BILL SUMMARY
1st Session of the 60th Legislature

Bill No.:	**HB2140**
Version:	**FA1**
Request Number:	**13367**
Author:	**Rep. Kannady**
Date:	**3/26/2025**
Impact:	**No Impact to State Revenue**

Research Analysis

The floor 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 residential rental building is improved to include at least 60 or more individual rental units, 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 one tax assessment year or until the building is sold, whichever is earlier.

DIFFERENC BETWEEN FLOOR SUBSTITUTE AND COMMITTEE SUBSTITUTE:

The floor substitute adds the minimum 60 rental unit requirement to the definition of residential rental housing and changes the amount of time the assessor must apply the alternative valuation methodology from two years to one year.

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.