

ENGROSSED HOUSE
BILL NO. 1138

BY: CAMPBELL of the HOUSE

and

SMITH of the SENATE

AN ACT RELATING TO REVENUE AND TAXATION; AMENDING SECTION 63, CHAPTER 162, O.S.L. 1988, AS AMENDED BY SECTION 13, CHAPTER 321, O.S.L. 1989 (68 O.S. SUPP. 1990, SECTION 2863), WHICH RELATES TO COUNTY BOARDS OF EQUALIZATION; MODIFYING ENDING DATE OF THE SESSION OF BOARDS UNDER CERTAIN CIRCUMSTANCES; AMENDING 68 O.S. 1981, SECTION 2460, AS LAST AMENDED BY SECTION 3, CHAPTER 321, O.S.L. 1989 AND SECTION 76, CHAPTER 162, O.S.L. 1988, AS LAST AMENDED BY SECTION 15, CHAPTER 321, O.S.L. 1989 (68 O.S. SUPP. 1990, SECTIONS 2460 AND 2876), WHICH RELATE TO VALUATION OF PROPERTY FOR AD VALOREM TAX PURPOSES; MODIFYING COMPLAINT PROCEDURE; AND DECLARING AN EMERGENCY.

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

SECTION 1. AMENDATORY Section 63, Chapter 162, O.S.L. 1988, as amended by Section 13, Chapter 321, O.S.L. 1989 (68 O.S. Supp. 1990, Section 2863), is amended to read as follows:

Section 2863. A. The county boards of equalization shall hold sessions commencing on April 1, or the first working day thereafter,

and ending not later than May 31, for the purpose of correcting and adjusting the assessment rolls in their respective counties to conform to the fair cash value of the property assessed, as defined by law. In counties having an assessed valuation in excess of Five Hundred Million Dollars (\$500,000,000.00), said sessions shall commence on the fourth Monday in January and end not later than May 31. If the number of protests pending of said date would in the estimation of the board make it impracticable for the county board of equalization to complete hearing and adjudication of such protests on or before May 31, a special session may be called, for such time as is necessary to complete consideration of said protests, subject to the approval of the county budget board, between June 1 and no later than the third Monday in September. The county board of equalization may meet in special session between March 1 and through March 31 for the purpose of considering protests pending at or before the date of notice of such special session, if the number of protests pending of said date would in the estimation of the board make it impracticable for the county board of equalization to complete hearing and adjudication of such protests on or before May 31. At any such special session called between March 1 and March 31, said board shall conduct no other business than the hearing or adjudication of such protests pending pursuant to the provisions of this Code. Except for ~~such~~ special sessions, the meetings of each board shall be called ~~and set~~ by the chairman or, in the event of the refusal or inability of the chairman, by a majority membership of said board. The secretary of the board of equalization shall fix the dates of the extended special session hearings provided for in this section.

B. It shall be the duty of said boards and they shall have the authority to:

1. raise or lower appraisals to conform to the fair cash value of said property, as defined by law in response to a protest filed as prescribed by law; and

2. add omitted property; and

3. cancel assessments of property not taxable; and

4. hear all grievances and protests filed with the board secretary as outlined in Section 2877 of this title.

C. It shall be the duty of each county board of equalization to cooperate with and assist the county assessor in performing the duties imposed upon said assessor by the provisions of Section 2840 of this title, to the end that the records required by the provisions of such section shall be fully and accurately prepared and maintained and shall reflect the assessed valuations of the real property of the county. After said records have been prepared and the assessed valuations adjusted in accordance with the provisions of this section, the county board of equalization shall not raise or lower the assessed valuation of any parcel or tract of real estate without hearing competent evidence justifying such change or until at least one member of said board or a person designated by the board has made a personal inspection of such property and submitted a written report to the board. In no event shall any such change be made by the county board of equalization if such change would be inconsistent with the equalized value of other similar property in the county.

D. In counties with a net assessed valuation in excess of Five Hundred Million Dollars (\$500,000,000.00), the county board of equalization may, subject to the approval of the county budget board, appoint sufficient hearing officers to assist in the hearing of protests filed before the county board of equalization. Such hearing officers shall be knowledgeable in the field of mass appraisal, real estate or related experience. Hearing officers shall receive the same compensation as county board of equalization

members. The secretary of the county budget board shall appoint such personnel necessary to assist the hearing officers in the performance of their duties.

Such hearing officers shall review protests assigned to them by the board of equalization, hold hearings, receive testimony from the taxpayer and county assessor and submit a written recommendation to the county board of equalization as to the fair market value of the protested property. Upon submission of the hearing officer's written recommendation, the county board of equalization shall take final action on the protest by either adopting, amending or rejecting the final report. The county board of equalization may also re-hear the protest itself, request additional testimony from the taxpayer or county assessor or request additional review by a hearing officer.

All proceedings before any hearing officer shall be subject to the provisions of the Oklahoma Open Records Act and the Oklahoma Open Meetings Act.

E. If the net assessed valuation of a county is established based upon a system in which one hundred percent (100%) of fair cash value, prior to exemption, is taxable, the dollar amount of Five Hundred Million Dollars (\$500,000,000.00) prescribed in this section shall be Five Billion Dollars (\$5,000,000,000.00).

SECTION 2. AMENDATORY 68 O.S. 1981, Section 2460, as last amended by Section 3, Chapter 321, O.S.L. 1989 (68 O.S. Supp. 1990, Section 2460), is amended to read as follows:

Section 2460. A. Except as otherwise provided by this section in any case where the county assessor shall increase the valuation of any property above that returned by the taxpayer, or in the case of real estate, increase the valuation over the assessment for the preceding year, the county assessor shall notify in writing the person in whose name any such property is listed, giving the amount of such valuation as increased. In the case of real estate this

notice, whether given by the county assessor or by the county board of equalization, shall include the fair cash value of the property as used in determining the assessment for the preceding and current year; the assessed valuation for the preceding and current year; and the assessment ratio for the preceding and current year. Such notice may be by mail or delivery to the last-known address of such person, or to the person in charge or possession of the property.

B. In any case where the county board of equalization shall increase the valuation of any property above the value returned by the taxpayer, or shall add property not listed by the taxpayer, or in the case of real estate increase the valuation over the assessment for the preceding year, the secretary of the county board of equalization shall notify by mail to his last-known address, the person in whose name any such property is listed, giving the amount of such valuation as increased.

C. In all cases where notice by mail is required under this section, the same shall describe the property with sufficient accuracy so as to notify the taxpayer as to the property included, together with the assessed value of the property; and duplicate copies of the notice, showing the date of issuance and mailing, shall be kept in the office of the county assessor or the secretary of the board, as the case may be, which record so kept shall be prima facie evidence as to the fact of the notice having been given as required.

D. The taxpayer shall have twenty (20) days from date of the mailing of such notice in which to file, with the secretary of said board, a written complaint, specifying his grievances, and the pertinent facts in relation thereto in ordinary and concise language and without repetition, and in such manner as to enable a person of common understanding to know what is intended; provided, in the case of a scrivener's error or other admitted error on the part of the county assessor or county board of equalization, the board may make

corrections to a valuation at any time, notwithstanding the twenty-day period specified in this subsection. Complaint in like manner may be filed on real estate not increased over the previous year's assessment, provided such complaint is filed on or before the first Monday in May. Provided, such complaint on real estate not increased over the previous year's assessment which was acquired by the taxpayer after the first Monday in May may be filed on any date prior to the last day of the special session of the county board of equalization. Complaint in like manner may be filed with the board by the taxpayer where the county assessor shall increase the valuation of any property above that returned, or in the case of real estate, shall increase the valuation over the assessment for the preceding year. Complaint in like manner may be filed by any taxpayer where, pursuant to the authority contained in Section 2437 of this Code, the county assessor has added property not listed by the taxpayer, provided such complaint is filed on or before the first Monday in May.

E. Upon receipt of such complaint the board shall fix a date of hearing, at which time said board shall be authorized and empowered to take evidence pertinent to said complaint; and for that purpose, is authorized to compel the attendance of witnesses and the production of books, records, and papers by subpoena, and to confirm, correct, or adjust the valuation, as may seem just. The secretary of the board shall fix the dates of the hearings provided for in this section in such a manner as to ensure that the board is able to hear all complaints within the time provided for by law. In all cases where either the county assessor or the county board of equalization has, without giving the notice required by this section or by Section 2437 of this Code, increased the valuation of property as listed by the taxpayer, and the taxpayer has knowledge of such adjustment or addition, the taxpayer may at any time prior to the adjournment of the board, file a complaint in the form and manner

above provided. Thereafter, the secretary of the board shall fix a date of hearing, notify the taxpayer, and conduct the hearing as required by this section.

F. In any case where the State Board of Equalization, in the equalization of property locally assessed, shall make its determination that the ratio of the assessed value of real property within the county to the fair cash value of said real property does not comply with the legal requirements for the level of assessment, or does not comply with the legal requirements for the uniformity of assessment then the State Board shall notify, by mail, the board of county commissioners of said county, and the county assessor, giving the ratio determined and the percentage valuation increase or decrease the county must achieve during the next assessment period or the action required for compliance with any applicable order for assessment uniformity. The board of county commissioners shall cause a notice of the order for a valuation increase or decrease made by the State Board of Equalization to be published in at least one newspaper of general circulation within the county at least one time each week for two (2) consecutive weeks. Such notice by publication shall constitute sufficient notice to any taxpayer within such county of the possible increase or decrease in the valuation of property owned by the taxpayer located within such county. No individual valuation increase or decrease notice shall be required to be mailed or delivered to an affected taxpayer as a result of the implementation of an order for an increase or decrease in valuation issued by the State Board of Equalization.

SECTION 3. AMENDATORY Section 76, Chapter 162, O.S.L. 1988, as last amended by Section 15, Chapter 321, O.S.L. 1989 (68 O.S. Supp. 1990, Section 2876), is amended to read as follows:

Section 2876. A. If the county assessor shall increase the valuation of any property above that returned by the taxpayer, or in the case of real property increase the valuation over the assessment

from the preceding year, or pursuant to the requirements of law if the assessor has added property not listed by the taxpayer, the county assessor shall notify in writing the person in whose name any such property is listed, giving the amount of such valuation as increased or valuation of property so added.

B. The notice required by this section shall, for cases in which the valuation of real property has increased, include the fair cash value of the property as used in determining the assessment for the preceding and current year, the taxable value for the preceding and current year, if different than the fair cash value, and the assessment percentage for the preceding and current year.

C. The notice required by this section may be mailed or delivered to the last-known address of the person affected or to the person in charge of or in possession of the property and shall clearly be marked with the date upon which the notice was prepared. Any notice dated as required by this section shall be mailed or delivered within one (1) working day of such date. The notice shall describe the property with sufficient accuracy to notify the taxpayer as to the property included, together with the assessed value of the property. Duplicate copies of the notice, showing the date of issuance and mailing or delivery, shall be kept in the office of the county assessor. Such record shall be prima facie evidence as to the fact of notice having been given as required by this section.

D. The taxpayer shall have twenty (20) calendar days from the date the notice was mailed or in the event that notice was delivered from the date of delivery in which to file a written complaint with the county assessor specifying objections to action taken by the county assessor; provided, in the case of a scrivener's error or other admitted error on the part of the county assessor, the assessor may make corrections to a valuation at any time, notwithstanding the twenty-day period specified in this subsection.

The complaint shall set out the pertinent facts in relation to the matter contained in the notice in ordinary and concise language and in such manner as to enable a person of common understanding to know what is intended. The complaint shall be made upon a form prescribed by the Oklahoma Tax Commission.

E. A taxpayer may file a complaint if the valuation of property has not increased or decreased from the previous year if the complaint is filed on or before the first Monday in May. Such complaint shall be made upon a form prescribed by the Oklahoma Tax Commission. Provided, such complaint on property which was acquired by the taxpayer after the first Monday in May may be filed on any date prior to the last day of the special session of the county board of equalization.

F. The county assessor shall schedule an informal hearing with the taxpayer to hear the protest as to the disputed valuation or addition of omitted property. The assessor shall take final action upon the matter disputed within five (5) working days of the date of the informal hearing and shall mail or deliver notice of final action to the taxpayer. The notice of final action shall clearly be marked with the date upon which the notice was prepared. Such notice shall be mailed or delivered within one (1) working day of such date. Within ten (10) working days of the date the notice is mailed or delivered, the taxpayer may file an appeal with the county board of equalization. For purposes of this section, "working days" shall mean Monday through Friday and shall exclude Saturday and Sunday and any legal holidays. The appeal shall be made upon a form prescribed by the Oklahoma Tax Commission. One copy of the form shall be mailed or delivered to the county assessor and one copy shall be mailed or delivered to the county board of equalization.

SECTION 4. Section 3 of this act shall become effective January 1, 1992.

SECTION 5. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the House of Representatives the 26th day of February, 1991.

Speaker of the House of Representatives

Passed the Senate the ____ day of _____, 1991.

President of the Senate