

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: January 31, 2024

BILL NUMBER: SB 2026

STATUS AND DATE OF BILL: Introduced 1/18/24

AUTHORS: House: n/a

Senate: Weaver

TAX TYPE(S): Ad Valorem

SUBJECT: Credit

PROPOSAL: New Law

SB 2026 proposes a new law to allow for a credit against ad valorem tax liability if a local government entity follows a policy, pattern, or practice of declining to enforce certain laws against multiple illicit activities and the fair cash value of the real property is reduced or the owner incurs expenses to mitigate the effects of these activities. The credit shall be equal to the reduction in fair cash value or mitigation expenses incurred. SB 2026 outlines exceptions, certain procedures, and the provisions are to be administered by the Oklahoma Tax Commission.

EFFECTIVE DATE: November 1, 2024

REVENUE IMPACT: **None.**

There is no impact on tax revenue to the State. There is a potential reduction in tax revenue collected by local jurisdictions, but the amount is unknown due to the many unknown variables¹.

ADMINISTRATIVE IMPACT: **Unknown.**

The specific administrative duties for the OTC are undefined in SB 2026², therefore, the cost to administer the provisions of SB 2026 are unknown.

2/1/24

DATE

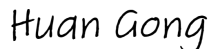


MARIE SCHUBLE, DIVISION DIRECTOR

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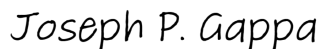
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HUAN GONG, ECONOMIST

2/1/2024

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.

¹For example, each city, county, and municipality may have different policies, patterns, and practices, and impacts on properties. Further, policies may be articulated in public documents, however, "patterns" and "practices" are not likely to be officially documented and researchable.

²Ad valorem taxes are administered by local jurisdictions. This includes the collection of funds, retention of individual taxpayer records, etc. OTC centrally assesses public service providers on behalf of relevant, local jurisdictions.