

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 60<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB4305</b>
<b>Version:</b>	<b>INT</b>
<b>Request Number:</b>	<b>14467</b>
<b>Author:</b>	<b>Rep. Blair</b>
<b>Date:</b>	<b>2/17/2026</b>
<b>Impact:</b>	<b>Unknown impact to local tax revenue</b>

**Research Analysis**

HB4305, as introduced, creates a special ad valorem tax valuation method for affordable rental housing that meet the following requirements:

- Is rented to individuals or families meeting low- or moderate-income guidelines;
- Was financed under the Oklahoma Affordable Housing Act and is currently subject to a land-use or regulatory agreement;
- Is not eligible to exemption from ad valorem taxes; and
- Has no alternative payment agreement in lieu of taxes.

For property eligible for the special valuation treatment, county assessors are directed to calculate fair cash value based on projected income and expenses during construction or lease-up, then adjust annually based on net income changes.

If a property is sold and is no longer subject to a land-use or regulatory agreement, an additional tax will be imposed. The additional tax will serve as a clawback tax and will equal the difference between taxes paid under the special valuation and what would have been owed based on true market value over the previous three years, adjusted for net income changes. The county assessor may place a tax lien for the additional tax and must notify owners via certified mail. The additional tax will become due the following February 1 after notification. The measure also outlines the owners right to protest the additional tax and outlines the procedures to do so.

Prepared By: Quyen Do

**Fiscal Analysis**

As introduced, HB4305 modifies the method by which county assessors determine the fair cash value of certain affordable housing properties.

The Oklahoma Tax Commission has provided the following analysis:

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**ESTIMATED REVENUE IMPACT:**

**FY27: Unknown impact to local tax revenue.**

**FY28: Unknown impact to local tax revenue.**

**ANALYSIS:** HB 4305 adds a new section to Title 68 of the Oklahoma Statutes relating to the valuation of certain affordable housing properties not exempt under 68 O.S. § 2887. The bill requires county assessors to determine fair cash value using an income-based valuation method that varies depending on a project's stage of development and operating performance. The bill also includes an additional assessment if a property no longer complies with affordability requirements.

The Oklahoma Housing Finance Agency (OHFA), which administers affordable housing programs in Oklahoma, can identify projects subject to the bill's valuation provisions. However, parcel-level valuation, assessment, and millage data for these properties are unavailable. As a result, while affected projects can likely be identified through program participation, the impact of the prescribed valuation methodology on assessed values and ad valorem tax liability cannot be reliably quantified.

Any revenue impacts would directly affect local taxing jurisdictions and may indirectly affect state funding through the school funding formula.

Prepared By: Zach Penrod, House Fiscal Staff

**Other Considerations**

None.