OKLAHOMA
Tax Commission

REVENUE IMPACT STATEMENT
2025 REGULAR SESSION
60TH LEGISLATURE, 1ST SESSION

BILL/VERSION:	**SB 1087** / INTRODUCED	**ANALYST**: EC	
AUTHORS:	Sen. Hines	**DATE**: 2/18/2025	
TAX(ES):	Ad Valorem		
SUBJECT(S):	Credit		
EFFECTIVE DATE:	November 1, 2025	**Emergency** ☐	

ESTIMATED REVENUE IMPACT:

FY26: No impact to state revenue, unknown impact to local revenue.

ANALYSIS: SB 1087 proposes a new law allowing property owners to claim a credit against ad valorem tax liability if a local government adopts a policy or practice of not enforcing certain laws related to multiple illicit activities, resulting in a decline in property value. Property owners may also qualify if they incur expenses to mitigate the impact of such activities. The credit amount will be equivalent to either the reduction in fair cash value or the mitigation costs incurred. SB 1087 establishes exceptions, specific procedures, and assigns administration to the Oklahoma Tax Commission (OTC). There is no impact to state tax revenue. Local taxing jurisdictions may experience a decrease in revenue, however, due to numerous unknown variables, the impact of the proposed credit is currently unknown[1].

Administrative Impact: The specific administrative duties for the OTC are undefined in SB 1087[2]. We are currently assessing the extent of the impact and evaluating the associated costs.

---

[1] For 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.
[2] Ad 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.

2/20/25 — Huan Gong
DATE — DR. HUAN GONG, CHIEF TAX ECONOMIST

2/21/25 — Marie Schuble
DATE — MARIE SCHUBLE, DIVISION DIRECTOR

2/21/25 — Joseph P. Gappa
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.