

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: January 29, 2024

BILL NUMBER: SB 2012 **STATUS AND DATE OF BILL:** Introduced 1/18/24

AUTHORS: House: n/a Senate: Matthews

TAX TYPE(S): Ad Valorem **SUBJECT:** Exemption

PROPOSAL: Amendatory

SB 2012 proposes to amend 68 O.S. § 2887 by exempting all commercial property of a nonprofit economic development organization from ad valorem taxation. The organizations' property development or redevelopment shall be funded, in whole or in part, with local, state, or federal government grant assistance. The property shall have a special designation identifying service to low-income communities, be located in an economically at-risk census tract, and shall not have collected any common area maintenance costs from tenants.

EFFECTIVE DATE: November 1, 2024

REVENUE IMPACT:

There is no impact on tax revenue to the State. The added exemption will result in an unknown decrease in tax revenue to local taxing jurisdictions. An estimate of the number of potentially eligible exempt properties is partially available¹, however, additional details of these properties to determine eligibility for the exemption are unavailable.

FY 25: None.

FY 26: None.

2/6/24

DATE




MARIE SCHUBLE, DIVISION DIRECTOR

caj

2/2/24

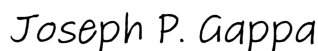
DATE



HUAN GONG, ECONOMIST

2/6/2024

DATE



JOSEPH P. GAPPA, 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.

¹ The U.S. Department of Housing and Urban Development (via personal communications) and the [Oklahoma Housing Finance Authority](#) provide some information on the number of projects and housing units, but information regarding non-profit ownership, location on the relevant Census tract, and the value of the properties to estimate taxation is not readily available.