

# OKLAHOMA TAX COMMISSION

## REVENUE IMPACT STATEMENT AND/OR ADMINISTRATIVE IMPACT STATEMENT SECOND REGULAR SESSION, FIFTY-NINTH OKLAHOMA LEGISLATURE

**DATE OF IMPACT STATEMENT:** December 21, 2023

**BILL NUMBER:** SB 1210

**STATUS AND DATE OF BILL:** Introduced 11/30/23

**AUTHORS:** House: n/a Senate: Stanley

**TAX TYPE (S):** Ad Valorem **SUBJECT:** Property Inspections

**PROPOSAL:** Amendatory

The measure proposes amending 68 O.S. § 2802 by adding a definition of “Fixed-wing aircraft” and “Inspection”. SB 1210 also proposes amending 68 O.S. § 2821 by authorizing county assessors to assess changes to properties using digital aerial images taken by fixed-wing aircraft after an initial physical inspection.


**EFFECTIVE DATE:** Emergency- upon passage and approval

### REVENUE IMPACT:

There is no revenue impact to the State associated with SB 1210.

**FY 25: none**

**FY 26: none**

<u>1/13/24</u>	<u></u>	<u>caj</u>
DATE	MARIE SCHUBLE, DIVISION DIRECTOR	
<u>1/12/24</u>	<u>Huan Gong</u>	
DATE	HUAN GONG, ECONOMIST	
<u>1/15/2024</u>	<u>Joseph P. Gappa</u>	
DATE	FOR THE COMMISSION	

*The revenue impact provided herein is an estimate of the potential impact on the collection or apportionment of tax revenues affected by the proposed legislation. It is not intended to be an estimate of the overall fiscal impact on the state budget if the proposed legislation is enacted.*

**CURRENT LAW:**

Pursuant to 68 O.S. § 2820, county assessors are required to visually inspect all taxable property within the county at least once every four years. 68 O.S. § 2821 requires that real property be physically inspected as part of the visual inspection cycle.

**PROPOSED AMENDMENTS:**

The measure proposes amending 68 O.S. § 2802 by adding a definition of “Fixed-wing aircraft”, requiring that the aircraft comply with Federal Aviation Administration regulations, and the definition for the purpose of this section does not include “drones”. The measure also adds a definition for “inspection”, noting that this means the inspection of real or personal property by using on-ground site inspections, and thereafter where applicable, by using publicly and commercially available aerial image overlays for the purpose of valuation, data collection, or any other purpose related to the duties of county assessors.

SB 1210 also proposes amending 68 O.S. § 2821 by authorizing county assessors to assess changes to properties using digital aerial images taken by fixed-wing aircraft after an initial physical inspection. It clarifies that the provisions shall not be construed to authorize the use of drones.

**ANTICIPATED IMPACT:**

There is no revenue impact to the State associated with SB 1210.

**ADMINISTRATIVE CONCERN:**

Accurate county assessor valuations are highly dependent on accurate property data, which is obtained in the statutory visual inspection process required every four years. Although SB 1210 retains the requirement to conduct an initial physical property inspection, the bill allows for the use of aerial imagery without specifications to ensure accuracy and uniformity<sup>1</sup>. Without specifying more specific standards for use of aerial imagery (e.g., minimum pixel resolution, timeframe of image, etc.), assessments may be inaccurate, and non-uniform across the state. This may result in over or under valuing properties, and thus result in a change in local ad valorem revenues.

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<sup>1</sup> See International Association of Assessing Officers’ document, “Standard on Mass Appraisal” for types of acceptable aerals and accuracy levels: [StandardOnMassAppraisal.pdf \(iaao.org\)](https://iaao.org/StandardOnMassAppraisal.pdf)