



1 accurate estimate of fair cash value for similar properties in the  
2 jurisdiction either without direct observation of such similar  
3 properties or without direct sales price information for such  
4 similar properties using a reliable statistical or other method to  
5 estimate the values of such properties;

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

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

11 4. "Assess and value" means to establish the fair cash value  
12 and taxable fair cash value of taxable real and personal property  
13 pursuant to requirements of law;

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

21 6. "Assessment percentage" means the percentage applied to  
22 personal property and real property pursuant to Section 8 of Article  
23 X of the Oklahoma Constitution;

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1           7. "Assessment ratio" means the relationship between assessed  
2 value and taxable fair cash value for a county or for use categories  
3 within a county expressed as a percentage determined in the annual  
4 equalization ratio study;

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

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

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

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

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

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

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

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1 15. "Cost approach" means a method used to establish the fair  
2 cash value of property involving an estimate of current construction  
3 cost of improvements, subtracting accrued depreciation including any  
4 loss in value that may be caused by physical deterioration,  
5 functional obsolescence or economic obsolescence and adding the  
6 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 to the cost of  
19 replacing it with a property of equal utility) that  
20 stems from factors external to the property;

21 16. "County board of equalization" means the board which, upon  
22 hearing competent evidence, has the authority to correct and adjust  
23 the assessment rolls in its respective county to conform to fair  
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1 cash value and such other responsibilities as prescribed in Section  
2 2801 et seq. of this title;

3 17. "Equalization" means the process for making adjustments to  
4 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. "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. "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. "Homestead exemption" means the reduction in the taxable  
21 value of a homestead as authorized by law;

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

1        22. "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. "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. "Multiple regression analysis" means a statistical  
9 technique for estimating unknown data on the basis of known and  
10 available data;

11       25. "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. "Rural internet service provider" means a lawfully  
16 recognized business entity offering internet services on a  
17 subscription basis if the majority of the subscribers reside in a  
18 rural census tract as defined pursuant to the laws governing the  
19 preparation of the United States Census;

20       27. "Sales comparison approach" means the collection,  
21 verification, and screening of sales data, stratification of sales  
22 information for purposes of comparison and use of such information  
23 to establish the fair cash value of taxable property;

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1       ~~27.~~ 28. "State Board of Equalization" means the Board  
2 responsible for valuation of railroad, airline and public service  
3 corporation property and the adjustment and equalization of all  
4 property values both centrally and locally assessed;

5       ~~28.~~ 29. "Taxable value" means the percentage of the fair cash  
6 value of personal property or the taxable fair cash value of real  
7 property, less applicable exemptions, upon which an ad valorem tax  
8 rate is levied pursuant to the provisions of Section 8 and Section  
9 8B of Article X of the Oklahoma Constitution;

10       ~~29.~~ 30. "Taxable fair cash value" means the fair cash value of  
11 locally assessed real property as capped pursuant to Section 8B of  
12 Article X of the Oklahoma Constitution;

13       ~~30.~~ 31. "Use category" means a subcategory of real property,  
14 that is either agricultural use, residential use or  
15 commercial/industrial use but does not and shall not constitute a  
16 class of subjects within the meaning of the Oklahoma Constitution  
17 for purposes of ad valorem taxation;

18       ~~31.~~ 32. "Use value" means the basis for establishing fair cash  
19 value of real property pursuant to the requirement of Section 8 of  
20 Article X of the Oklahoma Constitution; and

21       ~~32.~~ 33. "Visual inspection program" means the program required  
22 in order to gather data about real property from physical  
23 examination of the property and improvements in order to establish  
24 the fair cash values of properties so inspected at least once each

1 four (4) years and the fair cash values of similar properties on an  
2 annual basis.

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

5 Section 2803. A. The Legislature, pursuant to authority of  
6 Article X, Section 22 of the Oklahoma Constitution, hereby  
7 classifies the following types of property for purposes of ad  
8 valorem taxation:

- 9 1. Real property;
- 10 2. Personal property, except as provided in paragraph 3 of this  
11 subsection;
- 12 3. Personal property which is household goods of the head of  
13 families and livestock employed in support of the family in those  
14 counties which have exempted such property pursuant to subsection  
15 (b) of Section 6 of Article X of the Oklahoma Constitution;
- 16 4. Public service corporation property; ~~and~~
- 17 5. Railroad and air carrier property; and
- 18 6. Rural internet service provider property if the rural  
19 internet service provider opts for local assessment by the  
20 applicable county assessor pursuant to the provisions of this  
21 paragraph. A rural internet service provider that files an election  
22 with the county assessor of the county in which any real property or  
23 personal property owned by such rural internet service provider is  
24 located shall have real and personal property values for such

1 property established by the applicable county assessor and the  
2 taxable value of such property shall be computed by the applicable  
3 county assessor according to the same requirements as other real and  
4 personal property. If an election is filed pursuant to this  
5 paragraph the election shall be filed not later than March 15 of any  
6 calendar year and shall be in force and effect until revoked by the  
7 rural internet service provider. A rural internet service provider  
8 that does not file an election pursuant to this paragraph or which  
9 revokes an election as authorized by this paragraph shall have its  
10 real and personal property valued for ad valorem tax purposes by the  
11 State Board of Equalization in the same manner prescribed by law for  
12 the valuation of public service corporation property and the State  
13 Board of Equalization shall compute the taxable value of such  
14 property according to the same requirements as the property of  
15 public service corporations. The Oklahoma Tax Commission shall  
16 prescribe forms for the election and revocation of elections as  
17 authorized by this paragraph.

18 B. Valuation of each class of subjects shall be made by a  
19 method appropriate for each class or any subclass thereof, as  
20 established by the Ad Valorem Division of the Oklahoma Tax  
21 Commission.

22 C. Classification as provided by this section shall require  
23 uniform treatment of each item within a class or any subclass as  
24 provided in Article X, Section 5 of the Oklahoma Constitution.

SECTION 3. This act shall become effective January 1, 2025.

COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated  
02/15/2024 - DO PASS, As Coauthored.