIS: SB 1122 amends 68 O.S. §§ 2808 and 2847 to update the assessment of public service corporation property for ad valorem tax purposes. The bill defines broadband service providers as a subclass of public service corporations offering wired broadband services at speeds exceeding 100 Mbps download / 20 Mbps upload. It directs the State Board of Equalization to assess new broadband infrastructure installed in areas where wired broadband coverage is 10% or less, based on the FCC National Broadband Map. The bill establishes that the valuation of all assets be calculated on a net book basis, and at a ratio of 15% for qualifying infrastructure installed between 2026 and 2036. Only infrastructure exclusively used for broadband expansion, including fiber, cable, transmission lines, and network facilities, will qualify for this assessment rate. Additionally, the Oklahoma Tax Commission (OTC) is authorized to promulgate rules to implement these provisions.

The measure has no impact on state tax collections. Currently, the assessment ratio for public service providers, including those offering broadband service, is 22.85%. Assessing certain broadband infrastructure at 15% will result in an unknown decrease in local tax revenue.

Administrative Impact:

The measure will require a reconfiguration of OTC's computer systems to implement the net book valuation and new assessment ratio. The system development is anticipated to cost about \$372,000.

2/25/25

DATE

Huan Gong

DR. HUAN GONG, CHIEF TAX ECONOMIST

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DATE

Marie Schuble

MARIE SCHUBLE, DIVISION DIRECTOR

2/25/25

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.