

1 STATE OF OKLAHOMA

2 1st Session of the 58th Legislature (2021)

3 SENATE BILL 192

By: Howard

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6 AS INTRODUCED

7 An Act relating to the Ad Valorem Tax Code; amending
8 68 O.S. 2011, Sections 2802, as amended by Section 1,
Chapter 266, O.S.L. 2018, 2818 and 2821 (68 O.S.
9 Supp. 2020, Section 2802), which relate to
10 definitions, value of return and inspection of real
property; adding definitions; allowing for inspection
11 of property using certain imagery; making language
gender neutral; and providing an effective date.

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

14 SECTION 1. AMENDATORY 68 O.S. 2011, Section 2802, as
15 amended by Section 1, Chapter 266, O.S.L. 2018 (68 O.S. Supp. 2020,
16 Section 2802), is amended to read as follows:

17 Section 2802. As used in Section 2801 et seq. of this title:

18 1. "Accepted standards for mass appraisal practice" means those
19 standards for the collection and analysis of information about
20 taxable properties within a taxing jurisdiction permitting the
21 accurate estimate of fair cash value for similar properties in the
22 jurisdiction either without direct observation of such similar
23 properties or without direct sales price information for such
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1 similar properties using a reliable statistical or other method to
2 estimate the values of such properties;

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

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

8 4. "Assess and value" means to establish the fair cash value
9 and taxable fair cash value of taxable real and personal property
10 pursuant to requirements of law;

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

18 6. "Assessment percentage" means the percentage applied to
19 personal property and real property pursuant to Section 8 of Article
20 X of the Oklahoma Constitution;

21 7. "Assessment ratio" means the relationship between assessed
22 value and taxable fair cash value for a county or for use categories
23 within a county expressed as a percentage determined in the annual
24 equalization ratio study;

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

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

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

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

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

14 13. "Coefficient of dispersion" means a statistical measure of
15 assessment uniformity for a category of property or for all property
16 within a taxing jurisdiction;

17 14. "Confidence level" means a statistical procedure for
18 determining the degree of reliability for use in reporting the
19 assessment ratio for a taxing jurisdiction;

20 15. "Cost approach" means a method used to establish the fair
21 cash value of property involving an estimate of current construction
22 cost of improvements, subtracting accrued depreciation and adding
23 the value of land;

1 16. "County board of equalization" means the board which, upon
2 hearing competent evidence, has the authority to correct and adjust
3 the assessment rolls in its respective county to conform to fair
4 cash value and such other responsibilities as prescribed in Section
5 2801 et seq. of this title;

6 17. "Equalization" means the process for making adjustments to
7 taxable property values within a county by analyzing the
8 relationships between assessed values and fair cash values in one or
9 more use categories within the county or between counties by
10 analyzing the relationship between assessed value and fair cash
11 value in each county;

12 18. "Equalization ratio study" means the analysis of the
13 relationships between assessed values and fair cash values in the
14 manner provided by law;

15 19. "Fair cash value" or "market value" means the value or
16 price at which a willing buyer would purchase property and a willing
17 seller would sell property if both parties are knowledgeable about
18 the property and its uses and if neither party is under any undue
19 pressure to buy or sell and for real property shall mean the value
20 for the highest and best use for which such property was actually
21 used, or was previously classified for use, during the calendar year
22 next preceding the applicable January 1 assessment date;

23 20. "Homestead exemption" means the reduction in the taxable
24 value of a homestead as authorized by law;

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

4 22. "List and assess" means the process by which taxable
5 property is discovered, its description recorded for purposes of ad
6 valorem taxation and its fair cash value and taxable fair cash value
7 are established;

8 23. "Mill" or "millage" means the rate of tax imposed upon
9 taxable value. One (1) mill equals One Dollar (\$1.00) of tax for
10 each One Thousand Dollars (\$1,000.00) of taxable value;

11 24. "Multiple regression analysis" means a statistical
12 technique for estimating unknown data on the basis of known and
13 available data;

14 25. "Oblique imagery" means high resolution aerial or satellite
15 images captured approximately at a 45-degree angle from the ground;

16 26. "Orthoimagery" means high resolution images of a uniform
17 scale where corrections and variations are made to remove
18 distortion;

19 27. "Parcel" means a contiguous area of land described in a
20 single description by a deed or other instrument or as one of a
21 number of lots on a plat or plan, separately owned and capable of
22 being separately conveyed;

23 ~~26.~~ 28. "Sales comparison approach" means the collection,
24 verification, and screening of sales data, stratification of sales
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1 information for purposes of comparison and use of such information
2 to establish the fair cash value of taxable property;

3 ~~27.~~ 29. "State Board of Equalization" means the Board
4 responsible for valuation of railroad, airline and public service
5 corporation property and the adjustment and equalization of all
6 property values both centrally and locally assessed;

7 ~~28.~~ 30. "Taxable value" means the percentage of the fair cash
8 value of personal property or the taxable fair cash value of real
9 property, less applicable exemptions, upon which an ad valorem tax
10 rate is levied pursuant to the provisions of Section 8 and Section
11 8B of Article X of the Oklahoma Constitution;

12 ~~29.~~ 31. "Taxable fair cash value" means the fair cash value of
13 locally assessed real property as capped pursuant to Section 8B of
14 Article X of the Oklahoma Constitution;

15 ~~30.~~ 32. "Use category" means a subcategory of real property,
16 that is either agricultural use, residential use or
17 commercial/industrial use but does not and shall not constitute a
18 class of subjects within the meaning of the Oklahoma Constitution
19 for purposes of ad valorem taxation;

20 ~~31.~~ 33. "Use value" means the basis for establishing fair cash
21 value of real property pursuant to the requirement of Section 8 of
22 Article X of the Oklahoma Constitution; and

23 ~~32.~~ 34. "Visual inspection program" means the program required
24 in order to gather data about real property from physical

1 examination of the property and improvements in order to establish
2 the fair cash values of properties so inspected at least once each
3 four (4) years and the fair cash values of similar properties on an
4 annual basis.

5 SECTION 2. AMENDATORY 68 O.S. 2011, Section 2818, is
6 amended to read as follows:

7 Section 2818. A. The return of the taxpayer shall not be
8 conclusive as to the value or amount of any property. The county
9 assessor shall have the authority and it shall be his or her duty to
10 raise or lower the returned value:

11 1. Of any personal property, to conform to the fair cash value
12 thereof, estimated at the price it would bring at a fair voluntary
13 sale; or

14 2. Of any real property so that the assessment thereof shall be
15 made in accordance with the provisions of Section 2817 of this title
16 and with all provisions of the Ad Valorem Tax Code applicable to the
17 valuation of real property.

18 B. The county assessor shall assess and value all property,
19 both real and personal, which is subject to assessment by him or
20 her, and shall place a separate value on the land and improvements
21 in assessing real estate; and he or she shall do all things
22 necessary, including the viewing and inspecting of property, by
23 physical inspection or inspection by use of available change
24 detection techniques or software that uses oblique imagery,

1 orthoimagery or high resolution street level imagery, to enable him
2 or her to assess and value all taxable property, determine the
3 accuracy of assessment lists filed with him or her, discover and
4 assess omitted property, and determine the taxable status of any
5 property which is claimed to be exempt from ad valorem taxation for
6 any reason.

7 C. In the performance of his or her duties, the county
8 assessor, or his or her duly appointed and authorized deputy, shall
9 have the power and authority to:

10 1. Go upon any premises and enter any business building or
11 structure and view the same and the property therein, and to view,
12 inspect or appraise any property located within his or her county~~;~~
13 however, the county assessor shall not have the power or authority
14 to enter the private dwelling of a taxpayer except as provided for
15 in subsection D of this section; and

16 2. Examine any person under oath in regard to the amount or
17 value of his or her property.

18 D. In the event of a dispute concerning the valuation of
19 household personal property, a taxpayer may request the county
20 assessor to perform a visual inspection of such property.

21 E. Prior to entering the business or commercial premises of any
22 taxpayer for purposes of discovering personal property, the county
23 assessor or deputy shall request permission to enter the business or
24 commercial premises and shall state the reason for the inspection.

1 If access to the business or commercial premises is denied, the
2 county assessor or deputy shall be required to obtain a search
3 warrant in order to conduct an inspection of the interior of the
4 business or commercial premises. A search warrant may be obtained
5 upon a showing of probable cause that personal property located
6 within particularly described business or commercial premises is
7 subject to ad valorem taxation, but not listed or assessed for ad
8 valorem taxation as required by law.

9 SECTION 3. AMENDATORY 68 O.S. 2011, Section 2821, is
10 amended to read as follows:

11 Section 2821. A. Each county assessor shall cause real
12 property to be ~~physically~~ inspected, by physical inspection or
13 inspection by use of available change detection techniques or
14 software that uses oblique imagery, orthoimagery or high resolution
15 street level imagery, as part of the visual inspection cycle and
16 shall require such examination as will provide adequate data from
17 which to make accurate valuations.

18 B. The information gathered from the ~~physical~~ inspection shall
19 be relevant to the type of property involved, its use category, the
20 valuation methodology to be used for the property, whether the
21 methodology consists of the cost approach, an income and expense
22 approach or sales comparison approach, and shall be complete enough
23 in order to establish the fair cash value of the property in
24 accordance with accepted standards for mass appraisal practice.

1 C. Information gathered during the ~~physical~~ inspection shall be
2 recorded using a standard method as prescribed by the Oklahoma Tax
3 Commission in computerized or noncomputerized form. The information
4 may include property ownership, location, size, use, use category, a
5 physical description of the land and improvements or such other
6 information as may be required.

7 D. In order to conduct the visual inspections of real property
8 during the four-year cycle, each county assessor shall acquire and
9 maintain cadastral maps and a parcel identification system. The
10 standards for the cadastral maps and the parcel identification
11 system shall be uniform for each county of the state and shall be in
12 such form as developed by the Ad Valorem Task Force.

13 E. The county assessor shall maintain a comprehensive sales
14 file for each parcel of real property within the county containing
15 relevant property characteristics, sales price information,
16 adjustments to sales price for purposes of cash equivalency,
17 transaction terms and such other information as may be required in
18 order to establish the fair cash value of taxable real property.

19 Each county assessor shall ensure that the office is equipped
20 with adequate drafting facilities, tools, equipment and supplies in
21 order to produce or update maps, sketches or drawings necessary to
22 support the proper administration of the ad valorem tax and such
23 other tools or equipment as may be required to perform duties
24 imposed by law for the discovery and valuation of taxable property.

1 SECTION 4. This act shall become effective November 1, 2021.

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