

STATE OF OKLAHOMA

2nd Session of the 43rd Legislature (1992)

SENATE BILL NO. 866

BY: WILLIAMS (Don)

AS INTRODUCED

AN ACT RELATING TO AD VALOREM TAXATION; AMENDING 68

O.S. 1991, SECTIONS 2802, 2803, 2808, 2810, 2812, 2816, 2817, 2820, 2821, 2822, 2824, 2825, 2826, 2827, 2828, 2829, 2830, 2835, 2836, 2838, 2840, 2841, 2842, 2848, 2850, 2851, 2852, 2853, 2854, 2855, 2856, 2857, 2858, 2859, 2861, 2864, 2865, 2866, 2867, 2870, 2873, 2875, 2876, 2877, 2880.1, 2881, 2883, 2884, 2890, 2891, 2893, 2898, 2899, 2902, 2904, 2905, 2908, 2909, 2910, 2944, 2946.1, 2949, 3005 AND 3024, WHICH RELATE TO THE AD VALOREM TAX CODE, EXEMPTIONS, COLLECTIONS AND PAYMENT AND LEVIES; STATING LEGISLATIVE INTENT; CLARIFYING REFERENCES; DEFINING TERM; TRANSFERRING AD VALOREM DIVISION OF OKLAHOMA TAX COMMISSION TO STATE BOARD OF EQUALIZATION AND CHANGING REFERENCES RELATING THERETO; MODIFYING DEFINITIONS; PROVIDING THAT CERTAIN APPOINTMENTS MADE BY OKLAHOMA TAX COMMISSION BE DEEMED TO BE MADE BY STATE BOARD OF EQUALIZATION; MODIFYING DUTIES OF STATE BOARD OF EQUALIZATION; DELETING OBSOLETE LANGUAGE; PROVIDING FOR TRANSFER OF EMPLOYEES, FUNDS, FINANCIAL OBLIGATIONS OR ENCUMBRANCES, CONTRACTUAL OBLIGATIONS, EQUIPMENT, SUPPLIES, FILES, RECORDS, MATERIALS, FIXTURES, POWERS, DUTIES AND

RESPONSIBILITIES OF AD VALOREM DIVISION; PROVIDING FOR ADMINISTRATION OF BOARD AND EMPLOYMENT OF GENERAL COUNSEL; SPECIFYING QUALIFICATIONS AND DUTIES THEREOF; PROVIDING THAT FORMS, RULES, REGULATIONS AND GUIDES OF AD VALOREM DIVISION BE DEEMED APPROVED OR ADOPTED BY BOARD; DELETING CERTAIN REQUIREMENT FOR DETERMINATION OF ASSESSMENT RATIO FOR RAILROAD AND AIR CARRIER PROPERTY; MODIFYING PROCEDURES FOR PAYMENT OF PROTESTED TAXES; MODIFYING CERTAIN DUTIES OF SECRETARY OF STATE BOARD OF EQUALIZATION; REQUIRING COURT OF TAX REVIEW TO CONDUCT CERTAIN HEARING DURING CERTAIN TIME PERIOD; PROVIDING PROCEDURE FOR HEARING IF CERTAIN PROPERTY IS LOCATED IN EACH CONGRESSIONAL DISTRICT; REQUIRING STATE BOARD OF EQUALIZATION TO CONDUCT CERTAIN STUDY; PROVIDING FOR ESTABLISHMENT OF CERTAIN PILOT PROGRAM; PROVIDING AN EFFECTIVE DATE; AND DECLARING AN EMERGENCY.

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

SECTION 1. It is the intent of the Legislature that the State Board of Equalization lower the assessment ratio applied to public service property until such time as it is within the range of ratios established by the Board to be applied to real and personal property. It is the further intent of the Legislature that the assessment ratio applied to public service property be set each year at a level which would not lower the total assessed valuation of such property.

SECTION 2. AMENDATORY 68 O.S. 1991, Section 2802, is amended to read as follows:

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

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

2. "Additional homestead exemption" means the exemption provided by Section ~~90~~ 2890 of this ~~act~~ title;

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

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

5. "Assessed valuation" or "assessed value" means the taxable value of real or personal property either of individual items of personal property or parcels of real property or the aggregate total of such individual taxable items or parcels within a jurisdiction;

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

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

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

9. "Board" means the State Board of Equalization;

~~10.~~ 10. "Circuit breaker" means the form of property tax relief provided by Sections ~~104~~ 2904 through ~~111~~ 2911 of this ~~act~~ title;

~~10.~~ 11. "Code" means the Ad Valorem Tax Code, Section 2801 et seq. of this title;

~~11.~~ 12. "Class of subjects" means a category of property specifically designated pursuant to provisions of the Oklahoma Constitution for purposes of ad valorem taxation;

~~12.~~ 13. "Coefficient of dispersion" means a statistical measure of assessment uniformity for a category of property or for all property within a taxing jurisdiction;

~~13.~~ 14. "Confidence level" means a statistical procedure for determining the degree of reliability for use in reporting the assessment ratio for a taxing jurisdiction;

~~14.~~ 15. "Cost approach" means a method used to establish the fair cash value of property involving an estimate of current construction cost of improvements, subtracting accrued depreciation and adding the value of land;

~~15.~~ 16. "County board of equalization" means the board which, upon hearing competent evidence, has the authority to correct and adjust the assessment rolls in its respective county to conform to fair cash value and such other responsibilities as prescribed in this Code;

~~16.~~ 17. "Equalization" means the process for making adjustments to taxable property values within a county by analyzing the relationships between assessed values and fair cash values in one or more use categories within the county or between counties by analyzing the relationship between assessed value and fair cash value in each county;

~~17.~~ 18. "Equalization ratio study" means the analysis of the relationships between assessed values and fair cash values in the manner provided by law;

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

~~19.~~ 20. "Homestead exemption" means the reduction in the taxable value of a homestead as authorized by law;

~~20.~~ 21. "Income and expense approach" means a method to estimate fair cash value of a property by determining the present value of the projected income stream;

~~21.~~ 22. "List and assess" means the process by which taxable property is discovered, its description recorded for purposes of ad valorem taxation and its fair cash value and taxable value are established;

~~22.~~ 23. "Mill" or "millage" means the rate of tax imposed upon taxable value. One (1) mill equals One Dollar (\$1.00) of tax for each One Thousand Dollars (\$1,000.00) of taxable value;

~~23.~~ 24. "Multiple regression analysis" means a statistical technique for estimating unknown data on the basis of known and available data;

~~24.~~ 25. "Parcel" means a contiguous area of land described in a single description by a deed or other instrument or as one of a number of lots on a plat or plan, separately owned and capable of being separately conveyed;

~~25.~~ 26. "Sales comparison approach" means the collection, verification, and screening of sales data, stratification of sales information for purposes of comparison and use of such information to establish the fair cash value of taxable property;

~~26.~~ 27. "State Board of Equalization" means the Board responsible for valuation of railroad, airline and public service corporation property and the adjustment and equalization of all property values both centrally and locally assessed;

~~27.~~ 28. "Taxable value" means the percentage of fair cash value whether one hundred percent (100%) or less as required by law, less applicable exemptions, upon which an ad valorem tax rate is levied;

~~28.~~ 29. "Use category" means a subcategory of real property, that is either agricultural use, residential use or commercial/industrial use but does not and shall not constitute a class of subjects within the meaning of the Oklahoma Constitution for purposes of ad valorem taxation;

~~29.~~ 30. "Use value" means the basis for establishing fair cash value of real property pursuant to the requirement of Article X, Section 8 of the Oklahoma Constitution; and

~~30.~~ 31. "Visual inspection program" means the program required in order to gather data about real property from physical examination of the property and improvements in order to establish the fair cash values of properties so inspected at least once each four (4) years and the fair cash values of similar properties on an annual basis.

SECTION 3. AMENDATORY 68 O.S. 1991, Section 2803, is amended to read as follows:

Section 2803. A. The Legislature, pursuant to authority of Article X, Section 22 of the Oklahoma Constitution, hereby classifies the following types of property for purposes of ad valorem taxation:

1. Real property;
2. Personal property; ~~and~~
3. Public service corporation property; ~~and~~
4. Railroad and air carrier property.

B. Valuation of each class of subjects shall be made by a method appropriate for each class or any subclass thereof, as established by the ~~Ad Valorem Division of the Oklahoma Tax Commission~~ State Board of Equalization.

C. Classification as provided by this section shall require uniform treatment of each item within a class or any subclass as provided in Article X, Section 5 of the Oklahoma Constitution.

SECTION 4. AMENDATORY 68 O.S. 1991, Section 2808, is amended to read as follows:

Section 2808. A. The term public service corporation, as used in the Ad Valorem Tax Code, Section 2801 et seq. of this title, shall include all transportation companies, transmission companies, all gas, electric, light, heat and power companies and all waterworks and water power companies, and all persons authorized to exercise the right of eminent domain or to use or occupy any right-of-way, street, alley, or public highway, along, over or under the same in a manner not permitted to the general public.

B. As used in the Ad Valorem Tax Code, the term transportation company shall include any company, corporation, trustee, receiver, or any other person owning, leasing or operating for hire, a ~~railroad, street railway, canal, steamboat line, and also any sleeping car company, parlor car company and express company, all air carriers, as defined under federal law, of scheduled passenger service and/or freight,~~ and any other company, trustee, or person in any way engaged in such business as a common carrier. As used in the Ad Valorem Tax Code, the term "transportation company" shall not include any railroad or any air carrier.

C. The term transmission company shall include any company, corporation, trustee, receiver, or other person owning, leasing or operating for hire any telegraph or telephone line ~~or~~, radio broadcasting system or cable television system.

D. The term person, as used in the Ad Valorem Tax Code, shall include individuals, partnerships, associations, and corporations in the singular as well as plural number.

~~E. As used in the Ad Valorem Tax Code, the terms transmission company and public service corporation shall not be construed to include cable television companies.~~

SECTION 5. AMENDATORY 68 O.S. 1991, Section 2810, is amended to read as follows:

Section 2810. A. It shall be the duty of each county assessor, when taking assessments of farm tractors, to issue a certificate in triplicate upon forms prescribed and furnished by the ~~Oklahoma Tax Commission~~ State Board of Equalization, which certificate shall show the name and address of the person listing the tractor for assessment, the value at which it was listed, the engine number, the make of tractor, horsepower and year made of the tractor listed, and such other information as may be required by the ~~Oklahoma Tax Commission~~ Board.

B. The ~~Oklahoma Tax Commission~~ Board copy of said certificate shall be signed and dated by the county assessor or his deputy. The assessor's copy shall be retained by the county assessor, and shall be made available for inspection by the ~~Oklahoma Tax Commission~~ Board upon request of the ~~Oklahoma Tax Commission~~ Board or any authorized representative thereof. The owner's copy shall be retained by the person who is listing the tractor for assessment. Each ~~Oklahoma Tax Commission~~ Board copy shall be forwarded to the ~~Oklahoma Tax Commission~~ Board by the county assessor on a weekly basis as proof of assessment and application of the owner of each farm tractor for agricultural exemption permit on motor fuel to be used exclusively for agricultural purposes in accordance with the provisions of laws levying gasoline excise taxes.

SECTION 6. AMENDATORY 68 O.S. 1991, Section 2812, is amended to read as follows:

Section 2812. A. Subject to the provisions of subsection B of Section ~~13~~ 2813 of this ~~act~~ title, a manufactured home which is located on land owned by the owner of the manufactured home shall be listed and assessed in the county in which it is located for ad valorem taxation as is real property pursuant to the provisions of the Ad Valorem Tax Code, Section 2801 et seq. of this title. The person owning and residing in such manufactured home may apply for homestead exemption. The county assessor shall approve the application of such person if all requirements of law for such exemption have been met.

B. A manufactured home which is located on land not owned by the owner of the manufactured home shall be listed and assessed in the county in which it is located for ad valorem taxation as is personal property pursuant to the provisions of the Ad Valorem Tax Code.

C. Each year that a manufactured home is subject to ad valorem taxes as provided by law, the county assessor and the county treasurer shall transmit the information relating to ad valorem tax payment to the ~~Oklahoma Tax Commission~~ State Board of Equalization which shall identify the manufactured home and record the payment in the computer system provided for by Section 1113 of Title 47 of the Oklahoma Statutes. The county assessor and treasurer of each county shall provide such information as may be required in order to implement the provisions of this section.

SECTION 7. AMENDATORY 68 O.S. 1991, Section 2816, is amended to read as follows:

Section 2816. A. The Director of the ~~Ad Valorem Division of the Oklahoma Tax Commission~~ State Board of Equalization, the first deputy ~~within such division~~ director of the Board, all field analysts or equalization and assessment analysts ~~within such division~~ of the Board, each elected county assessor assuming office on or after January 1, 1991, all first deputies within such

assessors' offices and all personnel involved in the actual appraisal of real property shall be required to achieve educational accreditation as prescribed by this section. Such accreditation shall be achieved within the time prescribed. Failure to achieve such accreditation shall result in forfeiture of office or termination of employment. A vacancy in a public office created for failure to achieve such accreditation shall be filled in the manner provided by law.

B. Accreditation for persons designated in subsection A of this section shall consist of initial accreditation and advanced accreditation as follows:

1. Within one (1) year from the date an assessor is elected to office, the assessor shall be required to successfully complete initial accreditation. If the assessor does not successfully complete testing or some part of the requirement, initial accreditation shall be completed within eighteen (18) months from the date of the assessor's election to office. Initial accreditation shall consist of successful completion of two (2) academic units. The first academic unit shall consist of basic ad valorem taxation law, legal responsibilities of the assessor's office, the role of the county assessor, valuation requirements and assessment administration. The second academic unit shall consist of basic appraisal and assessment processes.

2. Within one (1) year from the completion date of initial accreditation, the assessor shall be required to successfully complete advanced accreditation. If the assessor does not successfully complete advanced accreditation testing or some part of the requirement, advanced accreditation shall be completed within eighteen (18) months from the date initial accreditation is completed. Advanced accreditation shall consist of successful completion of four (4) academic units. Each unit shall consist of one of the following topics:

- a. appraisal procedures,
- b. valuation of personal property,
- c. valuation of agricultural property, and
- d. mass appraisal procedures.

3. A county assessor's deputy not previously accredited pursuant to paragraphs 1 and 2 of this subsection shall be subject to the same requirements as the county assessor. Failure to complete the accreditations within the times prescribed shall result in dismissal of the deputy.

4. For any person required to achieve accreditation pursuant to this section and for whom the period of time to complete the accreditation is not otherwise prescribed, the accreditation shall be completed within eighteen (18) months of January 1, 1991 or within eighteen (18) months of the beginning date of employment if such person is initially employed after January 1, 1991.

C. Each county assessor who has successfully completed initial accreditation shall be required to complete a continuing education requirement of twenty (20) hours per year. Failure to complete the continuing education requirement shall result in forfeiture of any travel reimbursement until the requirement is completed. Continuing education shall consist of successful completion of academic units on changes in Oklahoma Statutes affecting ad valorem taxation, real estate or appraisal, valuation and appraisal methods, mass appraisal methods or other topics appropriate to the improvement of county assessor's offices. A deputy who has completed initial accreditation as required by this section shall be subject to the continuing education requirement.

D. The Oklahoma State University Center for Local Government Technology, in cooperation with the ~~Oklahoma Tax Commission~~ State Board of Equalization and the County Assessors' Association, shall develop educational requirements, curriculum materials, appropriate study resources and examinations for an education program for

accreditation purposes established in this section. The Center for Local Government Technology shall provide necessary classes, seminars and materials in support of the accreditation requirements. Nothing in this section shall be construed to prohibit use of the International Association of Assessing Officers' course work, where applicable, or any of its professional designations, as a substitute for or supplement to the accreditation program requirements.

E. For purposes of the administration of the accreditation requirements, the Oklahoma State University Center for Local Government Technology shall be responsible for keeping an official record as to the accreditation of individual county assessors and deputies and others who are required to achieve accreditation. Such record shall be the sole responsibility of Oklahoma State University and shall be defined as an open record under Section 24A.1 et seq. of Title 51 of the Oklahoma Statutes. The Oklahoma State University Center for Local Government Technology shall be responsible for forwarding only the pass/fail results of individual testing to the ~~Oklahoma Tax Commission~~ State Board of Equalization. The ~~Oklahoma Tax Commission~~ Board shall issue the accreditations to all persons who have so qualified. The university may charge a reasonable fee to defray the cost of sponsoring the educational accreditation academic units required by this section.

SECTION 8. AMENDATORY 68 O.S. 1991, Section 2817, is amended to read as follows:

Section 2817. A. All taxable personal property, except intangible personal property, personal property exempt from ad valorem taxation, or household personal property, shall be listed and assessed each year at its fair cash value, estimated at the price it would bring at a fair voluntary sale, as of the first day of January. The fair cash value of household personal property shall be valued at ten percent (10%) of the appraised value of the improvement to the residential real property within which such

personal property is located as of January 1 each year. The assessment of household personal property as provided by this section may be altered by the taxpayer listing such property at its actual fair cash value. For purposes of establishing the value of household personal property, pursuant to the requirement of Article X, Section 8 of the Oklahoma Constitution, the percentage of value prescribed by this section for such household personal property shall be presumed to constitute the fair cash value of such personal property. All unmanufactured farm products shall be assessed and valued as of the preceding May 31. Every person, firm, company, association, or corporation, in making his or its assessment, shall assess all unmanufactured farm products owned by him or it on the preceding May 31, at its fair cash value on that date instead of January 1. Stocks of goods, wares and merchandise shall be assessed at the value of the average amount on hand during the preceding year, or the average amount on hand during such part of the preceding year the stock of goods, wares or merchandise was at its January 1 location.

B. All taxable real property shall be assessed annually as of the first day of January, at its fair cash value, estimated at the price it would bring at a fair voluntary sale for:

1. The highest and best use for which such property was actually used during the preceding calendar year; or

2. The highest and best use for which such property was last classified for use if not actually used during the preceding calendar year.

~~The Ad Valorem Division of the Oklahoma Tax Commission~~ State Board of Equalization shall be responsible for the promulgation of rules and regulations which shall be followed by each county assessor of the state, for the purposes of providing for the equitable use valuation of locally assessed real property in the State of Oklahoma. Agricultural land and nonresidential

improvements necessary or convenient for agricultural purposes shall be assessed for ad valorem taxation based upon the highest and best use for which such property was actually used, or was previously classified for use, during the calendar year next preceding the first day of January on which the assessment is made.

C. The use value of agricultural land shall be based on the income capitalization approach using cash rent. The rental income shall be calculated using the direct capitalization method based upon factors including, but not limited to:

1. Soil types, as depicted on soil maps published by the Soil Conservation Service of the United States Department of Agriculture;

2. Soil productivity indices approved by the ~~Ad Valorem~~  
~~Division of the Oklahoma Tax Commission~~ Board;

3. The specific agricultural purpose of the soil based on use categories approved by the ~~Ad Valorem Division of the Oklahoma Tax~~  
~~Commission~~ Board; and

4. A capitalization rate to be determined annually by the ~~Ad~~  
~~Valorem Division of the Oklahoma Tax Commission~~ Board based on the sum of the average first mortgage interest rate charged by the Federal Land Bank for the immediately preceding five (5) years, weighted with the prevailing rate or rates for additional loans or equity, and the effective tax rate.

The final use value will be calculated using the soil productivity indices and the agricultural use classification as defined by rules and regulations promulgated by the State Board of Equalization. This subsection shall not be construed in a manner which is inconsistent with the State Board of Equalization's duties, powers and authority of the valuation of the counties as fixed and defined by Section 21 of Article X of the Oklahoma Constitution.

D. The use value of nonresidential improvements on agricultural land shall be based on the cost approach to value estimation using currently updated cost manuals published by the Marshall and Swift

Company or similar cost manuals approved by the ~~Ad Valorem Division~~  
~~of the Oklahoma Tax Commission~~ Board. The use value estimates for  
such nonresidential improvements shall take obsolescence and  
depreciation into consideration in addition to necessary adjustments  
for local variations in the cost of labor and materials. This  
section shall not be construed in a manner which is inconsistent  
with the State Board of Equalization's duties, powers and authority  
as to equalization of valuation of the counties as fixed and defined  
by Section 21 of Article X of the Oklahoma Constitution.

E. The transfer of real property without a change in its use  
classification shall not require a reassessment thereof based  
exclusively upon the sale value of such property. However, if the  
county assessor determines:

1. That by reason of the transfer of a property there is a  
change in the actual use or classification of such property; or

2. That by reason of the amount of the sales consideration it  
is obvious that the use classification prior to the transfer of such  
property is not commensurate with and would not justify the amount  
of the sales consideration of such property, then the assessor  
shall, in either event, reassess such property for the new use  
classification for which such property is being used, or, the  
highest and best use classification for which such property may, by  
reason of such transfer, be classified for use.

F. When the term "fair cash value" or the language "fair cash  
value, estimated at the price it would bring at a fair voluntary  
sale" is used in the Ad Valorem Tax Code, Section 2801 et seq. of  
this title, in connection with and in relation to the assessment of  
real property, it is defined to mean and shall be given the meaning  
ascribed and assigned to it in this section; when said term or  
language is used in the Code in connection with the assessment of  
personal property it shall be given its ordinary or literal meaning.

G. Where any real property is zoned for a use by a proper zoning authority, and is not being used for any higher or better use classification, the purpose for which such property is zoned shall be considered the highest and best use classification of such property for determining its value for assessment purposes; however, such zoning classification for assessment purposes shall only apply in the event that such rezoning occurs by reason of the application of the landowner or his agent. Any reassessment required shall be effective January 1 following the change in use or classification and upon a transfer of ownership of such rezoned property. Taxable real property need not be listed annually with the county assessor.

H. If any real property shall become taxable after January 1 of any year, the county assessor shall assess the same and place it upon the tax rolls for the next ensuing year; or when any improvements or buildings having value are placed upon real estate after January 1 of any year, the value of such improvements shall be added by the county assessor to the assessed valuation for the next ensuing year; however, in case such improvements or buildings are new construction for single family residential purposes only, such improvements or buildings shall be deemed completed and to have a value for assessment purposes when such improvements or buildings shall have been conveyed to a bona fide purchaser or when they have been occupied, whichever shall first occur before January 1 of the initial assessment year; in the event that such single family residential improvements were not conveyed to a bona fide purchaser, occupied or completed within the year prior to January 1 of the initial assessment year, the county assessor shall assess such improvements based on the fair market value of the materials used therein. The county assessor shall continue to assess such improvements or buildings based upon the fair market value of the materials used therein until such single family residential improvements are conveyed to a bona fide purchaser or occupied.

I. In case improvements on land are destroyed by fire, lightning, storm, winds, floodwaters, overflow of streams or other cause, or the value of land is impaired, damaged or destroyed by fire, lightning, storm, winds, floodwaters, overflow of streams or other cause, after January 1 and before the adjournment of the county board of equalization during any year, the county board of equalization, in cooperation with the county assessor, shall determine the amount of damage, and shall make an order directing the assessment of said property for that year at the fair cash value thereof, as hereinbefore defined, taking into account the damage occasioned by fire, lightning, storm, winds, floodwaters, overflow of streams or other causes.

SECTION 9. AMENDATORY 68 O.S. 1991, Section 2820, is amended to read as follows:

Section 2820. A. Each county assessor shall conduct a comprehensive program for the individual visual inspection of all taxable real property within his respective county. Each assessor shall thereafter maintain an active and systematic program of visual inspection on a continuous basis and shall establish an inspection schedule which will result in the individual visual inspection of all taxable real property within the county at least once each four (4) years.

B. The first cycle of visual inspections for real property shall begin upon January 1, 1991, as prescribed by Section 2481.1 of ~~Title 68 of the Oklahoma Statutes~~ this title, and shall end upon December 31, 1994. Thereafter, each succeeding four-year cycle for visual inspections shall begin upon January 1 of the year following the fourth year of the preceding cycle and shall end upon December 31 of the applicable four-year cycle. The county assessor shall utilize the standard parcel identification system required by law to assign each parcel of real property a unique identification code or number. The code or number shall be used to ensure that the

inspection sequence for real property results in a visual inspection of each parcel at least once each four (4) years. Each successor of the county assessor shall use the same cycle as used by the assessor's predecessor in office for visual inspections of real property.

C. Prior to the beginning of the first visual inspection cycle and each subsequent visual inspection cycle, the county assessor shall develop a plan that details the number of real property parcels to be inspected in each year of the cycle by use category, geographic area or other basis, the resources and budget proposed to complete the inspections and the valuation methodology to be used in determining the fair cash value of the real property and improvements thereon. The plan shall be adequate to ensure the visual inspection of all parcels of real property within the county at least once each four (4) years. The plan shall also be adequate to ensure that the information collected from the visual inspection of real property each year is sufficient to establish a representative sample from each use category in order to conduct the proper valuation of all taxable property within each use category by means of an accepted standard for mass appraisal practice. The county assessor shall submit the proposed plan to the ~~Oklahoma Tax Commission~~ State Board of Equalization by the first working day in October preceding the beginning of the four-year cycle. The ~~Oklahoma Tax Commission Board~~ shall either approve the plan if the plan and resources are adequate to complete the cycle and if the plan will result in a representative sample from each use category in order to value all taxable property each year or shall correct and modify the plan in order to establish a program for visual inspection that will be completed by the end of the cycle and that will provide a representative sample from each use category in order to value all taxable property each year. An approved plan shall be made for each county as of the beginning date of each cycle and a

copy of such plan shall be filed with the ~~Oklahoma Tax Commission~~  
Board.

D. Each year the county assessor shall submit a progress report to the ~~Oklahoma Tax Commission~~ Board indicating the number of real property parcels inspected by use category, geographic area or other basis, the resources and budget expended in the last completed fiscal year and the valuation methodology used to determine fair cash values of the real property and improvements. The ~~Oklahoma Tax Commission~~ Board shall correct and modify any visual inspection plan during the four-year cycle if progress reports indicate that inspection of real property parcels will not be completed or will be performed in violation of legal requirements for such inspections. The county assessor shall be required to complete the four-year cycle in accordance with such plan as corrected and modified.

E. Each county assessor shall prepare and submit to the ~~Oklahoma Tax Commission~~ Board a detailed report of the progress made in the visual inspection program in his county to the date of the report and it shall be made a matter of public record. Such report shall be submitted upon forms supplied by the ~~Oklahoma Tax Commission~~ Board and shall consist of such information as the ~~Oklahoma Tax Commission~~ Board requires. The progress report shall be submitted not later than October 15 each year or the first working day thereafter. Based in part on all such county progress reports, the ~~Oklahoma Tax Commission~~ Board shall prepare its own report from all sources and transmit a copy of its own report to the Legislature ~~and the State Board of Equalization~~.

SECTION 10. AMENDATORY 68 O.S. 1991, Section 2821, is amended to read as follows:

Section 2821. A. Each county assessor shall cause real property to be physically inspected as part of the visual inspection cycle and shall require such examination as will provide adequate data from which to make accurate valuations.

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

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

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

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

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

SECTION 11. AMENDATORY 68 O.S. 1991, Section 2822, is amended to read as follows:

Section 2822. Each county assessor in budgets submitted to the county excise board or county budget board shall make adequate provision to effect countywide visual inspections of real property during the four-year cycle. The several county excise and budget boards, in passing upon budgets submitted by the several assessors, shall authorize and levy amounts which will suffice to carry out the countywide visual inspection program as approved by the ~~Oklahoma Tax Commission~~ State Board of Equalization under Section ~~20~~ 2820 of this act title.

SECTION 12. AMENDATORY 68 O.S. 1991, Section 2824, is amended to read as follows:

Section 2824. Any county assessor may request special assistance from the ~~Oklahoma Tax Commission~~ State Board of Equalization in the valuation of property which requires specialized knowledge not otherwise available to the assessor's staff. Upon approval of such request, the ~~Oklahoma Tax Commission~~ Board may assist the assessor in the valuation of such property in such manner as the ~~Oklahoma Tax Commission~~ Board, in its discretion, considers proper and adequate.

SECTION 13. AMENDATORY 68 O.S. 1991, Section 2825, is amended to read as follows:

Section 2825. The ~~Oklahoma Tax Commission~~ State Board of Equalization shall make and publish such rules, regulations and guides which it determines are needed for the general guidance and assistance of county assessors. Each assessor is hereby directed and required to value property in accordance with the standards established by law.

SECTION 14. AMENDATORY 68 O.S. 1991, Section 2826, is amended to read as follows:

Section 2826. Appraisers whose services may be obtained by appointment by the assessor or who may be assigned by the ~~Oklahoma Tax Commission~~ State Board of Equalization, upon request of the county assessor, to assist any county assessor shall act in an advisory capacity only. Valuations made by such appraisers shall not be binding upon the assessor. All valuations made pursuant to the Ad Valorem Tax Code, Section 2801 et seq. of this title, shall be made and entered by the assessor pursuant to law.

SECTION 15. AMENDATORY 68 O.S. 1991, Section 2827, is amended to read as follows:

Section 2827. Each county assessor shall keep such books and records as are required by the rules and regulations of the ~~Oklahoma Tax Commission~~ State Board of Equalization including, but not limited to, publications provided by the ~~Oklahoma Tax Commission Board~~ to assist the assessor and appraisal staff in the valuation of taxable property as required by law.

SECTION 16. AMENDATORY 68 O.S. 1991, Section 2828, is amended to read as follows:

The ~~Oklahoma Tax Commission~~ State Board of Equalization, prior to the convening of each regular session of the Legislature, shall submit a comprehensive report showing the extent or progress of the real property visual inspection program in each county based upon data from all sources available to the ~~Oklahoma Tax Commission Board~~. Such report shall also include any comments and recommendations the ~~Oklahoma Tax Commission Board~~ may have in regard to the program.

SECTION 17. AMENDATORY 68 O.S. 1991, Section 2829, is amended to read as follows:

Section 2829. A. Each county assessor, in order to comply with the provisions of Section ~~17~~ 2817 of this ~~act~~ title requiring the annual valuation of all taxable real and personal property within

the county, shall establish the fair cash value of such taxable property using an accepted mass appraisal methodology.

B. For purposes of this section "accepted mass appraisal methodology" shall mean the process for making estimates of fair cash value for a property about which no direct or timely information is available concerning economic value by using known information about the property characteristics, location, use, size, sales price and other information of similar properties. Such mass appraisal methodology may include multiple regression analysis or other statistical techniques for mass appraisal. If information of similar properties is not available in the taxing jurisdiction, the county assessor may use other applicable regional or national information to annually determine the fair cash value of a property estimated at the price it would bring at a fair voluntary sale as provided in Section ~~17~~ 2817 of this ~~act~~ title.

C. Each county assessor shall utilize the information gathered from the visual inspection of real property conducted during each year of the four-year cycle for such inspections and shall conduct such statistical calculations using the data so acquired together with sales price or other information available as may be required to make accurate estimates of fair cash values for all taxable real or personal property within the county each year. The results of such calculations shall be recorded on the assessment roll of the county on an annual basis in order to reflect any increase or decrease in the fair cash value of any property in any year.

D. The statistical analysis required by this section shall be performed within each county using such computer facilities as may be available, but shall be conducted in accordance with procedures established for the uniform mass appraisal program established by the ~~Oklahoma Tax Commission~~ State Board of Equalization.

SECTION 18. AMENDATORY 68 O.S. 1991, Section 2830, is amended to read as follows:

Section 2830. A. The ~~Oklahoma Tax Commission~~ State Board of Equalization shall monitor the progress of valuation in each county as it occurs each year. Such monitoring may be conducted by periodic audits of assessments through visits to the county or through an analysis of assessment activity by means of a computer-assisted monitoring program.

B. The ~~Oklahoma Tax Commission~~ Board shall establish guidelines for determining the extent of noncompliance with the applicable law or administrative regulations governing valuation of taxable property. Such guidelines shall establish three categories of noncompliance. The categories shall be respectively denominated as Category 1, Category 2 and Category 3. Each category shall represent progressive degrees of noncompliance. The ~~Oklahoma Tax Commission~~ Board shall be authorized to take action as prescribed by this section for each category of noncompliance as follows:

Category 1: The ~~Oklahoma Tax Commission~~ Board shall notify the county assessor of the nature of the noncompliance and shall indicate the action required to correct such noncompliance.

Category 2: The ~~Oklahoma Tax Commission~~ Board shall order the action to be taken in order to bring the county into compliance. The ~~Oklahoma Tax Commission~~ Board is authorized to do any or all of the following:

1. Impose a schedule of required actions by county officials to bring the county into compliance;
  2. Establish deadlines for bringing the county into compliance;
- or
3. Impose changes in procedures in the assessor's office, if necessary, to facilitate continued compliance.

Category 3: The ~~Oklahoma Tax Commission~~ Board shall notify the board of county commissioners and the county assessor of the affected county that the county is in violation of law or regulations relating to the valuation function for the

administration of the ad valorem tax. The ~~Oklahoma Tax Commission~~ Board shall conduct a conference, within thirty (30) days after such notice, in that county with the board of county commissioners, the county assessor and the county board of equalization, to formally notify the county of the extent of noncompliance and the measures necessary to correct it. The ~~Oklahoma Tax Commission~~ Board is authorized to do any or all of the following:

1. Impose a schedule of required actions by county officials to bring the county into compliance;
2. Establish deadlines for bringing the county into compliance;
3. Impose changes in procedures in the assessor's office, if necessary, to facilitate continued compliance;
4. Place the county valuation function under the temporary supervision of a qualified ~~Oklahoma Tax Commission~~ Board employee;
5. Require additional training for the assessor, deputies or members of the equalization board; or
6. Provide written or oral reports to the board of county commissioners and the county board of equalization of the progress in regaining compliance status for the county. Such reports shall be public records.

The ~~Oklahoma Tax Commission~~ Board shall periodically conduct a review of the extent of noncompliance in each county determined to be in Category 3 noncompliance. When the ~~Oklahoma Tax Commission~~ Board determines that such a county is in substantial compliance with the applicable law or administrative regulations governing valuation of taxable property, the ~~Commission~~ Board shall so certify.

C. The ~~Oklahoma Tax Commission~~ Board may request the Court of Tax Review to order a county determined to be in Category 3 noncompliance to reimburse the ~~Oklahoma Tax Commission~~ Board from the county assessor's budget as established in Section 2823 of this title for all costs incurred as a result of the assumption of the

valuation function by the ~~Commission~~ Board. The salary of the county assessor shall not be paid during the time that a qualified employee of the ~~Oklahoma Tax Commission~~ Board is supervising the valuation function in the county, but shall be restored as of the date the ~~Commission~~ Board certifies to the board of county commissioners that noncompliance has been corrected.

D. The county assessor shall have the right to appeal an order issued by the ~~Oklahoma Tax Commission~~ Board to correct Category 2 noncompliance or to appeal a decision finding Category 3 noncompliance in the manner provided by Section 2883 of this title.

SECTION 19. AMENDATORY 68 O.S. 1991, Section 2835, is amended to read as follows:

Section 2835. A. On or before January 1st of each year, the ~~Oklahoma Tax Commission~~ State Board of Equalization 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 ~~Oklahoma Tax Commission~~ Board.

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

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

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

SECTION 20. AMENDATORY 68 O.S. 1991, Section 2836, is amended to read as follows:

Section 2836. A. The county assessor of each county in the state shall, on the first day of January of each year, or as soon thereafter as may be practicable, proceed to take a list of taxable property in the county. In order to take lists of personal property and receive homestead exemption applications, the county assessor, or his deputy, shall meet the taxpayers at various places throughout the county. The county assessor may exercise his discretion as to where he meets the taxpayers and how long he shall stay at each place, provided he spends at least one (1) day in each city and incorporated town. At least ten (10) days prior to the date the county assessor will meet the taxpayers to list their property, he shall give notice by publication in at least one (1) newspaper of general circulation in the county, stating the date and hours of the day of each visit to each city, town or other place; and such notice may be published in the manner of commercial advertising, rather than legal notices, and the county may pay up to rates prevalent in the area for commercial advertising.

B. If any taxpayer shall fail to meet the county assessor and list his property on the date advertised, such taxpayer may render a written list of all his personal property and make written application for homestead exemption, and shall subscribe and swear to the oath required by each taxpayer as to its correctness. Such written lists or applications shall not constitute a valid return or

application unless made on the forms prescribed by the ~~Oklahoma Tax Commission~~ State Board of Equalization and in the manner required by law.

C. After the county assessor shall have visited each city, town, or other place, he shall be in his office at the county seat from March 1 to March 15, inclusive, for the purpose of receiving lists from those who have not listed their property for the current year, and all who fail to list all or any part of their personal property for the current year, on or before March 15, shall be delinquent. If any personal property is not listed by the person whose duty it is to list such property on or before March 15 of any year, when such property is assessed there shall be added to the assessed valuation of such property as a mandatory penalty, amounts as follows:

1. If listed or assessed after March 15, but on or before April 15, ten percent (10%) of the assessed value; and
2. If listed or assessed after April 15, twenty percent (20%) of the assessed value.

D. If the county assessor fails, neglects, or refuses to add the valuation penalty as provided by this section, he shall be liable on his official bond for the amount of said penalties.

SECTION 21. AMENDATORY 68 O.S. 1991, Section 2838, is amended to read as follows:

Section 2838. A. All corporations organized, existing or doing business in this state, other than railroad and public service corporations assessed by the State Board of Equalization, and other than national banks, state banks and trust companies, and building and loan associations, shall, on or before March 15th of each year, return sworn lists or schedules of their taxable property within each county, to the county assessor of such county, and such property shall be listed with reference to amount, kind and value, on the first day of January of the year in which it is listed; and

said property shall be subject to taxation for county, municipal, public school and other purposes to the same extent as the real and personal property of private persons, in the taxing districts in which such property is located. Any real estate owned by such corporation shall be assessed annually at the same time and in the same manner as real estate belonging to private persons. In making such sworn lists, all corporations shall itemize their property in the same manner and to the same extent as required by railroads and public service corporations.

B. It shall be the duty of each corporation to make, under oath, and deliver to the county assessor of the county where its principal business is transacted, a statement on forms prescribed by the ~~Oklahoma Tax Commission~~ Board, of its authorized capital stock and the amount of capital paid thereon, the amount of its outstanding bonded and other indebtedness, the total amount of its invested capital within and without Oklahoma, and such other financial information as may be deemed necessary to enable the county assessor to determine the value of real or personal property owned by any such corporation; and each corporation shall also deliver to the county assessor of the county where its principal business is located, a copy of all lists or schedules of property filed in every other county in this state.

SECTION 22. AMENDATORY 68 O.S. 1991, Section 2840, is amended to read as follows:

Section 2840. A. Each county assessor shall prepare, build and maintain permanent records containing the following information:

1. The classification, grade and value of each tract of land located outside cities and towns and platted subdivisions and additions and the improvements thereon;

2. The description and value of all lots and tracts and the improvements thereon, and a list of lands that have been annexed to any city or town, commencing with the lowest numbered section and

the different subdivisions and fractional parts thereof in the lowest numbered townships in the lowest numbered range in the county, and ending with the highest numbered section, township and range and the improvements thereon; and

3. The information required herein to be shown on such permanent records shall be shown as to tax exempt as well as taxable property, and shall be in such forms as may be acceptable to the ~~Oklahoma Tax Commission~~ State Board of Equalization. It shall not be necessary to place upon such records any grade or value on land and improvements owned by the United States of America, the State of Oklahoma or any subdivision thereof, or any land and improvements exempt from ad valorem taxation by reason of the same being used exclusively and directly for religious, charitable, or educational purposes, such as churches, schools, colleges, universities, cemeteries, and all lands owned by public service corporations that are assessed by the State Board of Equalization. Exempt Indian land and other exempt property shall be valued and the value placed upon such records.

B. When the valuation of the real estate of each county has been completed, as required by this section, it shall be the mandatory duty of the county assessor and each of his successors in office, to continuously maintain, revise and correct the records relating thereto, and to continuously adjust and correct assessed valuations in conformity therewith. Such maintenance, revision and correction shall be made each year based upon the results of the calculations required by law to be performed each year in order to determine the fair cash value of all property within the county.

C. Each county assessor shall request in his budget request each year sufficient funds to carry out the provisions of this section. It shall be the mandatory duty of the several boards of county commissioners, the several county excise boards, and the several county budget boards each year to make sufficient

appropriations to enable the county assessor to perform the duties required of him by this section. If any board of county commissioners, county excise board, or county budget board fails, neglects or refuses, upon written request of the county assessor, to provide adequate appropriations for supplies, deputy hire or traveling expenses for the performance of the duties imposed upon the county assessor by this section, such appropriations may be obtained by mandamus action instituted in district court by the county assessor or any other county officer, or any taxpayer of the county.

D. The classification and valuation provided for by this section shall be done under the supervisory assistance of the ~~Oklahoma Tax Commission~~ Board. The forms used in such classification and valuation of property shall be prescribed by the ~~Oklahoma Tax Commission~~ Board. Where the classification and valuation has already been completed, it shall not be necessary for the county assessor to again make such classification and valuation, except it shall be the duty of such county assessor to continuously maintain, revise and correct the same as required by this section.

SECTION 23. AMENDATORY 68 O.S. 1991, Section 2841, is amended to read as follows:

Section 2841. Each county assessor in the state shall prepare and keep a book to be known as a "land list", which shall contain the name of the owner and a description, sufficient for identification of all real estate in the county, with the number of acres and value of the land and the value of the improvements; the number of the lot or lots; the name of the city or town; the value of the city or town lots, and the value of the improvements. The county assessor shall correct the land list each year before commencing the assessment by noting thereon all transfers of record as shown by the office of county clerk, and shall note thereon such transfers as may be brought to his attention while assessing, and

also note thereon what real estate is not subject to taxation and the reason therefor. The land list shall be in such form as may be acceptable to the ~~Oklahoma Tax Commission~~ State Board of Equalization.

SECTION 24. AMENDATORY 68 O.S. 1991, Section 2842, is amended to read as follows:

Section 2842. A. Each county assessor in the state shall annually prepare an assessment roll, which shall be in such form as may be prescribed by the ~~Oklahoma Tax Commission~~ State Board of Equalization and shall contain the following:

1. A list of all lands in the county in numerical order beginning with the lowest numbered section, in the lowest numbered township in the lowest numbered range in the county, and ending in the highest numbered section, township and range, with the number of acres in each tract, and the numbers of the school districts in which such lands are located, and the name and address of the owner in each instance excepting unplatted lands located inside a city or town;

2. A list of town lots in each town or city in like numerical order and the unplatted lands located inside each city and town, in numerical order beginning with the lowest numbered section in the lowest numbered township and range with the number of acres in each tract, and the number of the school district in which such lots or tracts are located, and the name and address of the owner in each instance;

3. A list in alphabetical order of all persons and bodies corporate in whose names any personal property has been assessed, the address of each such taxpayer, the number of the school district in which such property is taxable, with a sufficient number of columns opposite each name to enter the value, and where practicable the number of the several classes of property assessed to each property owner;

4. The value fixed by the county assessor of all property; and additional columns to show the equalized value as fixed by the State Board of Equalization. In listing real estate the value of land and improvements shall be shown separately in each instance; and

5. Such other information as may be required by the ~~Oklahoma Tax Commission~~ Board. Each property in which there is a homestead interest shall be entered on a separate line, and the assessment roll shall show the total assessed valuation of each homestead, the amount of exemption allowed, and the assessed valuation less the exemption.

B. The assessment roll shall be correctly balanced and it shall be the mandatory duty of the county assessor as outlined under the penalties of Section 2943 of this title to deliver the completed roll to the county board of equalization on or before the fourth Monday in April of each year, in order that said board may correct and adjust the taxable value of the property of the county.

C. Prior to November 1 each year, the county assessor shall submit on a form prepared by the ~~Oklahoma Tax Commission~~ State Board of Equalization a report to the ~~Commission~~ Board which states the net assessed valuation and millage levy of each political subdivision or taxing authority of the state that is authorized to levy a property tax regardless of whether such property tax is actually levied.

SECTION 25. AMENDATORY 68 O.S. 1991, Section 2848, is amended to read as follows:

Section 2848. A. Every railroad and public service corporation organized, existing, or doing business in this state, shall, on or before April 15 of each year, return sworn lists or schedules of its taxable property to the ~~Oklahoma Tax Commission~~ State Board of Equalization as provided by law, or as may be required by the ~~Commission~~ Board; and such property shall be listed with reference to the amount, kind, and value as of the first day of January of the

year in which it is listed; and said property shall be subject to taxation for county, municipal, public school and other purposes to the same extent as the real and personal property of individuals.

B. The ~~Oklahoma Tax Commission~~ Board may request certain financial data be included on any statement or schedule including, but not limited to:

1. The amount of capital stock authorized, and the number of shares into which such capital stock is divided;
2. The amount of capital stock paid up;
3. The market value of such stock, or if no market value, then the actual value of the shares of stock; and
4. The total amount of bonded indebtedness.

SECTION 26. AMENDATORY 68 O.S. 1991, Section 2850, is amended to read as follows:

Section 2850. Every transmission company doing business in this state shall return sworn lists or schedules of its taxable property to the ~~Oklahoma Tax Commission~~ State Board of Equalization, and such lists or schedules shall show the total length of line in each county, school district or other subdivision of the state, total number of wires to each line and total number of poles per mile, the total number of instruments in each municipal subdivision, the total amount of office furniture and the total amount of tools, and material, the total amount of other property, and the location thereof.

SECTION 27. AMENDATORY 68 O.S. 1991, Section 2851, is amended to read as follows:

Section 2851. Each pipeline company doing business in this state shall return to the ~~Oklahoma Tax Commission~~ State Board of Equalization a sworn statement or schedule as follows:

1. The right-of-way and main line, giving the entire length of main line in this and other states, showing the size of pipe and

showing the proportion in each city, school district, and county, and the total in this state;

2. The total length of each lateral or branch line and the size of the pipe, together with the name of each city, school district, and county in which such lateral and branch lines are located;

3. A complete list giving location as to city, school district or county of all pumping stations, storage depots, machine shops, or other buildings together with all machinery, tools, tanks and material;

4. A statement or schedule showing the amount of its authorized capital stock and the number of shares into which the same is divided; the amount of capital stock paid up; the market value of such stock, or if it has no market value, then the actual value thereof, and the total amount of outstanding bonded indebtedness; and

5. A correct detailed statement of all other personal property, including oil in storage, and giving the location thereof.

SECTION 28. AMENDATORY 68 O.S. 1991, Section 2852, is amended to read as follows:

Section 2852. All gas, light, heat and power companies shall annually return to the ~~Oklahoma Tax Commission~~ State Board of Equalization a sworn statement showing the size and total length of pipe owned by such company and the location thereof, giving the county, city and school district; a statement of franchises held by such company from any municipal corporation in this state, the length of time the same are to run, and the conditions under which they were granted; and a statement of all buildings and other permanent improvements, pumping stations, tools, material and other personal property, and the location thereof.

SECTION 29. AMENDATORY 68 O.S. 1991, Section 2853, is amended to read as follows:

Section 2853. Electric light and power companies doing business in this state shall return to the ~~Oklahoma Tax Commission~~ State Board of Equalization a statement under oath, showing size, capacity, location and value of each powerhouse or power plant owned by such company, the total amount of poles, wire and other equipment for the transportation or transmission of light, heat and power; the total amount of its authorized capital stock and the amount actually paid up thereon, the total amount of its outstanding bonded indebtedness; all contracts between such corporation and any municipal corporations of this state, and the amount of revenue derived therefrom; any franchises owned or held by such company, and granted by any municipal corporation of this state; and cash on hand and the location thereof.

SECTION 30. AMENDATORY 68 O.S. 1991, Section 2854, is amended to read as follows:

Section 2854. Each waterworks and power company doing business in this state, shall file with the ~~Oklahoma Tax Commission~~ State Board of Equalization a sworn return, giving size, capacity, location and value of its pumping stations, and all other permanent improvements used in connection therewith, the total length and size of pipe and other means used for conducting and conveying water; total number of hydrants and the rental thereof; the total amount of its authorized capital stock and the amount actually paid thereon; total amount of its outstanding indebtedness; total amount of tools, material and other personal property, including cash on hand, and the location thereof.

SECTION 31. AMENDATORY 68 O.S. 1991, Section 2855, is amended to read as follows:

Section 2855. Every sleeping-car company and parlor-car company engaged in business in this state shall file with the ~~Oklahoma Tax Commission~~ State Board of Equalization a statement under oath, showing the aggregate number of miles made by cars operated by such

company over the several lines of railroad in this state during the fiscal year next preceding the date of such statement; the total number of cars owned by such company and the total value thereof and the average number of miles traveled by cars of the particular class covered by the statement in the ordinary course of business during the fiscal year, and it shall be the duty of the State Board of Equalization to ascertain the number of cars required to make the total mileage of cars of such corporation within the period of one (1) year. Said Board shall ascertain and fix a valuation upon each particular class of said cars, and the number so ascertained to be required to make the total mileage of the cars of each such corporation, within the period of one (1) year, shall be assessed to the respective corporations, and such assessment shall be included in the record of the proceedings of the Board and shall be certified by the State Auditor and Inspector to the county clerks of the several counties of the state wherein such cars are operated in the same manner as property of the other public service corporations is certified and returned.

SECTION 32. AMENDATORY 68 O.S. 1991, Section 2856, is amended to read as follows:

Section 2856. A. Every express company doing business in this state shall file with the ~~Oklahoma Tax Commission~~ State Board of Equalization a statement under oath, which shall include a duplicate of the report made by said company to the Interstate Commerce Commission of its assets, income, disbursements and business for the year ending on the thirty-first day of December of the preceding year.

B. Each statement shall also contain the following items, or such of them as may not be covered by the information contained in the report to the Interstate Commerce Commission, and which said item shall be reported as the same existed on the thirty-first day of December of the preceding year:

1. The total net assets of the company, as the same are carried upon the books of the company;

2. The total net assets of the company invested in or pertaining to business other than the express business, as such assets are carried upon the books of the company;

3. The total net assets of the company pertaining to or invested in its express business, as the same are carried upon the books of the company;

4. The amount of the capital stock of the company and the number of shares into which the same is divided, or if the company has no capital stock, then the number of shares or interests into which it is divided, together with the value placed upon each share, or interest, for bookkeeping purposes;

5. The market value of the share of the capital stock, or of the shares or interest of the company, which market price shall be determined by the average price at which such shares of the capital stock or shares or interest of the company shall have been sold during the year upon the New York Stock Exchange, or if such shares or interest of the company are not listed upon the New York Stock Exchange, then the average price at which the same have been sold during the year upon all other stock exchanges;

6. The total mileage, other than ocean mileage, over which the company conducts an express business; and

7. The mileage over which the company conducts an express business in this state, the mileage in each county of the state, and the mileage in each taxing district of each county of the state.

C. In assessing any express company, the State Board of Equalization may determine the value of all property of such company pertaining to or employed in its express business, and allocate to Oklahoma its proportion of the total value upon any just and reasonable basis. The total assessment for the state shall then be allocated to the various counties, and municipal subdivisions

thereof, in the proportion which the mileage of the express company in such counties and subdivisions bears to the total mileage of such company in this state. Where an express company has an office or other taxable property in a county or other taxing district in which it has no operated mileage, such property shall be listed and assessed in the county and taxing district where located on January 1.

SECTION 33. AMENDATORY 68 O.S. 1991, Section 2857, is amended to read as follows:

Section 2857. Should any railroad or public service corporation doing business in this state fail or refuse to make the statements or schedules to the ~~Oklahoma Tax Commission~~ State Board of Equalization within the time and manner required by law, it shall be the duty of the State Board of Equalization to ascertain from the best information obtainable the value of the property of such company, and as a mandatory penalty shall add amounts as follows: If listed or assessed after April 15 but on or before May 15, ten percent (10%) of the assessed value; if listed or assessed after May 15, twenty percent (20%) of the assessed value. The ~~Oklahoma Tax Commission~~ Board may grant an extension without penalty, upon written request of the taxpayer and for a good cause, of not to exceed fifteen (15) days for the filing of the returns as required by the Ad Valorem Tax Code, Section 2801 et seq. of this title.

SECTION 34. AMENDATORY 68 O.S. 1991, Section 2858, is amended to read as follows:

Section 2858. A. The ~~Oklahoma Tax Commission~~ State Board of Equalization shall make its findings as to the assessment of all railroad and public service corporation property; ~~and such findings shall, on or before the third Monday of June of each year, be presented to the State Board of Equalization as recommendations for its~~ and shall take final action under at such time as it deems appropriate in order to fulfill its duties as specified in Section

21 of Article X of the Oklahoma Constitution. ~~A copy of the Oklahoma Tax Commission's letter of transmittal of its findings shall, at such time, be furnished each member of said Board.~~

B. All duties, powers and authority of all officers and agencies of the state, relating to the assessment of railroad and public service corporation property, which have been conferred upon them and vested in them, by law, are hereby transferred to, ~~conferred upon and vested in, the Oklahoma Tax Commission; excepting only the duties, powers and authority of the State Board of Equalization, as fixed and defined by Section 21 of Article X of the Oklahoma Constitution.~~

C. In the performance of its duties, as prescribed by this section, the ~~Oklahoma Tax Commission~~ Board, or any duly authorized representative thereof, shall have the power to administer oaths, to conduct hearings and to compel the attendance of witnesses and the production of the books, records and papers of any person, firm, association, or corporation, and to enter any business or commercial premises and inspect the property of the taxpayer.

D. Prior to entering the business or commercial premises of any taxpayer for purposes of discovering personal property, the ~~Oklahoma Tax Commission~~ Board shall request permission to enter the business or commercial premises and shall state the reason for the inspection. If access to the business or commercial premises is denied, the ~~Oklahoma Tax Commission~~ Board shall be required to obtain a search warrant in order to conduct an inspection of the interior of the business or commercial premises. A search warrant may be obtained upon a showing of probable cause that personal property located within particularly described business or commercial premises is subject to ad valorem taxation, but not listed or assessed for ad valorem taxation as required by law.

SECTION 35. AMENDATORY 68 O.S. 1991, Section 2859, is amended to read as follows:

Section 2859. A. The returns of railroad and public service corporations shall not be conclusive as to the value or amount of any property. The State Board of Equalization shall have the authority and it shall be its duty to raise or lower the returned value:

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

2. Of any real property at not to exceed its fair cash value for the highest and best use for which such property is actually used or classified for use.

B. It shall be the duty of the State Board of Equalization, ~~with the assistance of the Oklahoma Tax Commission,~~ to do all things necessary to enable it to assess and value all taxable property of railroad and public service corporations, discover omitted property, and determine the taxable status of any property which is claimed to be exempt from ad valorem taxation for any reason.

C. In the performance of its duties, as prescribed by this section, the State Board of Equalization, or any duly authorized representative thereof, shall have the power to administer oaths, to conduct hearings, and to compel the attendance of witnesses and the production of the books, records and papers of any person, firm, association, or corporation; and to enter any business or commercial premises and inspect the property of the taxpayer.

D. Prior to entering the business or commercial premises of any taxpayer for purposes of discovering personal property, the State Board of Equalization shall request permission to enter the business or commercial premises and shall state the reason for the inspection. If access to the business or commercial premises is denied, the State Board of Equalization shall be required to obtain a search warrant in order to conduct an inspection of the interior of the business or commercial premises. A search warrant may be

obtained upon a showing of probable cause that personal property located within particularly described business or commercial premises is subject to ad valorem taxation, but not listed or assessed for ad valorem taxation as required by law.

SECTION 36. AMENDATORY 68 O.S. 1991, Section 2861, is amended to read as follows:

Section 2861. A. A county board of equalization is hereby created for each county in the state. Said board shall consist of three (3) members.

B. Members of the county board of equalization shall be appointed as follows:

1. One member shall be appointed by the ~~Oklahoma Tax Commission~~ State Board of Equalization; provided, members of county boards of equalization serving on the effective date of this act who were appointed by the Oklahoma Tax Commission shall be deemed to be appointed by the State Board of Equalization;

2. One member shall be appointed by the board of county commissioners; and

3. One member shall be appointed by the district judge or a majority of the district judges in all judicial districts where more than one district judge is elected.

C. The tenure of office of each county board of equalization member shall be coterminous with that of the county commissioners.

D. The qualifications of the members of the county board of equalization shall be as follows:

1. The member must be a qualified elector and resident of the county;

2. The member may not hold an elected office of the state, county, school district or municipal subdivision; and

3. The member may not file for any elected office of the state, county, school district or municipal subdivision without first resigning from the county board of equalization.

E. The county clerk shall serve as secretary and clerk of said board without additional compensation.

F. Until January 1, 1992, there is also created for each county in the state an excise board to be composed of the members of the equalization board. The county clerk shall serve as the secretary and clerk of said excise board without additional compensation.

G. If there is a conflict or dispute as to the membership, the eligibility of any appointee for membership, the priority of an appointment or appointments, one as opposed to another, or the right of any appointee to serve in any county commissioner's district, then, such conflict or dispute shall be resolved by a determination and order of the ~~Oklahoma Tax Commission~~ State Board of Equalization.

~~H. Until January 1, 1992, it shall be unlawful for any member of the county excise board to sell or contract to sell, or to lease or contract to lease, or to represent any person, firm, corporation or association in the sale or the lease of any machinery, supplies, equipment, material, or other goods, wares, or merchandise to any county or city or town of the county. It shall also be unlawful for any member of the county excise board to serve as employee, official, or attorney for any county or city, or town of the county, or for any such member to represent any taxpayer before his own board in any manner, or to use his position as a board member to further his own interests. It shall also be unlawful for any taxpayer or interested party to employ any member of the county excise board in any matter coming before the board.~~

~~I.~~ It shall be unlawful for any member of the county board of equalization to sell or contract to sell, or to lease or contract to lease, or to represent any person, firm, corporation or association in the sale or the lease of any machinery, supplies, equipment, material, or other goods, wares, or merchandise to any county or city or town of the county. It shall also be unlawful for any

member of the county board of equalization to serve as employee, official, or attorney for any county or city, or town of the county, or for any such member to represent any taxpayer before his own board in any manner, or to use his position as a board member to further his own interests. It shall also be unlawful for any taxpayer or interested party to employ any member of the county board of equalization in any matter coming before the board.

~~J.~~ I. Any person violating any of the provisions of this section shall be deemed guilty of a felony, and upon conviction thereof shall be punished by a fine of not less than Two Hundred Dollars (\$200.00) and not more than One Thousand Dollars (\$1,000.00) or by imprisonment in the State Penitentiary for not less than six (6) months or more than two (2) years, or by both such fine and imprisonment.

~~K.~~ J. Any action taken by a county excise board after August 24, 1989, and before the effective date of this section are hereby declared to be official actions of a duly constituted county excise board.

SECTION 37. AMENDATORY 68 O.S. 1991, Section 2864, is amended to read as follows:

Section 2864. A. The Governor, State Auditor and Inspector, State Treasurer, Lieutenant Governor, Attorney General, Superintendent of Public Instruction and President of the Board of Agriculture shall constitute the State Board of Equalization, and the State Board of Equalization must hold a session at the Capitol of the state, commencing at ten o'clock a.m. on December 1, or the first working day thereafter of each year for the purpose of equalizing the taxable property values of the several counties for the next following assessment year. The State Auditor and Inspector shall notify all other members of said Board of the time and place of said annual session as herein required. The Governor shall serve as chairman and the State Auditor and Inspector shall serve as

secretary of said Board, and a vice-chairman shall be elected from the other members. In case of the absence or failure of said chairman and secretary, or either of them, to so act on the statutory meeting date, any four or more members thereof shall proceed on said date to conduct the Board's session and carry on its work as herein required. Any official action by said Board shall require approval by a majority of all members of the Board.

B. It shall be the duty of said State Board to ~~examine~~:

1. Examine the various county assessments ~~and to equalize~~;

2. Equalize, correct and adjust the same as between and within the counties by determining the ratio of the aggregate assessed value of the property or any class thereof, in any or all of them, to the fair cash value thereof as herein defined, ~~and to order~~;

3. Order and direct the assessment rolls of any county in this state to be so corrected as to adjust and equalize the valuation of the real and personal property among the several counties during the next succeeding assessment year; and

4. Perform any other duties as specified in the Ad Valorem Tax Code, Section 2801 et seq. of this title.

~~C. In determining the assessment ratio for all air carrier property and all railroad property, the State Board shall only consider the ratio of the aggregate assessed value to the fair cash value of the locally assessed commercial/industrial real property of the state.~~

~~D.~~ In order to equalize, correct and adjust the various county assessments within the counties as required by this section, the State Board of Equalization shall analyze the relationship between the assessed value and the fair cash value for each use category of real property and separately analyze the relationship between the assessed value and the fair cash value for the agricultural use category, the residential use category and the commercial/industrial use category. ~~If Article X, Section 8 of the Oklahoma Constitution~~

~~provides for a system in which less than one hundred percent (100%) of value is taxable, the The State Board of Equalization shall order any increase or decrease determined by the State Board of Equalization to be necessary for equalization of property values within the county, including, but not limited to, the authority to require an assessment ratio for a use category bearing a specific relationship to the percentage used to determine taxable value of real property in the county for the applicable assessment year. ~~If Article X, Section 8 of the Oklahoma Constitution provides for a system in which one hundred percent (100%) of value is taxable, the State Board of Equalization shall make such order as authorized by Article X, Section 8 of the Oklahoma Constitution.~~~~

~~E. D.~~ D. The State Board of Equalization shall equalize, correct and adjust the various county assessments as between the counties as required by this section by ordering any increase or decrease required as prescribed by this subsection. ~~If Article X, Section 8 of the Oklahoma Constitution provides for a system in which less than one hundred percent (100%) of value is taxable, the The State Board of Equalization shall order any increase or decrease required to comply with the minimum or maximum acceptable assessment ratio in effect for the applicable assessment year. ~~If Article X, Section 8 of the Oklahoma Constitution provides for a system in which one hundred percent (100%) of value is taxable, the State Board of Equalization shall order any increase or decrease required to ensure that the assessment ratio for any county is not less than ninety-two percent (92%) and not greater than one hundred percent (100%) as provided by Article X, Section 8 of the Oklahoma Constitution.~~~~

SECTION 38. AMENDATORY 68 O.S. 1991, Section 2865, is amended to read as follows:

Section 2865. A. ~~The Oklahoma Tax Commission~~ State Board of Equalization shall render its findings as to the adjustment and equalization of the valuation of real and personal property of the

several counties of the state by ~~reporting to the State Board of Equalization~~ determining the ratio derived from comparing the assessed value of the real property of each county to the full or fair cash value of the real property of such county; ~~and such findings shall, on or before December 1 of each calendar year, be presented to the State Board of Equalization as recommendations for its~~ and shall take final action under at such time as it deems appropriate in order to fulfill its duties as specified in Section 21 of Article X of the Oklahoma Constitution.

B. All duties, powers and authority relating to the adjustment and equalization of the valuation of real and personal property of the several counties of the state, shall be vested in the ~~Oklahoma Tax Commission, excepting only the duties, powers and authority of the State Board of Equalization, as fixed and defined by Section 21 of Article X of the Oklahoma Constitution.~~

C. In the assessment of all property which it is their duty to assess for taxation, all county officers shall continue to perform all the duties required of them, and to exercise all the powers and authority vested in them, by law.

D. In the performance of its duties, as herein defined, the ~~Oklahoma Tax Commission~~ State Board of Equalization, or any duly authorized representative thereof, shall have the power to administer oaths, to conduct hearings, and to compel the attendance of witnesses and the production of the books, records and papers of any person, firm, association or corporation, or of any county; and to enter any business or commercial premises and inspect the property of the taxpayer.

E. Prior to entering the business or commercial premises of any taxpayer for purposes of discovering personal property, the ~~Oklahoma Tax Commission~~ Board shall request permission to enter the business or commercial premises and shall state the reason for the inspection. If access to the business or commercial premises is

denied, the ~~Oklahoma Tax Commission Board~~ shall be required to obtain a search warrant in order to conduct an inspection of the interior of the business or commercial premises. A search warrant may be obtained upon a showing of probable cause that personal property located within particularly described business or commercial premises is subject to ad valorem taxation, but not listed or assessed for ad valorem taxation as required by law.

SECTION 39. AMENDATORY 68 O.S. 1991, Section 2866, is amended to read as follows:

Section 2866. A. For purposes of ~~reporting to the State Board of Equalization~~ determining the ratio derived from comparing the assessed value of the real property of each county to the full or fair cash value of such real property, the ~~Oklahoma Tax Commission~~ State Board of Equalization shall conduct and publish an equalization ratio study for each county annually in accordance with the requirements of this section.

B. The equalization ratio study shall be conducted in a manner that ensures:

1. The ratio of assessed value to the fair cash value of properties in a sample extracted from a county is expressed as a median of the ratios determined for all properties included in the sample;

2. Sample data gathered for purposes of establishing the fair cash value of properties within the sample relates to the applicable assessment date of the study in a manner that produces reliable ratio study results;

3. Sample sizes of sufficient numbers to produce an estimated ratio for a use category within a county or a ratio for an entire county at a ratio that accurately estimates the true, but unknown, assessment level;

4. Appraisals selected for inclusion in the ratio study are representative of the use category or stratum of properties included in the sample;

5. Sales files containing adequate information are developed and maintained for purposes of appraisals; and

6. Uniformity of assessments within a use category or stratum for a county do not exceed a coefficient of dispersion value of twenty percent (20%).

C. The ~~Oklahoma Tax Commission~~ Board shall provide for a computer system that permits the equalization ratio study to be conducted pursuant to the requirements of this section. Such computer system shall be designed to permit monitoring and analysis of assessment performance in the several counties and to detect noncompliance with legal standards for valuation of taxable property in order to fulfill the duties imposed by Section 2830 of this title. The provisions of this subsection shall not be construed to authorize the ~~Oklahoma Tax Commission~~ Board to install a mainframe computer capable of remote monitoring of or making inputs into computers in the offices of the various county assessors.

SECTION 40. AMENDATORY 68 O.S. 1991, Section 2867, is amended to read as follows:

Section 2867. A. As soon as practicable after the assessment rolls are corrected and adjusted by the county board of equalization through the first Monday in June, the county assessor shall make out an abstract thereof, containing the total amount of property listed under the various classifications appearing on the blank forms for the listing and assessment of property, and the total value of each class, and it shall be the mandatory duty of the county assessor under the penalties as outlined pursuant to Section ~~143~~ 2943 of this ~~act~~ title, to transmit this abstract to the ~~Oklahoma Tax Commission~~ State Board of Equalization not later than June 15 of each year ~~of~~

or the first working day thereafter, unless delayed by court action or other causes beyond his control.

B. It is hereby specifically provided that where any county assessor fails to comply with the provisions of this section by the time herein required, the ~~Oklahoma Tax Commission~~ Board shall immediately notify the chairman of the board of county commissioners and the county clerk of such county and neither such county assessor nor any of his deputies or employees shall be paid any remuneration, compensation or salary for the month of June and each succeeding month thereafter until such abstract is transmitted to the ~~Oklahoma Tax Commission~~ Board. This penalty provision shall be cumulative to the penalty provisions and requirements of Section ~~143~~ 2943 of this act title.

C. It shall be the duty of the ~~Oklahoma Tax Commission~~ Board to furnish the necessary forms for such abstract, which forms shall be subject to approval by the State Auditor and Inspector.

D. Within ten (10) days after the county assessor of each county receives from the State Board of Equalization the certificates of assessment of all railroad and public service corporations, and the equalized value of real and personal property of such county, it shall be the duty of the county assessor to prepare and file with the county excise board an abstract of the assessed valuations of the county and each municipal subdivision thereof as shown by his records through that date; and said abstract shall show separately the valuations of all personal property, real property and public service corporation property, in each municipality, and shall be properly totaled and balanced.

SECTION 41. AMENDATORY 68 O.S. 1991, Section 2870, is amended to read as follows:

Section 2870. A. In case of the destruction or loss of tax lists, rolls or abstracts, or any portion thereof, of any county of this state, after the assessments have been adjusted by the county

board of equalization according to law, and before the taxes have become delinquent according to law, it shall be the duty of the county assessor with the approval of the board of county commissioners of the county in which said loss or destruction shall occur, within ninety (90) days after such loss or destruction, to appoint special deputy assessors, whose duty it shall be to assist the county assessor in reassessing all taxable property of said county, or such portion thereof, the tax records of which have been lost or destroyed as aforesaid, in the manner and form provided by law. Before entering upon the duties of such appointment, such special deputy assessors shall qualify before the county assessor as provided by law for the qualification of deputy assessors, and such special deputy assessors shall receive the same compensation for their services, as other personnel in such assessor's office for each day actually employed. The original assessment, the record of which is lost, shall, in the new assessment, be followed and adopted as far as practicable.

B. The county assessor shall, within ten (10) days after the appointment of the special deputies, proceed to make out and deliver to the county board of equalization the assessment rolls of the county as provided by law. The county board of equalization shall meet within ten (10) days after the delivery of the assessment rolls to it, which assessment rolls and lists shall be received by said board and corrected so as to correspond, as nearly as may be, to the original rolls and lists lost or destroyed.

C. The county assessor shall, within thirty (30) days after the date of the meeting of the county board of equalization required by this section, make out and file with the treasurer of said county, an abstract of the special assessment herein provided. Such assessment, and the assessment lists, assessment rolls, tax rolls and abstracts, when so made and filed shall, in all respects, be of the same force and effect as if made at the regular assessment, and

shall have the same effect and value as evidence, as the lists, assessment rolls, tax rolls, and abstracts lost or destroyed; and the rates of taxation shall in no case be changed or varied from those theretofore fixed for the year covered by such restored records. In such cases no penalty shall attach for nonpayment of taxes until at least ninety (90) days after the said abstract is filed with the county treasurer.

D. In all cases contemplated in, and covered by this section, the ~~Oklahoma Tax Commission~~ State Board of Equalization shall provide for the use of said county assessor and special deputy assessors, upon the requisition or request of the board of county commissioners of the county, all necessary notices, blank forms, lists and instructions and forward the same to the county assessor of said county.

E. In all cases where duplicates or copies of the assessment rolls and tax rolls for the year involved can be reproduced from the land list or other available records, if the said county assessor and the board of county commissioners shall determine that said reproduced roll is correct, and upon the verification of the same by the persons who made such assessment, or other person competent to make such verification, such reproduced assessment roll shall be accepted in lieu of the special assessment herein required.

F. Upon the receipt by the county treasurer of the county assessor's abstract of the tax roll, all persons who have theretofore paid the whole or any part of the tax chargeable against them for the year involved may, within sixty (60) days, present their receipts to the county treasurer who shall credit them upon the proper record with the amount of taxes so paid.

G. For the purpose of performing the extraordinary duties provided by this section, the county assessor and county treasurer shall be empowered, with the consent and under the direction of the board of county commissioners, to employ such additional deputies as

may be necessary to enable them to perform the duties required by this section within the period herein limited.

SECTION 42. AMENDATORY 68 O.S. 1991, Section 2873, is amended to read as follows:

Section 2873. The board of tax roll corrections shall be authorized to modify a valuation of property in accordance with the standards prescribed by or for a purpose authorized by Section ~~71~~ 2871 of this ~~act~~ title irrespective of whether or not the valuation so modified has been affected by an order of the State Board of Equalization for purposes of equalizing assessments within a county or between the several counties as authorized by law. Any modification by the board of tax roll corrections to a value that has been modified as a result of an order by the State Board of Equalization shall be reported to the ~~Oklahoma Tax Commission~~ State Board of Equalization. The ~~Oklahoma Tax Commission~~ State Board of Equalization shall determine the impact, if any, that the modification made by the board of tax roll corrections has upon equalization within the county or between the several counties and ~~shall make recommendations to the State Board of Equalization for~~ take any action required.

SECTION 43. AMENDATORY 68 O.S. 1991, Section 2875, is amended to read as follows:

Section 2875. A. ~~There is hereby created within the Oklahoma Tax Commission the Ad Valorem Division which shall be administered by a Director.~~ The Ad Valorem Division of the Oklahoma Tax Commission, including all employees, unexpended funds, outstanding financial obligations or encumbrances, contractual obligations, equipment, supplies, files, records, materials and fixtures, is hereby transferred to the State Board of Equalization. All powers, duties and responsibilities conferred upon the Division by law shall be deemed to be transferred to the Board. References to the Oklahoma Tax Commission in any provision of the Oklahoma Statutes in

relation to ad valorem taxation shall be construed to mean the ~~Ad Valorem Division of the Oklahoma Tax Commission~~ State Board of Equalization unless the context clearly requires otherwise.

B. ~~The Director of the Ad Valorem Division~~ State Board of Equalization shall be administered by a director, who shall be a citizen of the United States, at least thirty (30) years of age, and shall have three (3) years of experience in ad valorem assessment administration including employment by a state governmental agency or entity responsible for annual valuation of taxable property pursuant to a computerized or computer-assisted mass appraisal system. The Director shall also possess an official professional appraiser designation from at least one of the following organizations: American Institute of Real Estate Appraisers, American Society of Appraisers, American Society of Farm Managers and Rural Appraisers, International Association of Assessing Officers, International Right-of-Way Association, National Association of Independent Fee Appraisers, National Society of Real Estate Appraisers, and the Society of Real Estate Appraisers.

C. ~~The Director of the Ad Valorem Division~~ Board shall organize ~~the Division~~ its staff in such manner as ~~the Director~~ it deems advisable to discharge ~~the~~ its duties and responsibilities ~~of the Ad Valorem Division~~. The Director shall employ a General Counsel of the Board, who shall be an attorney licensed to practice law in this state.

D. ~~The Ad Valorem Division~~ staff of the Board shall have the authority and it shall be its duty to:

1. Confer with and assist county assessors and county boards of equalization in the performance of their duties, to the end that all assessments of property be made relative, just and uniform and that real property and tangible personal property may be assessed at its fair cash value estimated at the price it would bring at a fair voluntary sale;

2. Prescribe forms with numbers ascribed thereto for the county assessors' use in assessment procedure, including property classification and appraisal forms;

3. Provide technical assistance to county assessors and county boards of equalization in the services of appraisal engineers;

4. Provide from year to year schedules of values of personal property to aid county assessors in the assessment of personal property;

5. Conduct training schools, institutes, conferences and meetings for the purpose of improving the qualifications of county assessors and their deputies as required by law;

6. Prepare and furnish from time to time to county assessors an assessors' manual. Such manual shall include, but not be limited to, valuation methodologies for property in a county for which no comparable property exists in order for a county assessor to establish a value for ad valorem tax purposes. The manual shall include information concerning valuation of hazardous waste disposal facilities and such other types of facilities as may be requested by the county assessor for which the assessor does not have adequate data to value such property;

7. Render such other assistance as may be conducive to the proper assessment of property for ad valorem taxation;

8. Adopt regulations establishing uniform procedures and standards for the appraisal of real property by county assessors; and

9. Develop assessment manuals for the valuation of manufactured homes and periodic updates for such manuals for use by county assessors.

E. The county assessors shall not use any form not prescribed or approved by the ~~Ad Valorem Division~~ Board; provided, any form prescribed or approved by the Ad Valorem Division of the Oklahoma

Tax Commission on the effective date of this act shall be deemed to be approved by the Board.

F. Each county assessor shall comply with the rules, regulations, and guides adopted by the ~~Ad Valorem Division Board~~; provided, any rules, regulations and guides adopted by the Ad Valorem Division of the Oklahoma Tax Commission on the effective date of this act shall be deemed to be adopted by the Board.

G. The ~~Ad Valorem Division Board~~, upon request of any county assessor, shall furnish to the county assessor any information shown by its files and records as to any real and personal property, subject to taxation, including income and expense data as shown by income tax returns, to the end that no property shall escape taxation, and this information is to be furnished notwithstanding any statute that such files and records shall be confidential and privileged.

H. The ~~Ad Valorem Division Board~~ shall be authorized to obtain information relating to the ownership, location, taxable status or valuation for purposes of ad valorem taxation of real or personal property from any state agency, board, commission, department, authority or other division of state government if necessary to respond to a request by a county assessor as provided by subsection G of this section. Such information shall be confidential and privileged and shall only be released to a county assessor in order to locate, discover and correctly value taxable property as required by law.

SECTION 44. AMENDATORY 68 O.S. 1991, 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~~ State Board of Equalization.

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~~ State 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~~ State Board of Equalization. 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 45. AMENDATORY 68 O.S. 1991, Section 2877, is amended to read as follows:

Section 2877. A. Upon receipt of an appeal from action by the county assessor, the secretary of the county board of equalization shall fix a date of hearing, at which time said board shall be authorized and empowered to take evidence pertinent to said appeal;

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 of real or personal property or to cancel an assessment of personal property added by the assessor not listed by the taxpayer if the personal property is not subject to taxation or if the taxpayer is not responsible for payment of ad valorem taxes upon such property. 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. The county board of equalization shall be required to follow the procedures prescribed by the Ad Valorem Tax Code, Section 2801 et seq. of this title, or administrative rules and regulations promulgated pursuant to such Code governing the valuation of real and personal property. The county board of equalization shall not modify a valuation of real or personal property as established by the county assessor unless such modification is explained in writing upon a form prescribed by the ~~Oklahoma Tax Commission~~ State Board of Equalization. Each decision of the county board of equalization shall be explained in writing upon a form prescribed by the ~~Oklahoma Tax Commission~~ State Board of Equalization. The county board of equalization shall make a record of each proceeding involving an appeal from action by the county assessor either in transcribed or tape recorded form.

B. In all cases where the county assessor has, without giving the notice required by law, 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 an appeal in the form and manner provided for in Section 2876 of this title. Thereafter, the board shall fix a date of hearing, notify the taxpayer, and conduct the hearing as required by this section.

SECTION 46. AMENDATORY 68 O.S. 1991, Section 2880.1, is amended to read as follows:

Section 2880.1 A. Both the taxpayer and the county assessor shall have the right of appeal from any order of the county board of equalization to the district court of the same county, and right of appeal of either may be either upon questions of law or fact including value, or upon both questions of law and fact. In case of appeal the trial in the district court shall be de novo.

B. Notice of appeal shall be filed with the county clerk as secretary of the county board of equalization, which appeal shall be filed in the district court within ten (10) days after the final adjournment of the board. It shall be the duty of the county clerk to preserve all complaints and to make a record of all orders of the board and both the complaint and orders shall be a part of the record in any case appealed to the district court from the county board of equalization.

C. Either the taxpayer or the county assessor may appeal from the district court to the Supreme Court, as provided for in the Code of Civil Procedure, but no matter shall be reviewed on such appeal which was not presented to the district court.

D. In such appeals to the district court and to the Supreme Court it shall be the duty of the district attorney to appear for and represent the county assessor. It shall be the duty of the General Counsel or an attorney for the Tax Commission of the State Board of Equalization or his designee to appear in such appeals on behalf of the county assessor, either upon request of the county attorney for assistance, or upon request of the county assessor. It shall be the mandatory duty of the board of county commissioners and the county excise board to provide the necessary funds to enable the county assessor to pay the costs necessary to be incurred by him in perfecting appeals made by him to the courts.

E. In all appeals taken by the county assessor the presumption shall exist in favor of the correctness of the county assessor's valuation and the procedure followed by him.

SECTION 47. AMENDATORY 68 O.S. 1991, Section 2881, is amended to read as follows:

Section 2881. A. ~~In any case where the State Board of Equalization shall increase the valuation of the property of any railroad or public service corporation above the value returned by the taxpayer, the~~ The secretary of the State Board of Equalization shall notify, by mail, the taxpayer giving the amount of such valuation as increased all railroads and public service corporations of the ad valorem tax assessments rendered by the State Board, including the valuation, assessment ratio and total amount of assessment. The notice shall clearly be marked with the date upon which the notice was prepared. Such notice shall be mailed within one (1) working day of such date. The taxpayer shall have twenty (20) calendar days from date of such notice in which to file, with the Clerk of the Court of Tax Review, 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.

B. After the filing of a complaint as provided for in subsection A of this section the State Board of Equalization shall have fifteen (15) days within which to file an answer. The Court of Tax Review shall set a date of hearing and conduct such hearing within sixty (60) days of the date of the notice which caused the filing of the complaint. The Court of Tax Review 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 required by law.

C. At the time of hearing upon a complaint filed pursuant to this section, the State Board of Equalization shall bear the burden of proof of supporting its action which is the subject matter of the complaint.

D. Either the State Board of Equalization or the party filing a complaint pursuant to this section may appeal the decision of the Court of Tax Review by filing a notice of intent to appeal with the Clerk of the Court of Tax Review within ten (10) calendar days of the date the final decision is rendered. Appeal shall be made to the Oklahoma Supreme Court which shall affirm the decision of the Court of Tax Review if supported by competent evidence.

SECTION 48. AMENDATORY 68 O.S. 1991, Section 2883, is amended to read as follows:

Section 2883. A. A county assessor may appeal the decision of the ~~Oklahoma Tax Commission~~ State Board of Equalization to correct Category 2 noncompliance or a decision ordering corrective action for Category 3 noncompliance as authorized by Section ~~30~~ 2830 of this ~~act~~ title by filing a notice of intent to appeal with the Clerk of the Court of Tax Review within ten (10) calendar days of the date the final decision is rendered.

B. After the filing of a notice of intent to appeal as provided for in subsection A of this section the ~~Oklahoma Tax Commission~~ Board shall have fifteen (15) days within which to file an answer. The Court of Tax Review shall set a date of hearing within sixty (60) days of the date of the answer date. The Court of Tax Review shall be authorized and empowered to take evidence pertinent to said appeal, 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 order of the ~~Oklahoma Tax Commission~~ Board, as required by law.

C. At the time of hearing upon a complaint filed pursuant to this section, the ~~Oklahoma Tax Commission~~ Board shall bear the burden of proof of supporting its action which is the subject matter of the appeal.

D. Either the county assessor or the ~~Oklahoma Tax Commission~~ Board may appeal the decision of the Court of Tax Review by filing a notice of intent to appeal with the Clerk of the Court of Tax Review within ten (10) calendar days of the date the final decision is rendered. Appeal shall be made to the Oklahoma Supreme Court which shall affirm the decision of the Court of Tax Review if supported by competent evidence.

SECTION 49. AMENDATORY 68 O.S. 1991, Section 2884, is amended to read as follows:

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

B. When such taxes are paid, the persons paying the same shall give notice to the county treasurer that an appeal involving such taxes has been taken and is pending, and that a specified portion of the tax amount is being paid under protest. The taxpayer shall attach to such notice a copy of the petition filed in the court or other appellate body in which the appeal was taken. It shall be the duty of such treasurer to hold the amount of such taxes so paid under protest, as specified in subsections C and D of this section, separate and apart from other taxes collected by him. Any portion of such taxes not ~~paid under protest~~ so held by the county treasurer shall be apportioned as provided by law. The treasurer shall invest such protested taxes in the same manner as he invests surplus tax

funds not paid under protest, but shall select an investment medium which will permit prompt refund or apportionment of such protested taxes upon final determination of the appeal. If upon the final determination of any such appeal, the court shall find that the property was assessed at too great an amount, the board of equalization from whose order the appeal was taken shall certify the corrected valuation of the property of such taxpayers to the county assessor, in accordance with the decision of the court, and shall send a copy of such certificate to the county treasurer. Upon receipt of the corrected certificate of valuation the county assessor shall compute and certify to the county treasurer the correct amount of taxes payable by such taxpayer. The difference between the amount paid and the correct amount payable with accrued interest shall be refunded by the treasurer to the taxpayer upon his filing a proper verified claim therefor, and the remainder paid under protest with accrued interest shall be apportioned as provided by law.

C. If an appeal is upon a question of valuation of the property, then the amount ~~paid under protest~~ held by the county treasurer pursuant to the provisions of subsection B of this section by reason of the question of valuation being appealed shall be limited to the amount of taxes assessed against the property for the year in question less the amount of taxes which would be payable by the taxpayer for that year if the valuation of the property asserted by the taxpayer in the appeal were determined by the court to be correct.

D. If an appeal is upon a question of assessment of the property or any matter other than valuation of the property, then the amount held by the county treasurer pursuant to the provisions of subsection B of this section by reason of the question of assessment or other matter being appealed shall be limited to the amount of taxes assessed against the property for the year in

question less the amount of taxes assessed against the property for the previous year.

E. The procedure for payment of taxes pending resolution of appeals as provided by this section shall be applicable to any such payment of taxes made on or after July 1, 1992.

SECTION 50. AMENDATORY 68 O.S. 1991, Section 2890, is amended to read as follows:

Section 2890. A. In addition to the amount of the homestead exemption authorized and allowed in Section 2889 of this title, an additional exemption is hereby granted, to the extent of One Thousand Dollars (\$1,000.00) of the assessed valuation on each homestead of heads of households whose gross household income from all sources for the preceding calendar year did not exceed Ten Thousand Dollars (\$10,000.00). ~~If Article X, Section 8 of the Oklahoma Constitution requires property to be taxed based upon one hundred percent (100%) of its fair cash value each homestead, as authorized by the provisions of this section, shall be exempted from ad valorem taxation to the extent of Ten Thousand Dollars (\$10,000.00) of the assessed valuation.~~

B. The term "gross household income" as used in this section means the gross amount of income of every type, regardless of the source, received by all persons occupying the same household, whether such income was taxable or nontaxable for federal or state income tax purposes, including pensions, annuities, federal Social Security, unemployment payments, veterans' disability compensation, public assistance payments, alimony, support money, workers' compensation, loss-of-time insurance payments, capital gains and any other type of income received, and excluding gifts. The term "head of household" as used in this section means a person who as owner or joint owner maintains a home and furnishes his own support for said home, furnishings, and other material necessities.

C. The application for such additional homestead exemption shall be made each year before March 15 or within thirty (30) days from and after receipt by the taxpayer of notice of valuation increase, whichever is later, and upon the form prescribed by the ~~Oklahoma Tax Commission~~ State Board of Equalization, which shall require the taxpayer to certify as to the amount of gross income. Upon request of the county assessor, the ~~Oklahoma Tax Commission~~ Board shall assist in verifying the correctness of the amount of said gross income.

D. For persons sixty-five (65) years of age or older as of March 15 and who have previously qualified for the additional homestead exemption, no annual application shall be required in order to receive the exemption provided by this section; however, any person whose gross household income in any calendar year exceeds the amount specified in this section in order to qualify for the additional homestead exemption shall notify the county assessor and the additional exemption shall not be allowed for the applicable year. Any executor or administrator of an estate within which is included a homestead property exempt pursuant to the provisions of this section shall notify the county assessor of the change in status of the homestead property if such property is not the homestead of a person who would be eligible for the exemption provided by this section.

SECTION 51. AMENDATORY 68 O.S. 1991, Section 2891, is amended to read as follows:

Section 2891. On or before January 1st of each year, the ~~Oklahoma Tax Commission~~ State Board of Equalization shall prescribe suitable blank forms to be used by all claimants for homestead exemption. Such forms shall contain provisions for the showing of all information which the ~~Oklahoma Tax Commission~~ Board may deem necessary to enable the proper county officials to determine whether each claim for exemption should be allowed. It shall be the duty of

the county assessor of each county in this state to furnish such forms, upon request, to each person desiring to make application for homestead exemption on property located within that county. The forms so prescribed shall be used uniformly throughout the state and no application for exemption shall be allowed unless the applicant uses the regularly prescribed form in making his or her application.

SECTION 52. AMENDATORY 68 O.S. 1991, Section 2893, is amended to read as follows:

Section 2893. The county assessor shall examine each application for homestead exemption filed with him and shall determine whether or not such application should be approved or rejected and if approved, determine the amount of the exemption. If the application is approved, he shall mark the same "approved" and show thereon the amount of exemption allowed and make the proper deduction upon his assessment rolls. In case he finds that the exemption should not be allowed by reason of not being in conformity to law, he shall mark the application "rejected" and state thereon the reason for such rejection. In any case where the county assessor disallows or reduces an application for exemption, he shall notify the applicant of his action by mailing written notice to him at the address shown in the application, which notice shall be on forms prescribed by the ~~Oklahoma Tax Commission~~ State Board of Equalization. All applications for exemption, showing thereon the action of the county assessor, shall be delivered to the county board of equalization on or before the fourth Monday of April of each year.

SECTION 53. AMENDATORY 68 O.S. 1991, Section 2898, is amended to read as follows:

Section 2898. It shall be the duty of the ~~Oklahoma Tax Commission~~ State Board of Equalization to issue for the information and guidance of the county assessors and county boards of equalization proper rules and regulations, not inconsistent with the

provisions of the Ad Valorem Tax Code, Section 2801 et seq. of this title, affecting the application, hearing, assessment or equalization of property which is claimed to be entitled to the exemption granted by this Code.

SECTION 54. AMENDATORY 68 O.S. 1991, Section 2899, is amended to read as follows:

Section 2899. It shall be the duty of each county assessor, on or before July 1 of each year unless delayed by court action or other extraordinary circumstances certified by the ~~Oklahoma Tax Commission~~ State Board of Equalization, to make a report to the ~~Oklahoma Tax Commission Board~~ upon forms to be prescribed and furnished by the ~~Oklahoma Tax Commission Board~~, showing the following information which shall reflect the current balanced records of the county assessor:

1. Total number of rural homesteads within his county; total number of acres allowed homestead exemption; total assessed valuation of rural homesteads before exemption; total amount of exemption allowed on the rural homesteads; and the total assessed valuation of rural homesteads, less exemptions allowed.

2. Total number of urban homesteads within his county; total number of lots allowed homestead exemption; total assessed valuation of urban homesteads before exemption; total amount of exemption allowed on urban homesteads; and the total assessed valuations of urban homesteads, less exemptions allowed.

SECTION 55. AMENDATORY 68 O.S. 1991, Section 2902, is amended to read as follows:

Section 2902. A. A qualifying manufacturing concern, as defined by Section 6B of Article X of the Oklahoma Constitution, and as further defined herein, shall be exempt from the levy of any ad valorem taxes upon new, expanded or acquired manufacturing facilities, including facilities engaged in research and development, for a period of five (5) years. Such facilities are

hereby classified for the purposes of taxation as provided in Section 22 of Article X of the Constitution of the State of Oklahoma.

B. For purposes of this section, the following definitions shall apply:

1. a. "Manufacturing facilities" shall mean facilities engaged in the mechanical or chemical transformation of materials or substances into new products and shall include establishments as defined or classified under Division D of the Standard Industrial Classification (SIC) Manual, latest revision, and shall also include facilities, including repair and replacement parts, primarily engaged in aircraft repair, building and rebuilding whether or not on a factory basis; however, eating and drinking places, as well as other retail establishments shall not qualify as manufacturing facilities, nor shall publicly regulated utilities.
- b. Manufacturing facilities shall also include an establishment which is primarily engaged in computer services and data processing as defined under Industrial Group Numbers 7372 and 7373 of the SIC Manual, latest revision, and which derives at least fifty percent (50%) of its annual gross revenues from the sale of a product or service to an out-of-state buyer or consumer, and as defined under Industrial Group Number 7374 of the SIC Manual, latest revision, which derives at least eighty percent (80%) of its annual gross revenues from the sale of a product or service to an out-of-state buyer or consumer. Eligibility as a manufacturing facility pursuant to this subparagraph shall be established, subject to review by the ~~Oklahoma Tax Commission~~ State Board of

Equalization, by annually filing an affidavit with the ~~Oklahoma Tax Commission~~ Board stating that the facility so qualifies and such other information as required by the ~~Commission~~ Board. For purposes of determining whether annual gross revenues are derived from sales to out-of-state buyers, all sales to the federal government shall be considered to be an out-of-state buyer.

2. "Facility" and "facilities" shall mean and include the land, buildings, structures, improvements, machinery, fixtures, equipment and other personal property used directly and exclusively in the manufacturing process; and

3. "Research and development" shall mean activities directly related to and conducted for the purpose of discovering, enhancing, increasing or improving future or existing products or processes or productivity.

C. The exemption herein provided for shall apply to new or acquired manufacturing facilities as defined by Section 6B of Article X of the Oklahoma Constitution and to the expansion of existing facilities on the same site. Any exemption as to expansions of existing facilities shall be limited to the increase in ad valorem taxes directly attributable to the expansion. Provided further, any exemption as to equipment used in the manufacturing process for manufacturing facilities which qualify pursuant to subparagraph b of paragraph 1 of subsection B of this section shall be granted only if such equipment results in a net increase in the number of full-time-equivalent employees of the facility in the year for which the exemption is initially granted and in each of the four (4) subsequent years only if the level of new employees is maintained in the subsequent year. Calculation of the number of new employees shall be made in the same manner as

required under Section 2357.4 of this title for an investment tax credit.

D. Any person, firm or corporation claiming the exemption herein provided for shall file each year for which exemption is claimed, an application therefor with the county assessor of the county in which the new, expanded or acquired facility is located. Said application shall be on a form or forms prescribed by the ~~Oklahoma Tax Commission~~ State Board of Equalization, and shall be filed before March 15 of each year in which the facility desires to take the exemption or within thirty (30) days from and after receipt by such person, firm or corporation of notice of valuation increase, whichever is later. In a case where completion of the facility or facilities will occur after January 1 of a given year, a facility may apply to claim the ad valorem tax exemption for said year. If such facility is found to be qualified for exemption, the ad valorem tax exemption provided for herein shall be granted for that entire year and shall apply to the ad valorem valuation as of January 1st of that given year. For applicants which qualify under the provisions of subparagraph b of paragraph 1 of subsection B of this section, the application shall include a copy of the affidavit and any other information required to be filed with the ~~Oklahoma Tax Commission~~ Board pursuant to said provisions.

E. Said application shall be examined by the county assessor and approved or rejected by him in the same manner as provided by law for approval or rejection of claims for homestead exemptions. The taxpayer shall have the same right of review by and appeal from the county board of equalization, in the same manner and subject to the same requirements as provided by law for review and appeals concerning homestead exemption claims.

F. Nothing herein shall in any manner affect, alter or impair any law relating to the assessment of property, and all property, real or personal, which may be entitled to exemption hereunder shall

be valued and assessed as is other like property and as provided by law. The valuation and assessment of property for which an exemption is granted hereunder shall be performed by the ~~Oklahoma Tax Commission~~ State Board of Equalization.

G. The ~~Oklahoma Tax Commission~~ State Board of Equalization shall have the authority and duty to prescribe forms and to promulgate rules and regulations as may be necessary to carry out and administer the terms and provisions of this section; provided, any forms, rules or regulations prescribed or promulgated by the Oklahoma Tax Commission on the effective date of this act shall be deemed to be prescribed or promulgated by the Board.

SECTION 56. AMENDATORY 68 O.S. 1991, Section 2904, is amended to read as follows:

Section 2904. The following words when used in Sections ~~104 2904~~ through ~~111 2911~~ of this ~~act~~ title shall have the following meanings, unless otherwise qualified by the context:

1. "Claimant" means a person who has filed a claim pursuant to Section ~~106 2906~~ of this ~~act~~ title.

2. "Disabled person" means a person unable to engage in any substantial gainful activity by reason of a medically determined physical or mental impairment which can be expected to last for a continuous period of twelve (12) months or more. Proof of disability may be established by certification by an agency of state government, an insurance company, or as may be required by the ~~Oklahoma Tax Commission~~ State Board of Equalization. Eligibility to receive disability benefits under the Federal Social Security Act, 42 U.S.C., Section 301 et seq., shall constitute proof of disability, for purposes of said sections.

3. "Gross household income" means the gross amount of income of every type, regardless of the source, received by all persons occupying the same household, whether such income was taxable or nontaxable for federal or state income tax purposes, including

pensions, annuities, federal social security, unemployment payments, veterans' disability compensation, public assistance payments, alimony, support money, workers' compensation, loss-of-time insurance payments, capital gains and any other type of income received; and excluding gifts.

4. "Head of household" means a person who as owner or joint owner maintains a home and furnishes his own support for said home, furnishings and other material necessities.

5. "Household" means any house, dwelling or other type of living quarters, and the real property thereof, occupied by the owner or joint owners as a residence, subject to ad valorem taxation.

6. "Property taxes" means the ad valorem taxes on the household actually paid by the head of the household for the preceding calendar year.

SECTION 57. AMENDATORY 68 O.S. 1991, Section 2905, is amended to read as follows:

Section 2905. The provisions of Sections ~~104~~ 2904 through ~~111~~ 2911 of this ~~act~~ title shall apply only to persons sixty-five (65) years of age or older or to any totally disabled person, who is head of a household, was a resident of and domiciled in this state during the entire preceding calendar year, and whose gross household income does not exceed the amount of Ten Thousand Dollars (\$10,000.00) for any calendar year. The provisions of these sections shall be administered by the ~~Oklahoma Tax Commission~~ State Board of Equalization, which shall devise and furnish appropriate forms for claims, reports of household income, proof of property taxes paid, and such other forms as may be deemed necessary to support claims made pursuant to said sections.

SECTION 58. AMENDATORY 68 O.S. 1991, Section 2908, is amended to read as follows:

Section 2908. All claims for relief in respect to property taxes authorized by Sections ~~104~~ 2904 through ~~111~~ 2911 of this ~~act~~ title shall be received by and in the possession of the ~~Oklahoma Tax Commission~~ State Board of Equalization on or before June 30, 1992, for property taxes paid for the year 1991, and on or before June 30 each year thereafter for property taxes paid for the preceding calendar year. Claimants shall be allowed a direct credit against income taxes owed by such claimant to the State of Oklahoma for the amount of his claim, in which case such claim shall be filed with claimant's income tax return.

SECTION 59. AMENDATORY 68 O.S. 1991, Section 2909, is amended to read as follows:

Section 2909. Every person filing a claim under Sections ~~104~~ 2904 through ~~111~~ 2911 of this ~~act~~ title shall furnish the ~~Oklahoma Tax Commission~~ State Board of Equalization information and proof of age, household members, disability, amount of property taxes paid, changes, if any, of households, amount of gross income of household, and such other information as the ~~Oklahoma Tax Commission~~ Board may require. Claims and supporting proof must be on forms prescribed by the ~~Oklahoma Tax Commission~~ Board.

SECTION 60. AMENDATORY 68 O.S. 1991, Section 2910, is amended to read as follows:

Section 2910. A. The ~~Oklahoma Tax Commission~~ State Board of Equalization shall, within a reasonable time after receipt of a claim, audit said claim for correctness and payment. If the ~~Oklahoma Tax Commission~~ Board determines the amount of a claim to be incorrect or excessive, or the supporting proof to be inadequate, or that the claim should be disallowed for any other reason, it shall notify the claimant by mail of the correct amount, if any, for which the claim can be allowed or the finding and reasons for disallowance of the claim. The claimant may, within thirty (30) days after the date the notice is mailed by the ~~Oklahoma Tax Commission~~ Board,

submit further or additional proof in support of his claim or request an oral hearing before the ~~Oklahoma Tax Commission~~ Board.

B. Upon request for a hearing, the ~~Oklahoma Tax Commission~~ Board shall notify claimant in writing of the date, place and time of the hearing. The hearing date shall not be less than ten (10) days from the date of mailing the written hearing notice to the claimant. Upon examination of the claimant's additional proof or after the oral hearing, the ~~Oklahoma Tax Commission~~ Board shall enter an order in accordance with its findings. The order of the ~~Oklahoma Tax Commission~~ Board shall be final.

SECTION 61. AMENDATORY 68 O.S. 1991, Section 2944, is amended to read as follows:

Section 2944. It shall be unlawful for any county assessor, deputy county assessor, member of a county board of equalization or board of county commissioners, or member or duly authorized representative of the ~~Oklahoma Tax Commission~~ or State Board of Equalization to enter into any agreement or understanding with the owner or agent of any taxable property, whereby such property is to be assessed lower proportionately than other taxable property in the same county, as an inducement to have such property brought into or kept in such county, or for any other reason. Any person entering into any such unlawful agreement or understanding, including the owner or agent of the property involved, shall be deemed guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not less than Five Hundred Dollars (\$500.00), and by imprisonment in the county jail for not less than six (6) months. Any person convicted of such a misdemeanor shall not be allowed to hold public office in this state.

SECTION 62. AMENDATORY 68 O.S. 1991, Section 2946.1, is amended to read as follows:

Section 2946.1 A. There shall be created an Ad Valorem Task Force. The Task Force shall be composed as follows:

1. The State Auditor and Inspector;

2. The Director of the ~~Ad Valorem Division of the Oklahoma Tax Commission~~ State Board of Equalization;

3. The Director of the Oklahoma State University Center for Local Government Technology;

4. The Superintendent of Public Instruction;

5. The President of the County Assessor's Association of Oklahoma; and

6. Two members appointed by the Governor, two members appointed by the President Pro Tempore of the Senate, one of whom shall be a member of the Senate, and two members appointed by the Speaker of the House of Representatives, one of whom shall be a member of the House of Representatives. One member appointed by the Governor, one member appointed by the President Pro Tempore of the Senate and one member appointed by the Speaker of the House of Representatives shall have a professional appraiser designation from at least one of the following organizations: American Institute of Real Estate Appraisers, American Society of Appraisers, American Society of Farm Managers and Rural Appraisers, International Association of Assessing Officers, International Right-of-Way Association, National Association of Independent Fee Appraisers, National Society of Real Estate Appraisers, and the Society of Real Estate Appraisers, or experience with computer-assisted mass appraisal systems.

B. The Chairman of the Task Force shall be elected by the membership of the Task Force on an annual basis at the beginning of each fiscal year.

C. The Task Force shall work together as required to:

1. Review recommendations, findings and written standards of national assessing institutes and associations;

2. Conduct a survey or inquiry of each county assessor's office to determine the capabilities of existing technology and sufficiency of existing land records information;

3. Develop standards and specifications for a system of computer-assisted mass appraisal for ad valorem taxation;

4. Develop and document specifications and prepare estimates of costs, personnel and time necessary for each phase of such system, including but not limited to, mapping, property revaluation and utilization of computer-assisted mass appraisal systems;

5. Prepare bid specifications for mapping consultants, appraisal consultants, computer hardware and software and any other products or services which it deems necessary for such system;

6. Monitor the progress of and coordinate each phase of such system in each county of the state;

7. Initiate the development of training programs, including detailed instruction manuals, to assist the mapping and computer-assisted mass appraisal system users in day-to-day operations and in maintenance of the system;

8. Review and approve the disbursement of state-appropriated funds for the implementation of the system to the counties of the state; and

9. Perform such other duties as provided by law.

D. The Task Force shall employ a coordinator and such other personnel deemed by the Task Force necessary in order to assist the Task Force with the fulfillment of its duties.

E. The Task Force shall be terminated as of July 1, 1993.

SECTION 63. AMENDATORY 68 O.S. 1991, Section 2949, is amended to read as follows:

Section 2949. A. Beginning with the year 1990 and for each year thereafter, any person sixty-two (62) years of age or older, who is the head of a household, is a resident of and is domiciled in this state during the entire preceding calendar year, whose gross household income for the preceding year did not exceed Ten Thousand Dollars (\$10,000.00) and owns and resides in a manufactured home which is located on land not owned by the owner of the manufactured

home may receive an exemption on the manufactured home in an amount equal to Two Thousand Dollars (\$2,000.00).

B. The application for the exemption provided by this section shall be made each year before March 15 or within thirty (30) days from and after the receipt by the taxpayer of notice of valuation increase, whichever is later and upon the form prescribed by the ~~Oklahoma Tax Commission~~ State Board of Equalization, which shall require the taxpayer to certify as to the amount of gross income. Upon request of the county assessor, the ~~Tax Commission Board~~ shall assist in verifying the correctness of the amount of said gross income. The form prescribed by the ~~Oklahoma Tax Commission Board~~ pursuant to this section shall state in bold letters that the form is to be returned to the county assessor of the county in which the manufactured home is located.

C. For persons sixty-five (65) years of age or older as of March 15 and who have previously qualified for the exemption provided by this section, no annual application shall be required in order to receive the exemption provided by this section; however, any person whose gross household income in any calendar year exceeds the amount specified in this section in order to qualify for the exemption provided by this section shall notify the county assessor and the exemption shall not be allowed for the applicable year. Any executor or administrator of an estate within which is included a homestead property exempt pursuant to the provisions of this section shall notify the county assessor of the change in status of the homestead property if such property is not the homestead of a person who would be eligible for the exemption provided by this section.

D. As used in this section:

1. "Gross household income" means the gross amount of income of every type, regardless of the source, received by all persons occupying the same household, whether such income was taxable or nontaxable for federal or state income tax purposes, including

pensions, annuities, federal Social Security, unemployment payments, veterans' disability compensation, public assistance payments, alimony, support money, workers' compensation, loss-of-time insurance payments, capital gains and any other type of income received, and excluding gifts; and

2. "Head of household" means a person who as owner or joint owner maintains a home and furnishes the support for said home, furnishings, and other material necessities.

SECTION 64. AMENDATORY 68 O.S. 1991, Section 3005, is amended to read as follows:

Section 3005. A. A county excise board is hereby created for each county in the state, composed of three (3) members. One member shall be appointed by the ~~Oklahoma Tax Commission~~ State Board of Equalization, one member shall be appointed by the district judge or a majority of the district judges in all judicial districts where more than one district judge is elected, and one member shall be appointed by the board of county commissioners, and their tenure of office shall be coterminous with that of the county commissioners; provided, members of county excise boards serving on the effective date of this act who were appointed by the Oklahoma Tax Commission shall be deemed to be appointed by the State Board of Equalization.

No member of the county excise board may serve as a member of a county board of equalization during the tenure of office as county excise board member. The county clerk shall serve as secretary and clerk of said board without additional compensation. Provided, however, that no person shall be appointed to membership on said county excise board who is not a freeholder of the county where he is to serve and who is or has been at any time during the two (2) years preceding his appointment an elected officer of the state, county, school district or municipal subdivision. Provided, that at least one member of the county excise board may live in the county seat of the county. Not more than one member shall live in any one

county commissioner's district. Provided further, that if there is a conflict or dispute as to the membership, the eligibility of any appointee for membership, the priority of an appointment or appointments, one as opposed to another, or the right of any appointee to serve in any county commissioner's district, then, such conflict or dispute shall be resolved by a determination and order of the ~~Oklahoma Tax Commission~~ State Board of Equalization.

B. It shall be unlawful for any member of the county excise board to sell or contract to sell, or to lease or contract to lease, or to represent any person, firm, corporation or association in the sale or the lease of any machinery, supplies, equipment, material, or other goods, wares, or merchandise to any county or city or town of the county. It shall also be unlawful for any member of the county excise board to serve as employee, official, or attorney for any county or city, or town of the county, or for any such member to represent any taxpayer before his own board in any manner, or to use his position as a board member to further his own interests. It shall also be unlawful for any taxpayer or interested party to employ any member of the county excise board in any matter coming before the board.

C. Members of the county excise board shall be compensated at the rate of Twenty-five Dollars (\$25.00) per day and shall be reimbursed for the actual and necessary expenses incurred by such members in the performance of duties imposed upon them by law.

D. Any person violating any of the provisions of this section shall be deemed guilty of a felony, and upon conviction thereof shall be punished by a fine of not less than Two Hundred Dollars (\$200.00) and not more than One Thousand Dollars (\$1,000.00) or by imprisonment in the State Penitentiary for not less than six (6) months or more than two (2) years, or by both such fine and imprisonment.

E. The positions held by all persons holding office as a county excise board member as of January 1, 1992, shall become vacant upon January 1, 1992. Appointments to fill the vacancies shall be made as provided by this section.

SECTION 65. AMENDATORY 68 O.S. 1991, Section 3024, is amended to read as follows:

Section 3024. A. There is hereby created a Court of Tax Review. The Court of Tax Review shall be comprised of one district judge from each judicial district in the state. The district judge representing each judicial district shall be selected by the Justices of the Oklahoma Supreme Court. Each case brought before the Court of Tax Review pursuant to this subsection will be heard by a panel of three (3) judges. The three judges assigned to hear each case will be selected by the Chief Justice of the Oklahoma Supreme Court and will be from congressional districts different from the congressional district in which the property or county which is the subject of the case is located. In the event that the property which is the subject of the case is located in each congressional district, then the case shall be heard by a panel of three (3) judges from the Oklahoma Court of Appeals, appointed by the Chief Justice of the Supreme Court to hear such case. A majority of the three-judge panel shall be required to render a decision in each case. The Oklahoma Supreme Court shall establish court rules for the Court of Tax Review and the Clerk of the Oklahoma Supreme Court shall serve as Clerk of the Court of Tax Review. The Court of Tax Review is hereby vested with jurisdiction over and shall hear complaints regarding valuation of public service corporation property by the State Board of Equalization as authorized by Section 2881 of this title, complaints regarding actions of the State Board of Equalization regarding either intracounty or intercounty property value equalization as authorized by Section 2882 of this title, and appeals as authorized by Section 2830 of this title concerning

Category 2 or Category 3 noncompliance as determined by the ~~Oklahoma Tax Commission~~ State Board of Equalization. The Court of Tax Review shall determine if a county deemed to be in Category 3 noncompliance is required to reimburse the ~~Oklahoma Tax Commission~~ State Board of Equalization from the county assessor's budget for all costs incurred as a result of the assumption of the valuation function by the ~~Commission~~ Board.

B. The Court of Tax Review shall prescribe procedures for the purpose of hearing properly filed protests against alleged illegal levies, as shown on the annual budgets filed with the State Auditor and Inspector. The Court shall reconvene as often as deemed necessary by said Court until final determination has been made as to all protested levies. The said judges shall be paid their traveling and living expenses while acting as members of said Court, out of the funds now provided by law for payment of district judges' expenses when holding court outside the counties of their residence. Decisions of the Court of Tax Review concerning alleged illegal levies shall be subject to the provisions of Sections 3025, 3026, 3027, 3028 and 3029 of this title.

SECTION 66. The State Board of Equalization is hereby directed to undertake a comprehensive study of procedures of valuing public service property used in this state. The study shall include but not be limited to:

1. A comparative analysis of procedures used in Oklahoma as compared with procedures used in other states and a comparative analysis of the valuation levels resulting therefrom;

2. If the procedures are deemed beneficial to the state, a determination if and when such procedures would be of benefit to county assessors in valuing locally assessed property;

3. If the procedures are not deemed beneficial to the state, recommendations for revised or new procedures; and

4. An evaluation of the staffing levels and resources devoted to valuation of public service property in effect on the effective date of this act and recommendations as to changes therein, with emphasis placed both on administrative efficiency and fair and complete valuation of public service property.

The Board shall contract for the services of appropriate consultants or consulting firms expert in the field of valuation of public service property to assist the Board in performance of its duties and responsibilities. The Board shall select such consultants or contracted staff assistance on the basis of the lowest and best bid submitted in response to a request for proposals which shall be developed by the Board.

SECTION 67. The State Board of Equalization is hereby directed to establish a pilot program for the purpose of mapping pipelines and determining the amount and value of inventory held by pipeline companies in this state. The Board shall select not fewer than three and not more than ten counties in this state which are believed to contain substantial pipeline property for participation in the pilot program. The program shall be designed so that upon its completion the Board may:

1. Compare the information obtained through the program and the information currently available to the state as to the amount and value of property of pipeline companies and the number of miles of pipelines and compare the distribution of such property and miles among school districts, counties and other recipients of ad valorem tax revenue;

2. Determine the feasibility and benefits to the state of expanding the pilot program either statewide or to additional areas of the state; and

3. Determine if additional information should be required of pipeline companies either through the property valuation process or upon initial construction or expansion of pipelines.

The Board shall contract for the services of appropriate consultants or consulting firms expert in the field of mapping or taking inventory of pipeline companies to assist the Board in performance of its duties and responsibilities. The Board shall select such consultants or contracted staff assistance on the basis of the lowest and best bid submitted in response to a request for proposals which shall be developed by the Board.

SECTION 68. This act shall become effective July 1, 1992.

SECTION 69. 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.

43-2-1376

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