



BILL/VERSION:	SB 2018 / COMMITTEE SUB	ANALYST: EC
AUTHORS:	Sen. Thompson	DATE: 2/23/2026
TAX(ES):	Ad Valorem	
SUBJECT(S):	Property Tax Valuation	
EFFECTIVE DATE:	November 1, 2026	Emergency <input type="checkbox"/>

ESTIMATED REVENUE IMPACT:

FY27: unknown change in revenue to local tax jurisdictions.

ANALYSIS: SB 2018 amends 68 O.S. §§ 2802 and 2817 to define residential rental housing as developments containing at least 20 individual rental units and excluding developments receiving the federal low-income housing credit provided pursuant to 26 U.S.C. § 42, and requires that such properties be valued using the cost approach for ad valorem tax purposes for a period of 2 years or until the transfer of the property. Currently, these properties are most often valued using the income approach. Requiring the cost approach may not fully capture the income-generating characteristics of some residential rental properties.¹

The impact on local tax revenue cannot be determined due to the lack of detailed data needed to estimate changes in assessed values under the new methodology. Revenue impacts will directly affect local taxing jurisdictions and may indirectly affect state funding through the school funding formula.

¹ Compared to the introduced version, the committee substitute reduces the minimum number of rental units from 60 to 20, adds an exclusion for developments receiving the federal low-income housing tax credit, and establishes a two-year limitation for the required valuation approach.

2/24/26
DATE

Huan Gong
DR. HUAN GONG, CHIEF TAX ECONOMIST

2/24/26
DATE

Marie Schuble
MARIE SCHUBLE, DIVISION DIRECTOR

2/24/26
DATE

Joseph P. Gappa
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. This estimate reflects current available data as of the date of issuance and is subject to revision if additional information becomes known.