MANUAL FOR ASSESSMENT OF CABLE TELEVISION PROPERTY 2021

INTRODUCTION

The term “community antenna television system” (CATV system) means any facility which receives, directly or indirectly, over the air signals for television programs. The receiving of signals is generally provided by structural towers on which are mounted satellite and microwave dishes.

The system then converts, or otherwise modifies, the signals transmitting programs broadcast by one or more television stations. This process is accomplished by a “headend”, where the converted signals are sent over main trunk cables. The “headend” can contain electronic equipment, such as: converters, scramblers, decoders, etc., which can then be used to connect each subscriber to their individual channel and program request. The “headend” electronics are typically located in an equipment building located at the base of the structural tower. The capacity of the “headend” would be indicated by the channel capacity.

The trunk cable signals are then distributed to the individual subscribers by house drops (or drops). These cables can be coaxial or fiber. This modified signal is then distributed by wire or cable to subscribing customers. The trunk cable can contain electronic equipment, such as amplifiers, splitters, junctions, filters, etc.

Technological advancements are now developed to provide more signals to be transmitted over air waves. This advancement allows several communities (or systems) to share one “headend” and still provide reliable television channel access. This sharing of the headend can be accomplished by interconnect cable. The assessor/appraiser should use caution not to value the “headend” twice and only value the “headend” in the jurisdiction where it is physically located. The “sharing” jurisdictions would value the interconnect cable rather than the “headend”.

This valuation guide is a supplement to the Iowa Real Property Appraisal Manual and is subject to revision, update, and clarification as deemed necessary by the Iowa Department of Revenue.

The procedures contained in this guide to the assessment of cable television systems are for obtaining uniform assessments of the rights and interests of this commercial class of property in Iowa. The accuracy of the assessment and valuation procedures in this guide is dependent upon accurate reporting by the cablevision companies. The forms provided have been developed for the cablevision companies to furnish the data needed to accomplish fair and uniform assessments. Assessors, in accordance with Section 441.19, Code of Iowa, may require property owners to furnish supplemental data in order to determine the value of their property.

This is only a guide, and the assessor/appraiser is reminded to apply accepted appraisal procedures for assessment valuation of property whenever possible. There are instances where court settlements and/or court decisions may direct the assessor/appraiser to supersede the typical approaches to value. Currently, these decisions dictate that the cost approach to value shall be implemented in the valuation of cable television property in Iowa.

In an effort to keep pace with the fluctuations of increasing and decreasing costs, the costs in this manual will be indexed annually. The Iowa Department of Revenue will provide such indexed costs to the assessors.

The land and buildings are to be assessed as other similar type commercial buildings in the assessor’s jurisdiction and by referencing the Iowa Real Property Appraisal Manual. Land and buildings should be assessed on situs and not combined with other cable television parcels.

CABLE TELEVISION SYSTEMS

Each cable television system includes different combinations of buildings, structures, and components. The percentage that each of these items contributes to the whole can vary the ending value of even similar appearing systems. The base costs in this section are developed in such a way as to allow for annual indexing to maintain the proper cost levels.

In some instances, cable television systems may extend to and through several communities and/or assessing jurisdictions. It is recommended that the towers, satellite and microwave dishes, equipment buildings, fencing, offices, master headend, and auxiliary buildings be valued on a situs basis (on the parcel where the structure is physically located). The remaining items such as miles of cable, components, house drops, optic transmission network hubs (OTN), interconnect cable, etc. should be valued as a whole and the whole value allocated to each parcel or taxing district. That allocation is to be determined by dividing the particular parcel's customer base by the total system's customer base.

Cable Distribution Plant

	Coaxial	Fiber
Aerial Plant Cable	$5,400/mile	$9,000/mile
Underground Plant Cable	$10,800/mile	$18,100/mile
Interconnect Cable	$18,100/mile	$18,100/mile
Optic Transmission Network Hubs	$61,000/each	$61,000/each
Subscriber Drops	$95.00/each	$95.00/each
Master Headend	$4,300/channel	$4,300/channel
Aerial Plant Components	$9,900/mile	$11,000/mile
Underground Plant Components	$19,800/mile	$22,000/mile
Interconnect Components	$3,700/mile	$3,700/mile

Other Structures

There are several structures which are part of cable television systems that also fulfill similar functions in other commercial enterprises. These structures would include towers, satellite dishes, equipment buildings, fencing, paving, offices, warehouses, etc. For uniformity purposes, the appropriate sections in the Iowa Real Property Appraisal Manual should be referenced in valuing these items.

Offices (frame, metal, etc.)	See pages 6-38 & 6-118 of the Iowa Real Property Appraisal Manual
Warehouses (frame, metal, etc.)	See pages 6-96 & 6-113 of the Iowa Real Property Appraisal Manual
Towers, satellite and microwave dishes, and equipment buildings	See page 6-128 of the Iowa Real Property Appraisal Manual
Paving and fencing	See pages 4-30 & 4-33 of the Iowa Real Property Appraisal Manual

Depreciation Guide

The following is the recommended depreciation to be applied to cable television systems.

Item	Suggested Depreciation	Not to Exceed
Cable Distribution Plant	5%/year	80%
Cable Drops	Use schedule on reporting form	90%
Optic Transmission Networks, Master Headend and Components	10%/year	80%

TERMS

Cable Distribution Plant: Represents coaxial and fiber trunk/feeder cabling which provides distribution of programming from the headend to the street locations. This is reported as miles of cable and divided between aerial and underground, and coaxial and fiber.

Interconnect: Represents the cable utilized to connect two independent systems headend facilities in order to provide the ability to operate from one headend facility versus two headend facilities. This is reported as number of miles of cable and divided into coaxial and fiber.

Optical Transmission Network (OTN) Hub: Represents a facility, which delivers certain local station programming to specific markets and maintains a limited amount of headend equipment. This is reported as the number of OTN hubs on the system.

House Drops: Represents the transmission line cabling from the pole or underground connect to the customers' home or business.

Master Headend: Represents the facility, which maintains the headend equipment.

Headend Equipment (Channel Capacity): Represents electronic equipment, which allows the facility to accept transmission of signals. These signals are then scrambled, decoded and converted. This is reported as number of channel capacity regardless of the number of channels in use.

It is not unusual that one headend would service several counties. In these situations, the headend is to be valued in the assessing jurisdiction in which it resides. For the valuation procedures for these jurisdictions accessing a remote headend facility, which is located in another jurisdiction, see interconnect description above.

Components: Represents all items other than cable or house drops including but not limited to amplifiers, filters, splitters, junctions, converters, etc. This is to be reported as number of miles of components.

System Replacement: Represents the replacement of cable and components.

System Rebuild: Represents the replacement of components only.

Capital Expenditures: Represents expenses that add to the value or useful life of property or adapt property to a new or different use.