

STATE OF OKLAHOMA

1st Session of the 60th Legislature (2025)

SENATE BILL 1087

By: Hines

AS INTRODUCED

An Act relating to ad valorem tax; defining term; providing credit against ad valorem tax for certain expenses or reduction in fair cash value resulting from a lack of enforcement of laws and maintenance of certain nuisance; prescribing amount of credit; requiring county treasurer to withhold certain distribution of funds; prohibiting credit for certain act or omission; requiring local government to bear the burden of proof in challenge to claim; prohibiting requirement to submit claim to receive just compensation; authorizing the owner to claim subsequent credit under certain circumstance; limiting credit claimed in certain period; providing for carry-forward of credit; requiring the Oklahoma Tax Commission to administer certain provisions; providing for codification; and providing an effective date.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2952 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. As used in this section, "owner" means the holder of the subject real property.

1 B. There shall be allowed a credit against the ad valorem tax  
2 liability of an owner, pursuant to Section 2915 of Title 68 of the  
3 Oklahoma Statutes, if the government of a county, city, or  
4 municipality follows a policy, pattern, or practice of declining to  
5 enforce existing laws, ordinances, or other regulations against  
6 illegal camping, obstruction of public thoroughfares, loitering,  
7 panhandling, public urination or defecation, or public consumption  
8 of alcoholic beverages or illegal substances, or if the local  
9 government maintains a public nuisance involving camping, loitering,  
10 and pollution, and:

11 1. The fair cash value of the real property of the owner is  
12 reduced by this policy, pattern, practice, or public nuisance; or

13 2. The owner incurs expenses to mitigate the effects on the  
14 private real property of this policy, pattern, practice, or public  
15 nuisance.

16 C. The amount of credit allowed pursuant to subsection B of  
17 this section shall be, at the election of the owner, equal to  
18 either:

19 1. The reduction in fair cash value of the real property  
20 resulting from the policy, pattern, practice, or public nuisance of  
21 the local government; or

22 2. The expenses incurred by the owner that were reasonably  
23 necessary to mitigate the effects on the real property of the  
24 policy, pattern, practice, or public nuisance.

1 D. With respect to any county, city, or municipality for which  
2 a credit is claimed pursuant to this section, the county treasurer  
3 shall withhold from the distribution of monies pursuant to Section  
4 2923 of Title 68 of the Oklahoma Statutes to the affected county,  
5 city, or municipality the respective aggregate amount of credit  
6 claimed pursuant to this section.

7 E. The credit provided for in this section shall not be allowed  
8 for expenses or reductions in fair cash value resulting from:

9 1. Decisions by local authorities to exercise prosecutorial  
10 discretion not to prosecute alleged offenders, if the decisions are  
11 made on a case-by-case basis and the justification for each decision  
12 is published on a monthly basis by the local authority;

13 2. An act of executive clemency;

14 3. Acts or omissions mandated by federal law; and

15 4. An act or omission taken pursuant to Section 683.9 of Title  
16 63 of the Oklahoma Statutes.

17 F. For any challenge to a credit claimed pursuant to this  
18 section, the county, city, or municipality shall bear the burden of  
19 demonstrating that the actions taken are lawful or that the amount  
20 of the credit claimed is unreasonable.

21 G. The owner shall not be required to submit any claim as a  
22 prerequisite to demanding or receiving just compensation in the form  
23 of a credit pursuant to this section.  
24

1 H. If the policy, pattern, or practice remains in place after  
2 the owner claims a credit pursuant to this section, the owner shall  
3 be entitled to a subsequent tax credit in a following year pursuant  
4 to the provisions of this section, unless the relevant government  
5 entity and the owner reach a settlement or the government entity  
6 ceases the policy, pattern, or practice, or abates the public  
7 nuisance.

8 I. An owner may claim the credit provided pursuant to this  
9 section no more than once per year.

10 J. If the amount of the credit allowed pursuant to this section  
11 exceeds the tax liability of the owner, the amount of the credit not  
12 used as an offset against the tax liability for that year may be  
13 carried forward as a credit for ten (10) subsequent years.

14 K. The Oklahoma Tax Commission shall administer the provisions  
15 of this section, including the furnishing of forms for submission of  
16 a claim.

17 SECTION 2. This act shall become effective November 1, 2025.

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