

**BILL SUMMARY**  
1<sup>st</sup> Session of the 60<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB2140</b>
<b>Version:</b>	<b>CS</b>
<b>Request Number:</b>	<b>13166</b>
<b>Author:</b>	<b>Rep. Kannady</b>
<b>Date:</b>	<b>3/26/2025</b>
<b>Impact:</b>	<b>No Impact to State Revenue</b>

**Research Analysis**

The 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 creates a new property classification for residential rental housing and establishes that county assessors shall not set the fair cash value for certain residential rental buildings higher than the cost of the materials to build it prior to the completion of the interior of the building.

The floor substitute adds a minimum 60 rental unit requirement to the definition of residential housing and reduces the amount of time the alternative valuation methodology is used to one year.

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.