

1 STATE OF OKLAHOMA

2 1st Session of the 55th Legislature (2015)

3 HOUSE BILL 1963

By: Watson

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5  
6 AS INTRODUCED

7 An Act relating to revenue and taxation; amending 68  
8 O.S. 2011, Sections 2835, 2868 and 2884, which relate  
9 to the Ad Valorem Tax Code; modifying provision  
10 related to confidentiality of certain information;  
11 prohibiting increase in ad valorem taxes pursuant to  
12 certain final judgments in tax appeals; modifying  
13 provisions related to payment of taxes related to  
14 appeals from certain orders regarding valuation of  
15 property; and declaring an emergency.

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

SECTION 1. AMENDATORY 68 O.S. 2011, Section 2835, is  
amended to read as follows:

Section 2835. A. On or before January 1 of each year, the  
Oklahoma Tax Commission shall prescribe for the use of all county  
assessors, suitable blank forms for the listing and assessment of  
all property, both real and personal. Such forms shall contain such  
information and instructions as may be necessary in order to obtain  
a full and complete list of all taxable property and such forms  
shall be used uniformly throughout the state. Any change in these  
forms must have the approval of the Tax Commission.

1 B. It shall be the duty of the county assessor to furnish such  
2 forms to any taxpayer upon request, and all personal property shall  
3 be listed on such forms in the manner provided therein. Such lists  
4 shall be signed and sworn to and filed with the county assessor not  
5 later than March 15 of each year; and such lists may show the  
6 description of real property, which may be by subdivision of quarter  
7 sections, or less if any such subdivision is owned in less quantity,  
8 describing such less quantity by United States Land Survey  
9 nomenclature if that can be done, otherwise by metes and bounds,  
10 according to ownership.

11 C. Real estate need not be listed by the taxpayer, but may be  
12 listed if the taxpayer so desires, in which case the list shall show  
13 the taxpayer's estimate of the value of each tract of land and shall  
14 separately show the value of the buildings and improvements thereon.

15 D. All such sworn lists of property shall contain such other  
16 information concerning both real and personal property as may be  
17 required by such forms so prescribed.

18 E. All such sworn lists of property, ~~and~~ any other documents  
19 produced by a taxpayer to the assessor or the board of equalization  
20 during the informal and formal hearing process, or during discovery  
21 in any ad valorem tax appeal in the Court of Tax Review or the  
22 district court, shall be protected as confidential and shall not be  
23 available for inspection under the Open Records Act.

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1 SECTION 2. AMENDATORY 68 O.S. 2011, Section 2868, is  
2 amended to read as follows:

3 Section 2868. A. As soon as practicable, and not later than  
4 October 1, the county assessor shall prepare tax rolls containing  
5 all adjustments by either the equalization board or the excise board  
6 which have been completed and provided to the assessor, and  
7 containing:

8 1. A list or lists in alphabetical order of all the persons and  
9 bodies corporate in whose name any personal or public service  
10 property has been assessed, with the assessed valuation thereof  
11 distinguished by separate amounts if located in more than one school  
12 district and by the number of each school district, each in a  
13 separate column opposite the name, and the total amount of the tax  
14 as to each school district location extended in another column. In  
15 city and town districts, distinction shall be made as to urban and  
16 rural locations;

17 2. A list or lists of all taxable lands in the county or school  
18 districts of the county, not including city or town lots, nor  
19 unplatted tracts of land inside a city or town, in numerical order,  
20 commencing with the lowest numbered section and the different  
21 subdivisions and fractional parts thereof in the lowest numbered  
22 township in the lowest numbered range in the county, and ending with  
23 the highest numbered section, township and range, with the number of  
24 the school district located in and the name of the owner in each

1 instance, the assessed valuation of each tract, and the total amount  
2 of taxes extended in separate columns opposite each tract in the  
3 same manner as provided in the alphabetical list or lists of names;  
4 except where homestead exemptions are involved, then by distinctive  
5 valuations and amounts of tax as hereinafter provided; and

6 3. A list of the city or town lots in each city or town and the  
7 unplatted tracts in each city or town in the county, commencing with  
8 the lowest numbered section in the lowest numbered township in the  
9 lowest numbered range in the county and the different subdivisions  
10 and fractional parts thereof and ending with the highest numbered  
11 section, township and range, and the number of acres in each tract  
12 with the name of the owner in each instance, and the valuation and  
13 total tax extended in separate columns in the same manner as  
14 hereinbefore provided in respect to personal property and lands,  
15 except homesteads which shall be distinguished as provided for  
16 lands. Each lot shall be separately listed, except as hereinafter  
17 provided, and the valuation and tax separately extended thereon.  
18 Where one building or one set of improvements is situated on two or  
19 more lots or parts of lots so as to preclude distinction as to the  
20 value of improvements as to each such lot or parts of lots, such  
21 lots or parts of lots shall be listed together with one valuation,  
22 and the tax extended in one amount. Unless the owner otherwise  
23 elects, vacant lots valued and equalized at Ten Dollars (\$10.00) or  
24 less per lot and belonging to the same owner may, if adjacent and

1 lying within the same city or town block, be so listed with one  
2 valuation and the tax extended in one amount; and in either or any  
3 event where more than one lot or part of lot is listed under one  
4 valuation, the tax rolls shall disclose whether the same be vacant  
5 or improved. All additions to cities and towns shall be arranged in  
6 the tax rolls in alphabetical order immediately following the  
7 original townsite.

8 B. In applying the tax rate to determine the amount of tax due,  
9 the county assessor shall compute same to the nearest dollar, that  
10 is, any fraction of a dollar in the amount of fifty cents (\$0.50) or  
11 less shall be disregarded, and any fraction of a dollar in the  
12 amount of fifty-one cents (\$0.51) or more shall be shown as a full  
13 dollar. The total amount of the tax due and extended on the tax  
14 rolls, as required by this section, shall be determined and shown  
15 accordingly. Provided, however, in all cases where, under the tax  
16 rate, the tax is computed to be less than One Dollar (\$1.00), then  
17 the tax due shall be shown as One Dollar (\$1.00). Once the total  
18 amount of taxes due is calculated and extended onto the tax rolls,  
19 the amount of taxes due cannot be increased by a final judgment in  
20 any tax appeal filed pursuant to Section 2880.1 or Section 2881 of  
21 this title.

22 C. Each property, whether lands or lots, lawfully exempted  
23 from taxation in whole or in part by reason of a homestead interest,  
24 shall be distinguished upon the tax rolls by the word "homestead" or

1 an appropriate symbol, and opposite each of such properties shall be  
2 entered in separate columns the total assessed valuation, the value  
3 of the exemption allowed and approved and the assessed valuation  
4 after the amount of exemption allowed has been deducted. In  
5 extending the tax the county assessor shall, as to each such  
6 property, consolidate all levies to which the homestead exemption is  
7 subject, compute the tax thereon and enter the same in one column in  
8 one amount, and all the levies to which the valuation in excess of  
9 the homestead exemption is subject, compute the tax thereon and  
10 enter the same in another column in one amount.

11 D. All real property which is exempt from taxation shall be  
12 listed in the tax rolls, with the name of the owner, in all respects  
13 as if the same were taxable but with the reason for the exemption  
14 noted thereon across the columns where otherwise the tax would have  
15 been entered.

16 E. The county treasurer shall transfer to the tax rolls for the  
17 current year, in a separate column, all delinquent taxes remaining  
18 unpaid for the previous years, distinguishing the same as to each  
19 lot and tract of land by the year and amount of tax, exclusive of  
20 penalty, as to all real properties; and when giving a statement of  
21 taxes on any property, said statement shall include all taxes due  
22 and shall designate the sum due for the current year, and the sum  
23 past due and delinquent. Said transfer to the current rolls of  
24 unpaid real property tax of previous years is hereby declared to be

1 mandatory; and the county treasurer shall be allowed not to exceed  
2 fifteen (15) days after the delivery to him of said current rolls  
3 within which to make such transfer, before he shall be required to  
4 open the same for the reception and collection of taxes and to begin  
5 the thirty-day nonpenalty-taxpaying period before delinquency.

6 F. The tax rolls shall be made up as required by and in the  
7 form prescribed by the State Auditor and Inspector and shall contain  
8 such other information as may be required by the State Auditor and  
9 Inspector.

10 SECTION 3. AMENDATORY 68 O.S. 2011, Section 2884, is  
11 amended to read as follows:

12 Section 2884. A. The full amount of the taxes assessed against  
13 the property of any taxpayer who has appealed from a decision  
14 affecting the value or taxable status of such property as provided  
15 by law shall be paid at the time and in the manner provided by law.  
16 If at the time such taxes or any part thereof become delinquent and  
17 any such appeal is pending, it shall abate and be dismissed upon a  
18 showing that the taxes have not been paid.

19 B. When such taxes are paid, or by December 31, whichever is  
20 earlier, the persons protesting the taxes shall give notice to the  
21 county treasurer that an appeal involving such taxes has been taken  
22 and is pending, and shall set forth the total amount of tax that has  
23 been paid under protest or required by law to be paid prior to April  
24 1 that will be paid under protest. The notice shall be on a form

1 prescribed by the Tax Commission. If taxes are paid in two equal  
2 installments and the amount paid under protest does not exceed fifty  
3 percent (50%) of the full amount of assessed taxes, all protested  
4 taxes shall be specified in the second installment payment. If such  
5 amount does exceed fifty percent (50%) of the full amount of  
6 assessed taxes, then the portion of protested taxes that exceeds  
7 fifty percent (50%) of the full amount of assessed taxes shall be  
8 specified in the first installment payment and the entire second  
9 installment shall be specified to be paid under protest. The  
10 taxpayer shall attach to such notice a copy of the petition filed in  
11 the court or other appellate body in which the appeal was taken.  
12 For railroads, air carriers, and public service corporations, the  
13 amount of taxes protested shall not exceed the amount of tax  
14 calculated on the protested assessed valuation specified in the  
15 complaint filed pursuant to the provisions of subsection A of  
16 Section 2881 of this title.

17 C. It shall be the duty of the county treasurer to hold taxes  
18 paid under protest separate and apart from other taxes collected.  
19 Any portion of such taxes not paid under protest shall be  
20 apportioned as provided by law. Except as otherwise provided for in  
21 this subsection, the treasurer shall invest the protested taxes in  
22 the same manner as the treasurer invests surplus tax funds not paid  
23 under protest, but shall select an interest-bearing investment  
24 medium which will permit prompt refund or apportionment of the



1 protested taxes upon final determination of the appeal. In cases  
2 where the amount of the protested ad valorem taxes by a taxpayer is  
3 in excess of Fifteen Thousand Dollars (\$15,000.00), the taxpayer may  
4 elect to choose the type of investment and where the investment of  
5 the protested funds will be deposited as long as the investment is  
6 of a type authorized for the county, the depository institution  
7 qualifies as a county depository, and the depository institution is  
8 located in the applicable county.

9 D. 1. Prior to January 31 of each year, the county treasurer  
10 shall determine the amount of ad valorem taxes paid under protest  
11 and those ad valorem taxes that will be paid under protest pursuant  
12 to subsection B of this section. The county treasurer shall then  
13 notify the State Auditor and Inspector of the total amount of paid  
14 protested ad valorem taxes and anticipated protested ad valorem  
15 taxes, the total amount of protested taxes and anticipated protested  
16 taxes by each individual taxpayer, and how such paid protested ad  
17 valorem taxes and anticipated protested ad valorem taxes would have  
18 been apportioned to each school district and technology center  
19 school district by fund had such amount of protested ad valorem  
20 taxes not been protested.

21 2. The State Auditor and Inspector shall compile all of the  
22 information submitted by the county treasurers in a format which  
23 shall set forth the total amount of paid and anticipated protested  
24 taxes for each school district and technology center school district

1 by fund and a total for each school district and technology center  
2 school district by fund. This information shall then be submitted  
3 by the State Auditor and Inspector to the State Superintendent of  
4 Public Instruction, the Director of the Oklahoma Department of  
5 Career and Technology Education, the Speaker of the House of  
6 Representatives, and the President Pro Tempore of the Senate. If  
7 any of the information submitted to the State Auditor and Inspector  
8 changes after being submitted, the county treasurer shall notify the  
9 State Auditor and Inspector and the State Auditor and Inspector  
10 shall submit revised information to the parties enumerated in this  
11 paragraph within thirty (30) days of such change.

12 3. Within ten (10) days of the release of the escrowed ad  
13 valorem taxes by the county treasurer, as required by subsection E  
14 of this section, the county treasurer shall submit a schedule  
15 showing the disposition of the released funds, separated by fund for  
16 each school district and technology center school, to the State  
17 Auditor and Inspector. The State Auditor and Inspector shall  
18 certify the apportionment schedule and transmit a copy to the State  
19 Superintendent of Public Instruction and the Director of the  
20 Oklahoma Department of Career and Technology Education.

21 4. The State Auditor and Inspector shall promulgate any  
22 necessary rules to implement the provisions of this subsection.

23 E. 1. In cases involving taxpayers other than railroads, air  
24 carriers, or public service corporations, if upon the final

1 determination of any such appeal, the court shall find that the  
2 property was assessed at too great an amount, the board of  
3 equalization from whose order the appeal was taken shall certify the  
4 corrected valuation of the property of such taxpayers to the county  
5 assessor, in accordance with the decision of the court, and shall  
6 send a copy of such certificate to the county treasurer. Upon  
7 receipt of the corrected certificate of valuation, the county  
8 assessor shall compute and certify to the county treasurer the  
9 correct amount of taxes payable by the taxpayer. The difference  
10 between the amount paid and the correct amount payable, with accrued  
11 interest, shall be refunded by the treasurer to the taxpayer upon  
12 the taxpayer filing a proper verified claim therefor, and the  
13 remainder paid under protest, with accrued interest, shall be  
14 apportioned as provided by law.

15 2. If upon the final determination of any appeal, the court  
16 shall find that the property of the railroad, air carrier, or public  
17 service corporation was assessed at too great an amount, the State  
18 Board of Equalization from whose order the appeal was taken shall  
19 certify the corrected valuation of the property of the railroads,  
20 air carriers, and public service corporations to the State Auditor  
21 and Inspector in accordance with the decision of the court. Upon  
22 receipt of the corrected certificate of valuation, the State Auditor  
23 and Inspector shall certify to the county treasurer the correct  
24 valuation of the railroad, air carrier, or public service

1 corporation and shall send a copy of the certificate to the county  
2 assessor, who shall make the correction as specified in Section 2871  
3 of this title. The difference between the amount paid and the  
4 correct amount payable with accrued interest shall be refunded by  
5 the treasurer upon the taxpayer filing a proper verified claim, and  
6 the remainder paid under protest with accrued interest shall be  
7 apportioned according to law.

8 F. If an appeal is upon a question of valuation of the  
9 property, then the amount paid under protest by reason of the  
10 question of valuation being appealed shall be limited to the amount  
11 of taxes assessed against the property for the year in question less  
12 the amount of taxes which would be payable by the taxpayer for that  
13 year if the valuation of the property asserted by the taxpayer in  
14 the appeal were determined by the court to be correct. If an appeal  
15 is timely filed by a taxpayer pursuant to subsection A of Section  
16 2880.1 or Section 2881 of this title, the amount of taxes payable by  
17 the taxpayer shall not exceed the amount based upon the value  
18 established by the county board of equalization order or the State  
19 Board of Equalization order which is the subject of the appeal. If  
20 an appeal is timely filed by the county assessor pursuant to  
21 subsection A of Section 2880.1 of this title, the amount of taxes  
22 payable by the taxpayer shall not exceed the amount of taxes based  
23 upon the value assessed by the county assessor and submitted to the  
24 board of equalization.

1 G. If an appeal is upon a question of assessment of the  
2 property, then the amount paid under protest by reason of the  
3 question of assessment being appealed shall be limited to the amount  
4 of taxes assessed against the property for the year in question less  
5 the amount of taxes which would be payable by the taxpayer for that  
6 year if the assessment of the property asserted by the taxpayer in  
7 the appeal was determined by the court to be correct.

8 SECTION 4. It being immediately necessary for the preservation  
9 of the public peace, health and safety, an emergency is hereby  
10 declared to exist, by reason whereof this act shall take effect and  
11 be in full force from and after its passage and approval.

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