

1 STATE OF OKLAHOMA

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

3 COMMITTEE SUBSTITUTE
4 FOR ENGROSSED
5 HOUSE BILL 1963

By: Watson of the House

and

6 Marlatt of the Senate

7
8
9 COMMITTEE SUBSTITUTE

10 [revenue and taxation - Ad Valorem Tax Code -
11 confidentiality of certain information - ad valorem
12 taxes - tax appeals
13 emergency]

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

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

17 Section 2835. A. On or before January 1 of each year, the
18 Oklahoma Tax Commission shall prescribe for the use of all county
19 assessors, suitable blank forms for the listing and assessment of
20 all property, both real and personal. Such forms shall contain such
21 information and instructions as may be necessary in order to obtain
22 a full and complete list of all taxable property and such forms
23 shall be used uniformly throughout the state. Any change in these
24 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 or value upon which the tax was assessed
20 cannot be increased by a final judgment in any tax appeal filed
21 pursuant to Section 2880.1 or Section 2881 of this title. The
22 limitation on taxes due in the preceding sentence shall not apply in
23 cases of omitted property.

24

1 C. Each property, whether lands or lots, lawfully exempted
2 from taxation in whole or in part by reason of a homestead interest,
3 shall be distinguished upon the tax rolls by the word "homestead" or
4 an appropriate symbol, and opposite each of such properties shall be
5 entered in separate columns the total assessed valuation, the value
6 of the exemption allowed and approved and the assessed valuation
7 after the amount of exemption allowed has been deducted. In
8 extending the tax the county assessor shall, as to each such
9 property, consolidate all levies to which the homestead exemption is
10 subject, compute the tax thereon and enter the same in one column in
11 one amount, and all the levies to which the valuation in excess of
12 the homestead exemption is subject, compute the tax thereon and
13 enter the same in another column in one amount.

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

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

1 and shall designate the sum due for the current year, and the sum
2 past due and delinquent. Said transfer to the current rolls of
3 unpaid real property tax of previous years is hereby declared to be
4 mandatory; and the county treasurer shall be allowed not to exceed
5 fifteen (15) days after the delivery to him of said current rolls
6 within which to make such transfer, before he shall be required to
7 open the same for the reception and collection of taxes and to begin
8 the thirty-day nonpenalty-taxpaying period before delinquency.

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

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

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

22 B. When such taxes are paid, or by December 31, whichever is
23 earlier, the persons protesting the taxes shall give notice to the
24 county treasurer that an appeal involving such taxes has been taken

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

20 C. It shall be the duty of the county treasurer to hold taxes
21 paid under protest separate and apart from other taxes collected.
22 Any portion of such taxes not paid under protest shall be
23 apportioned as provided by law. Except as otherwise provided for in
24 this subsection, the treasurer shall invest the protested taxes in

1 the same manner as the treasurer invests surplus tax funds not paid
2 under protest, but shall select an interest-bearing investment
3 medium which will permit prompt refund or apportionment of the
4 protested taxes upon final determination of the appeal. In cases
5 where the amount of the protested ad valorem taxes by a taxpayer is
6 in excess of Fifteen Thousand Dollars (\$15,000.00), the taxpayer may
7 elect to choose the type of investment and where the investment of
8 the protested funds will be deposited as long as the investment is
9 of a type authorized for the county, the depository institution
10 qualifies as a county depository, and the depository institution is
11 located in the applicable county.

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

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

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

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

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

19 2. If upon the final determination of any appeal, the court
20 shall find that the property of the railroad, air carrier, or public
21 service corporation was assessed at too great an amount, the State
22 Board of Equalization from whose order the appeal was taken shall
23 certify the corrected valuation of the property of the railroads,
24 air carriers, and public service corporations to the State Auditor

1 and Inspector in accordance with the decision of the court. Upon
2 receipt of the corrected certificate of valuation, the State Auditor
3 and Inspector shall certify to the county treasurer the correct
4 valuation of the railroad, air carrier, or public service
5 corporation and shall send a copy of the certificate to the county
6 assessor, who shall make the correction as specified in Section 2871
7 of this title. The difference between the amount paid and the
8 correct amount payable with accrued interest shall be refunded by
9 the treasurer upon the taxpayer filing a proper verified claim, and
10 the remainder paid under protest with accrued interest shall be
11 apportioned according to law.

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

1 of taxes payable by the taxpayer shall not exceed the amount of
2 taxes based upon the value assessed by the county assessor and
3 submitted to the board of equalization.

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

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

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