

STATE OF OKLAHOMA

2nd Session of the 60th Legislature (2026)

SENATE BILL 2057

By: Frix

AS INTRODUCED

An Act relating to ad valorem tax; amending 68 O.S. 2021, Sections 2802 and 2803, which relate to definitions and classification of property; defining term; expanding classifications of property for purposes of ad valorem taxation; updating statutory language; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 68 O.S. 2021, Section 2802, is amended to read as follows:

Section 2802. As used in Section 2801 et seq. of this title:

1. "Accepted standards for mass appraisal practice" means those standards for the collection and analysis of information about taxable properties within a taxing jurisdiction permitting the accurate estimate of fair cash value for similar properties in the jurisdiction either without direct observation of such similar properties or without direct sales price information for such similar properties using a reliable statistical or other method to estimate the values of such properties;

1 2. "Additional homestead exemption" means the exemption
2 provided by Section 2890 of this title;

3 3. "Assessor" means the county assessor and, unless the context
4 clearly requires otherwise, deputy assessors and persons employed by
5 the county assessor in performance of duties imposed by law;

6 4. "Assess and value" means to establish the fair cash value
7 and taxable fair cash value of taxable real and personal property
8 pursuant to requirements of law;

9 5. "Assessed valuation" or "assessed value" means the
10 percentage of the fair cash value of personal property, or the
11 percentage of the taxable fair cash value of real property, pursuant
12 to the provisions of Sections 8 and 8B of Article X of the Oklahoma
13 Constitution, either of individual items of personal property,
14 parcels of real property or the aggregate total of such individual
15 taxable items or parcels within a jurisdiction;

16 6. "Assessment percentage" means the percentage applied to
17 personal property and real property pursuant to Section 8 of Article
18 X of the Oklahoma Constitution;

19 7. "Assessment ratio" means the relationship between assessed
20 value and taxable fair cash value for a county or for use categories
21 within a county expressed as a percentage determined in the annual
22 equalization ratio study;

1 8. "Assessment roll" means a computerized or noncomputerized
2 record required by law to be kept by the county assessor and
3 containing information about property within a taxing jurisdiction;

4 9. "Assessment year" means the year beginning January 1 of each
5 calendar year and ending on December 31 preceding the following
6 January 1 assessment date;

7 10. "Business assets" means the nonresidential personal
8 property of a taxpayer, excluding the personal property of an
9 agricultural operation, including, but not limited to, implements of
10 husbandry and attachments, machinery, livestock, and improvements to
11 agricultural land, boat docks, and airplane hangers;

12 11. "Circuit breaker" means the form of property tax relief
13 provided by Sections 2904 through 2911 of this title;

14 ~~11.~~ 12. "Class of subjects" means a category of property
15 specifically designated pursuant to provisions of the Oklahoma
16 Constitution for purposes of ad valorem taxation;

17 ~~12.~~ 13. "Code" means the Ad Valorem Tax Code, Section 2801 et
18 seq. of this title;

19 ~~13.~~ 14. "Coefficient of dispersion" means a statistical measure
20 of assessment uniformity for a category of property or for all
21 property within a taxing jurisdiction;

22 ~~14.~~ 15. "Confidence level" means a statistical procedure for
23 determining the degree of reliability for use in reporting the
24 assessment ratio for a taxing jurisdiction;

1 ~~15.~~ 16. "Cost approach" means a method used to establish the
2 fair cash value of property involving an estimate of current
3 construction cost of improvements, subtracting accrued depreciation
4 including any loss in value that may be caused by physical
5 deterioration, functional obsolescence or economic obsolescence and
6 adding the value of the land.

7 a. Physical deterioration is a cause of depreciation that
8 is a loss in value due to ordinary wear and tear and
9 the forces of nature.

10 b. Functional or internal obsolescence is the loss in
11 value of a property resulting from changes in tastes,
12 preferences, technical innovations or market
13 standards.

14 c. Economic or external obsolescence is a cause of
15 depreciation that is a loss in value as a result of
16 impairment in utility and desirability caused by
17 factors outside the boundaries of the property or loss
18 of value in a property ~~(relative, relative~~ relative to the cost
19 of replacing it with a property of equal ~~utility),~~
20 utility that stems from factors external to the
21 property;

22 ~~16.~~ 17. "County board of equalization" means the board which,
23 upon hearing competent evidence, has the authority to correct and
24 adjust the assessment rolls in its respective county to conform to

1 fair cash value and such other responsibilities as prescribed in
2 Section 2801 et seq. of this title;

3 ~~17.~~ 18. "Equalization" means the process for making adjustments
4 to taxable property values within a county by analyzing the
5 relationships between assessed values and fair cash values in one or
6 more use categories within the county or between counties by
7 analyzing the relationship between assessed value and fair cash
8 value in each county;

9 ~~18.~~ 19. "Equalization ratio study" means the analysis of the
10 relationships between assessed values and fair cash values in the
11 manner provided by law;

12 ~~19.~~ 20. "Fair cash value" or "market value" means the value or
13 price at which a willing buyer would purchase property and a willing
14 seller would sell property if both parties are knowledgeable about
15 the property and its uses and if neither party is under any undue
16 pressure to buy or sell and for real property shall mean the value
17 for the highest and best use for which such property was actually
18 used, or was previously classified for use, during the calendar year
19 next preceding the applicable January 1 assessment date;

20 ~~20.~~ 21. "Homestead exemption" means the reduction in the
21 taxable value of a homestead as authorized by law;

22 ~~21.~~ 22. "Income and expense approach" means a method to
23 estimate fair cash value of a property by determining the present
24 value of the projected income stream;

1 ~~22.~~ 23. "List and assess" means the process by which taxable
2 property is discovered, its description recorded for purposes of ad
3 valorem taxation and its fair cash value and taxable fair cash value
4 are established;

5 ~~23.~~ 24. "Mill" or "millage" means the rate of tax imposed upon
6 taxable value. One (1) mill equals One Dollar (\$1.00) of tax for
7 each One Thousand Dollars (\$1,000.00) of taxable value;

8 ~~24.~~ 25. "Multiple regression analysis" means a statistical
9 technique for estimating unknown data on the basis of known and
10 available data;

11 ~~25.~~ 26. "Parcel" means a contiguous area of land described in a
12 single description by a deed or other instrument or as one of a
13 number of lots on a plat or plan, separately owned and capable of
14 being separately conveyed;

15 ~~26.~~ 27. "Sales comparison approach" means the collection,
16 verification, and screening of sales data, stratification of sales
17 information for purposes of comparison and use of such information
18 to establish the fair cash value of taxable property;

19 ~~27.~~ 28. "State Board of Equalization" means the Board
20 responsible for valuation of railroad, airline and public service
21 corporation property and the adjustment and equalization of all
22 property values both centrally and locally assessed;

23 ~~28.~~ 29. "Taxable value" means the percentage of the fair cash
24 value of personal property or the taxable fair cash value of real
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1 property, less applicable exemptions, upon which an ad valorem tax
2 rate is levied pursuant to the provisions of Section 8 and Section
3 8B of Article X of the Oklahoma Constitution;

4 ~~29.~~ 30. "Taxable fair cash value" means the fair cash value of
5 locally assessed real property as capped pursuant to Section 8B of
6 Article X of the Oklahoma Constitution;

7 ~~30.~~ 31. "Use category" means a subcategory of real property,
8 that is either agricultural use, residential use or
9 commercial/industrial use but does not and shall not constitute a
10 class of subjects within the meaning of the Oklahoma Constitution
11 for purposes of ad valorem taxation;

12 ~~31.~~ 32. "Use value" means the basis for establishing fair cash
13 value of real property pursuant to the requirement of Section 8 of
14 Article X of the Oklahoma Constitution; and

15 ~~32.~~ 33. "Visual inspection program" means the program required
16 in order to gather data about real property from physical
17 examination of the property and improvements in order to establish
18 the fair cash values of properties so inspected at least once each
19 four (4) years and the fair cash values of similar properties on an
20 annual basis.

21 SECTION 2. AMENDATORY 68 O.S. 2021, Section 2803, is
22 amended to read as follows:

23 Section 2803. A. The Legislature, pursuant to authority of
24 ~~Article X,~~ Section 22 of Article X of the Oklahoma Constitution,
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1 hereby classifies the following types of property for purposes of ad
2 valorem taxation:

3 1. Real property;

4 2. Personal property, except as provided in ~~paragraph~~
5 paragraphs 3 and 6 of this subsection;

6 3. Personal property which is household goods of the head of
7 families and livestock employed in support of the family in those
8 counties which have exempted such property pursuant to subsection
9 ~~(b)~~ B of Section 6 of Article X of the Oklahoma Constitution;

10 4. Public service corporation property; ~~and~~

11 5. Railroad and air carrier property; and

12 6. Business assets.

13 B. Valuation of each class of subjects shall be made by a
14 method appropriate for each class or any subclass thereof, as
15 established by the Ad Valorem Division of the Oklahoma Tax
16 Commission.

17 C. Classification as provided by this section shall require
18 uniform treatment of each item within a class or any subclass as
19 provided in ~~Article X~~, Section 5 of Article X of the Oklahoma
20 Constitution.

21 SECTION 3. This act shall become effective January 1, 2027.

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