

BILL SUMMARY
1st Session of the 60th Legislature

Bill No.:	HB2140
Version:	FULLPCS1
Request Number:	13006
Author:	Rep. Kannady
Date:	3/3/2025
Impact:	No Impact to State Revenue

Research Analysis

The proposed committee substitute for HB2140 creates a new property classification for residential rental housing and directs the county assessor to use a different methodology to value new construction residential rental housing for ad valorem taxing purposes.

When a building is improved to add residential rental housing, the value of the property is limited to the fair cash value of the land and the actual documented cost of the improvements made to the building. The county assessor must apply this alternative valuation methodology for new construction residential rental housing for two tax assessment years or until the building is sold, whichever is earlier.

Prepared By: Quyen Do

Fiscal Analysis

In its current form, HB2140 establishes that county assessors shall not set the fair cash value for certain commercial buildings higher than the cost of the materials to build it prior to the complete of the interior of the building. The proposed committee substitute creates a new property classification for residential rental housing for ad valorem tax purposes.

Officials from the Oklahoma Tax Commission indicate that this measure does not impact state revenue, but may impact local tax revenue.

Prepared By: Zach Penrod, House Fiscal Staff

Other Considerations

None.