

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 57<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB 3191</b>
<b>Version:</b>	<b>FULLPCS1</b>
<b>Request Number:</b>	<b>11337</b>
<b>Author:</b>	<b>Rep. Pfeiffer</b>
<b>Date:</b>	<b>2/26/2020</b>
<b>Impact:</b>	<b>Tax Commission: Impact Pending</b>

**Research Analysis**

The proposed committee substitute for HB3191 amends the cost approach formula that is used to establish the fair cash value of property subject to ad valorem taxation. The definition of *cost approach* is amended so that consideration is given to any loss in value that may be caused by physical deterioration, functional obsolescence or economic obsolescence. A loss in value attributable to these factors must be subtracted from the fair cash value of a property being evaluated under the amended cost approach formula.

The measure also requires the yearly personal property valuation schedules provided to county assessors, by the Ad Valorem Division of the Oklahoma Tax Commission, to conform to the requirements of the Uniform Standards of Professional Appraisal Practice and International Association of Assessing Officers.

Prepared By: Quyen Do

**Fiscal Analysis**

The Tax Commission currently has the Proposed Committee Substitute under review to determine any revenue considerations resulting from the modification of the definition of “Cost approach”. Any such revenue considerations will not affect state revenue, as the provisions relate to value determinations for ad valorem taxation.

Prepared By: Mark Tygret

**Other Considerations**

None.