

SHORT TITLE: Revenue and taxation; transferring Ad Valorem Division of Oklahoma Tax Commission and Ad Valorem Task Force to State Assessment Administration Agency; creating State Assessment Administration Commission; effective date; emergency.

STATE OF OKLAHOMA

1st Session of the 44th Legislature (1993)

SENATE BILL NO. 339

By: Williams (Don)

AS INTRODUCED

An Act relating to revenue and taxation; amending 68 O.S. 1991, Sections 2802, 2803, 2810, 2812, 2816, 2817, 2820, 2821, 2822, as amended by Section 1, Chapter 366, O.S.L. 1992, 2824, 2825, 2826, 2827, 2828, 2829, 2830, 2835, 2836, 2838, 2840, 2841, 2842, 2848, 2850, 2851, 2852, 2853, 2854, 2855, 2856, 2857, 2858, 2859, 2864, 2865, 2866, 2867, 2870, 2873, 2875, 2876, 2877, 2880.1, 2883, 2890, 2891, 2893, 2898, 2899, 2902, as amended by Section 2, Chapter 396, O.S.L. 1992, 2904, 2905, 2908, 2909, 2910, 2944, 2949, 3024, as amended by Section 5, Chapter 360, O.S.L. 1992 and 3204 (68 O.S. Supp. 1992, Sections 2822, 2902 and 3024), which relate to ad valorem and documentary stamp taxes; modifying definitions and defining terms; creating State Assessment Administration Agency and specifying duties and responsibilities thereof; abolishing Ad Valorem Division of Oklahoma Tax Commission and Ad Valorem Task Force and providing for transfer of powers, duties, responsibilities, funds, obligations, and assets thereof to State Assessment Administration Agency; requiring certain classification audit; changing references relating thereto; creating State Assessment Administration Commission and providing for membership and organization thereof; providing for director of

Agency and specifying qualifications and duties thereof; providing for General Counsel of Agency; deleting obsolete language; providing that forms and rules of Ad Valorem Division be deemed approved or promulgated by Commission; modifying apportionment of revenue from documentary stamp tax; providing for codification; repealing 68 O.S. 1991, Section 2946.1, which relates to the Ad Valorem Task Force; providing an effective date; and declaring an emergency.

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

SECTION 1. 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. "Agency" means the State Assessment Administration Agency;

~~4.~~ 4. "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.~~ 5. "Assess and value" means to establish the fair cash value of taxable real and personal property pursuant to requirements of law;

~~5.~~ 6. "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.~~ 7. "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.~~ 8. "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.~~ 9. "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.~~ 10. "Board" means the State Board of Equalization;

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

~~10.~~ 12. "Code" means the Ad Valorem Tax Code, Section 2801 et seq. of this title;

~~11.~~ 13. "Class of subjects" means a category of property specifically designated pursuant to provisions of the Oklahoma Constitution for purposes of ad valorem taxation;

~~12.~~ 14. "Coefficient of dispersion" means a statistical measure of assessment uniformity for a category of property or for all property within a taxing jurisdiction;

15. "Commission" means the State Assessment Administration Commission;

~~13.~~ 16. "Confidence level" means a statistical procedure for determining the degree of reliability for use in reporting the assessment ratio for a taxing jurisdiction;

~~14.~~ 17. "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.~~ 18. "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.~~ 19. "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.~~ 20. "Equalization ratio study" means the analysis of the relationships between assessed values and fair cash values in the manner provided by law;

~~18.~~ 21. "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.~~ 22. "Homestead exemption" means the reduction in the taxable value of a homestead as authorized by law;

~~20.~~ 23. "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.~~ 24. "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.~~ 25. "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.~~ 26. "Multiple regression analysis" means a statistical technique for estimating unknown data on the basis of known and available data;

~~24.~~ 27. "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.~~ 28. "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.~~ 29. "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.~~ 30. "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.~~ 31. "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.~~ 32. "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.~~ 33. "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 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2802.1 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created the State Assessment Administration Agency. The Agency shall have the duty and responsibility to:

1. Assess and value all railroad and public service corporation property and provide such assistance as may be necessary to enable the State Board of Equalization to perform its duties specified in Section 21 of Article X of the Constitution of the State of Oklahoma;

2. 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;

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

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

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

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

7. 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;

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

9. Promulgate rules establishing uniform procedures and standards for the appraisal of real property by county assessors;

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

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

12. 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;

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

14. 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;

15. 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;

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

17. 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;

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

19. Perform such other duties as provided by law.

B. The Ad Valorem Division of the Oklahoma Tax Commission and the Ad Valorem Task Force are hereby abolished. All powers, duties, responsibilities, unexpended funds, outstanding financial obligations or encumbrances, contractual obligations, equipment, supplies, files, records, materials and fixtures, of the Ad Valorem Division of the Oklahoma Tax Commission or the Ad Valorem Task Force are hereby transferred to the State Assessment Administration Agency. All employees of the Division and the Task Force are hereby transferred to the Agency. Except for employees and positions in the unclassified service pursuant to the provisions of Sections 840.8 and 840.10 of Title 74 of the Oklahoma Statutes, all employees and positions of the Agency shall be classified and subject to the provisions of the Merit System of Personnel Administration as provided in the Oklahoma Personnel Act, Section 840.1 et seq. of Title 74 of the Oklahoma Statutes. The Office of Personnel

Management shall perform a classification audit of the Agency pursuant to the provisions of Section 840.22 of Title 74 of the Oklahoma Statutes.

C. References to the Ad Valorem Division of the Oklahoma Tax Commission, the Ad Valorem Task Force or the Oklahoma Tax Commission in any provision of the Oklahoma Statutes in relation to ad valorem taxation shall be construed to mean the State Assessment Administration Agency unless the context clearly requires otherwise.

D. There is hereby created the State Assessment Administration Commission, which shall consist of the following eleven (11) members:

1. The State Auditor and Inspector;
2. The State Superintendent of Public Instruction;
3. The President of the Oklahoma County Assessors Association;
4. The Director of the Oklahoma State University Center for Local Government Technology;
5. One public school superintendent appointed by the State Superintendent of Public Instruction;
6. Two members appointed by the Governor;
7. Two members appointed by the President Pro Tempore of the Oklahoma State Senate; and
8. Two members appointed by the Speaker of the House of Representatives.

The appointed members of the Commission shall serve for terms of four (4) years and shall be eligible to succeed themselves; provided, of the members appointed by the Governor, President Pro Tempore of the Senate and the Speaker of the House of Representatives, one appointed by each shall serve an initial term of two (2) years and the other one appointed by each shall serve an initial term of four (4) years. Of the members appointed by the Governor, President Pro Tempore of the Senate and the Speaker of the House of Representatives, one appointed by each 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.

E. The Commission shall be the governing body of the Agency and shall elect a chairperson from within its membership at the beginning of each fiscal year.

F. The Agency shall be administered by a director, who shall serve at the pleasure of the State Assessment Administration Commission. The director shall be a citizen of the United States, at least thirty (30) years of age, and shall meet such other qualifications as may be prescribed by the Commission. The director shall organize the Agency in such manner as he deems advisable to discharge the duties and responsibilities of the Agency and shall employ a general counsel of the Agency, who shall be an attorney licensed to practice law in this state.

G. There is hereby created in the State Treasury a revolving fund for the State Assessment Administration Agency to be designated the "State Assessment Administration Revolving Fund." The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all revenue received pursuant to the provisions of paragraph 2 of subsection B of Section 3204 of Title 68 of the Oklahoma Statutes. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the State Assessment Administration Agency in administration of its duties and responsibilities pursuant to the provisions of the Ad Valorem Tax Code, Section 2801 et seq. of Title 68 of the Oklahoma Statutes. Expenditures from said fund shall be made upon warrants

issued by the State Treasurer against claims filed as prescribed by law with the Director of State Finance for approval and payment.

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.

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 Assessment Administration Commission.

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 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 by the State Assessment Administration Commission and furnished by the ~~Oklahoma Tax Commission~~ State Assessment Administration Agency, 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~~ Commission.

B. The ~~Oklahoma Tax Commission~~ Agency 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 Agency~~ upon request of the ~~Oklahoma Tax Commission Agency~~ 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 Agency~~ copy shall be forwarded to the ~~Oklahoma Tax Commission Agency~~ 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 5. 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 Assessment

Administration Agency 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 6. 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 Assessment Administration Agency, the first deputy ~~within such division~~ director of the Agency, all field analysts or equalization and assessment analysts ~~within such division~~ of the Agency, 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 Assessment Administration Commission 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 Assessment Administration Agency. The

~~Oklahoma Tax Commission~~ Agency 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 7. 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 Assessment Administration Commission 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~~ State Assessment Administration Commission;

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

4. A capitalization rate to be determined annually by the ~~Ad Valorem Division of the Oklahoma Tax Commission~~ Commission 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 prepared by the State Assessment Administration Agency and approved by the ~~Ad Valorem Division of the Oklahoma Tax Commission~~ State Assessment Administration Commission. 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 8. 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 Assessment Administration Agency by the first working day in October preceding the beginning of the four-year cycle. The ~~Oklahoma Tax Commission~~ Agency 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~~ Agency.

D. Each year the county assessor shall submit a progress report to the ~~Oklahoma Tax Commission~~ Agency 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~~ Agency 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 Agency~~ 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 Agency~~ and shall consist of such information as the ~~Oklahoma Tax Commission State Assessment Administration Commission~~ 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 Agency~~ 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 9. 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 Assessment Administration Commission~~ 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~~ State Assessment Administration Commission.

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 10. AMENDATORY 68 O.S. 1991, Section 2822, as amended by Section 1, Chapter 366, O.S.L. 1992 (68 O.S. Supp. 1992, Section 2822), is amended to read as follows:

Section 2822. A. 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.

B. Each jurisdiction within a county which receives revenue from an ad valorem mill rate shall receive a copy of the budget for the countywide visual inspection program for that county. Such jurisdictions shall have the opportunity to appear before the county

excise board or the county budget board to provide comments, information and documentation concerning the budgets submitted by the county assessor pursuant to subsection A of this section.

C. 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 Assessment Administration Agency under Section 2820 of this title. Any disputes as to the amount authorized to carry out the countywide visual inspection program shall be resolved by the county excise board.

SECTION 11. 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 Assessment Administration Agency 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 Agency~~ may assist the assessor in the valuation of such property in such manner as the ~~Oklahoma Tax Commission Agency~~, in its discretion, considers proper and adequate.

SECTION 12. AMENDATORY 68 O.S. 1991, Section 2825, is amended to read as follows:

Section 2825. The ~~Oklahoma Tax Commission~~ State Assessment Administration Commission 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 13. 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 Assessment Administration Agency, 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 14. 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 Assessment Administration Commission including, but not limited to, publications provided by the ~~Oklahoma Tax Commission~~ State Assessment Administration Agency to assist the assessor and appraisal staff in the valuation of taxable property as required by law.

SECTION 15. AMENDATORY 68 O.S. 1991, Section 2828, is amended to read as follows:

Section 2828. The ~~Oklahoma Tax Commission~~ State Assessment Administration Agency, 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~~ Agency. Such report shall also include any comments and recommendations the ~~Oklahoma Tax Commission~~ Agency may have in regard to the program.

SECTION 16. 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 ~~47~~ 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 Assessment Administration Commission.

SECTION 17. AMENDATORY 68 O.S. 1991, Section 2830, is amended to read as follows:

Section 2830. A. The ~~Oklahoma Tax Commission~~ State Assessment Administration Agency 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~~ State Assessment Administration Commission 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~~ State Assessment Administration Agency shall be authorized to take action as prescribed by this section for each category of noncompliance as follows:

Category 1: The ~~Oklahoma Tax Commission~~ Agency 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~~ Agency shall order the action to be taken in order to bring the county into compliance. The ~~Oklahoma Tax Commission~~ Agency 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~~ Agency 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~~ Agency 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~~ Agency 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~~ Agency 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~~ Agency 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~~ Agency determines that such a county is in substantial compliance with the applicable law or administrative regulations governing valuation of taxable property, the ~~Commission~~ Agency shall so certify.

C. The ~~Oklahoma Tax Commission~~ Agency may request the Court of Tax Review to order a county determined to be in Category 3 noncompliance to reimburse the ~~Oklahoma Tax Commission~~ Agency 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~~ Agency. The salary of the county assessor shall not be paid during the time that a qualified employee of the ~~Oklahoma Tax Commission~~ Agency is supervising the valuation function in the county, but shall be restored as of the date the ~~Commission~~ Agency 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~~ Agency 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 18. 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 Assessment Administration Commission shall prescribe for the use of all county assessors, suitable blank forms for the listing and assessment of all property, both real and personal. Such forms shall contain such information and instructions as may be necessary in order to obtain a full and complete list of all taxable property and such forms shall be used uniformly throughout the state. Any change in these forms must have the approval of the ~~Oklahoma Tax Commission~~ Commission.

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 19. 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 Assessment Administration Commission 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 20. 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~~ State Assessment Administration Commission, 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 21. 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 Assessment Administration Commission. 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~~ State Assessment Administration Agency. The forms used in such classification and valuation of property shall be prescribed by the ~~Oklahoma Tax Commission~~ State Assessment Administration Commission. 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 22. 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 Assessment Administration Commission.

SECTION 23. 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 Assessment Administration Commission 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~~ State Assessment Administration Commission. 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 Assessment Administration Commission a report to the ~~Commission~~ State Assessment Administration Agency 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 24. 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 Assessment Administration Agency as provided by law, or as may be required by the ~~Commission~~ State Assessment Administration Commission; 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~~ Agency 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 25. 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 Assessment Administration Agency, 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 26. 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 Assessment Administration Agency 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 27. 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 Assessment Administration Agency 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 28. 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 Assessment Administration Agency 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 29. 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 Assessment Administration Agency 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 30. 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 Assessment Administration Agency 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 31. 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 Assessment Administration Agency 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 32. 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 Assessment Administration Agency 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~~ Agency 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 33. AMENDATORY 68 O.S. 1991, Section 2858, is amended to read as follows:

Section 2858. A. The ~~Oklahoma Tax Commission~~ State Assessment Administration Agency 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 final action under Section 21 of Article X of the Oklahoma Constitution. A copy of the ~~Oklahoma Tax Commission's~~ Agency'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~~ State Assessment Administration Agency; 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~~ Agency, 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~~ Agency 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~~ Agency 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 34. 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~~ State Assessment Administration Agency, 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~~ Agency, 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~~ Agency 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~~ Agency 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 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~~ the State Assessment Administration Agency to examine the various county assessments ~~and to equalize~~. It shall be the duty of the State Board of Equalization to:

1. 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~~

2. 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.

C. In determining the assessment ratio for all air carrier property and all railroad property, the ~~State Board~~ Agency 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~~ Agency 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. 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 36. AMENDATORY 68 O.S. 1991, Section 2865, is amended to read as follows:

Section 2865. A. ~~The Oklahoma Tax Commission~~ State Assessment Administration Agency 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 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 final action under 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~~ State Assessment Administration Agency, 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~~ Agency, 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~~ Agency 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~~ Agency 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 37. 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 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 Assessment Administration Agency 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~~ Agency 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~~ Agency to install a mainframe computer capable of remote monitoring of or making inputs into computers in the offices of the various county assessors.

SECTION 38. 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 Assessment Administration Agency 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 Agency~~ 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 Agency~~. 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 Agency~~ to furnish the necessary forms for such abstract, which forms shall be subject to approval by the ~~State Auditor and Inspector~~ State Assessment Administration Commission.

D. Within ten (10) days after the county assessor of each county receives from the ~~State Board of Equalization Agency~~ 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 39. 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 Assessment Administration Agency 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 40. 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 Assessment Administration Agency. The ~~Oklahoma Tax Commission Agency~~ 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 any action required.

SECTION 41. 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. 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 unless the context clearly requires otherwise.~~

~~B. The Director of the Ad Valorem Division 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 shall organize the Division in such manner as the Director deems advisable to discharge the duties and responsibilities of the Ad Valorem Division.~~

~~D. The Ad Valorem Division 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 State Assessment Administration Commission; 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 Commission.

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

~~G.~~ C. The Ad Valorem Division State Assessment Administration Agency, 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. D.~~ D. The ~~Ad Valorem Division~~ Agency 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~~ C 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 42. 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 Assessment Administration Commission.

E. A taxpayer may file a complaint if the valuation of property has not increased or decreased from the previous year if the complaint is filed on or before the first Monday in May. Such complaint shall be made upon a form prescribed by the ~~Oklahoma Tax Commission~~ State Assessment Administration Commission.

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 Assessment Administration Commission. One copy of the form shall be mailed or delivered to the county assessor and one copy shall be mailed or delivered to the county board of equalization.

SECTION 43. 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 Assessment Administration Commission. Each decision of the county board of equalization shall be explained in writing upon a form prescribed by the ~~Oklahoma Tax Commission~~ Commission. 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 44. 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 Assessment Administration Agency~~ 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 45. 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 Assessment Administration Agency 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~~ Agency 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~~ Agency, as required by law.

C. At the time of hearing upon a complaint filed pursuant to this section, the ~~Oklahoma Tax Commission~~ Agency 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~~ Agency 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 46. 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 Assessment Administration Commission, which shall require the taxpayer to certify as to the amount of gross income. Upon request of the county assessor, the ~~Oklahoma Tax Commission~~ State Assessment Administration Agency 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 47            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 Assessment Administration Commission 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~~ Commission 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 48.            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 Assessment Administration Commission. 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 49. 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 Assessment Administration Commission 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 50. 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 Assessment Administration Agency, to make a report to the ~~Oklahoma Tax Commission~~ Agency upon forms to be prescribed by the State Assessment Administration Commission and furnished by the ~~Oklahoma Tax Commission~~ Agency, 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 51. AMENDATORY 68 O.S. 1991, Section 2902, as amended by Section 2, Chapter 396, O.S.L. 1992 (68 O.S. Supp. 1992, 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. "Manufacturing facilities" shall mean facilities engaged in the mechanical or chemical transformation of materials or substances into new products and shall include:

- a. establishments as defined or classified under Division D of the Standard Industrial Classification (SIC) Manual, latest revision,

- b. facilities, including repair and replacement parts, primarily engaged in aircraft repair, building and rebuilding whether or not on a factory basis,
- c. establishments 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 derive at least fifty percent (50%) of their 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 derive at least eighty percent (80%) of their 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 Assessment Administration Agency, by annually filing an affidavit with the ~~Oklahoma Tax Commission~~ Agency stating that the facility so qualifies and such other information as required by the ~~Commission~~ Agency. 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, or
- d. establishments primarily engaged in distribution as defined under Industrial Group Number 4221, 4222, 4225 or 4226 or Major Group Number 50 or 51 of the SIC Manual, latest revision, and which were constructed with an initial capital investment of at least Five Million Dollars (\$5,000,000.00) and which employ at least one hundred (100) full-time-equivalent

employees, as certified by the Employment Security Commission. Eligibility as a manufacturing facility pursuant to this subparagraph shall be established, subject to review by the ~~Oklahoma Tax Commission~~ State Assessment Administration Agency, by annually filing an affidavit with the ~~Oklahoma Tax Commission~~ Agency stating that the facility so qualifies and such other information as required by the ~~Commission~~ Agency. The exemption provided for in this subparagraph shall apply only to an establishment for which construction of the facility has commenced prior to October 1, 1992.

Provided, eating and drinking places, as well as other retail establishments, shall not qualify as manufacturing facilities for purposes of this section, nor shall publicly regulated utilities.

2. For tax years beginning after December 31, 1992, "manufacturing facilities" shall mean those facilities as defined in paragraph 1 of this subsection for which the investment cost of the construction, acquisition or expansion of the manufacturing facility is Two Hundred Fifty Thousand Dollars (\$250,000.00) or more;

3. "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

4. "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. For applications for a five-year exemption in tax years beginning on or before December 31, 1992, 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. For applications for a five-year exemption in tax years beginning after December 31, 1992, the following provisions shall apply:

1. A manufacturing concern shall be entitled to the exemption herein provided for each new manufacturing facility constructed, each existing manufacturing facility acquired and the expansion of existing manufacturing facilities on the same site, as such terms are defined by Section 6B of Article X of the Oklahoma Constitution and by this section;

2. No manufacturing concern shall receive more than one five-year exemption for any one manufacturing facility unless the expansion which qualifies the manufacturing facility for an additional five-year exemption meets the requirements of paragraph 4 of this subsection, provided the employment level established for any previous exemption is maintained;

3. Any exemption as to the expansion of an existing manufacturing facility shall be limited to the increase in ad valorem taxes directly attributable to the expansion; and

4. Any exemption for a new, acquired or expanded manufacturing facility shall be granted only if the construction, acquisition or expansion results in a net increase of twenty-five (25) or more full-time-equivalent employees of said manufacturing 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.

E. 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 Assessment Administration Commission, 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~~ State Assessment Administration Agency pursuant to said provisions.

F. 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. Approved applications shall be filed by the county assessor with the ~~Oklahoma Tax Commission~~ State Assessment Administration Agency no later than June 15 of the year in which the facility desires to take the exemption. Incomplete applications and applications filed after said date will be declared null and void by the ~~Commission~~ Agency.

G. 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~~ Agency.

H. The ~~Oklahoma Tax Commission~~ State Assessment Administration Commission 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.

SECTION 52. 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 Assessment Administration Agency.

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-; i

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-; i

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-; i

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-; and

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 53. 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 Assessment Administration Agency, 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 54. 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 Assessment Administration Agency 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 55. 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 Assessment Administration Agency 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~~ Agency may require. Claims and supporting proof must be on forms prescribed by the ~~Oklahoma Tax Commission~~ State Assessment Administration Commission.

SECTION 56. AMENDATORY 68 O.S. 1991, Section 2910, is amended to read as follows:

Section 2910. A. The ~~Oklahoma Tax Commission~~ State Assessment Administration Agency shall, within a reasonable time after receipt of a claim, audit said claim for correctness and payment. If the ~~Oklahoma Tax Commission~~ Agency 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~~ Agency, submit further or additional proof in support of his claim or request an oral hearing before the ~~Oklahoma Tax Commission~~ State Assessment Administration Commission.

B. Upon request for a hearing, the ~~Oklahoma Tax Commission~~ Agency 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~~ Commission shall enter an order in accordance with its findings. The order of the ~~Oklahoma Tax Commission~~ Commission shall be final.

SECTION 57. 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~~ State Assessment Administration Agency 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 58. 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 Assessment Administration Commission, which shall require the taxpayer to certify as to the amount of gross income. Upon request of the county assessor, the ~~Tax Commission~~ State Assessment Administration Agency shall assist in verifying the correctness of the amount of said gross income. The form prescribed by the ~~Oklahoma Tax Commission~~ Commission 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 59. AMENDATORY 68 O.S. 1991, Section 3024, as amended by Section 5, Chapter 360, O.S.L. 1992 (68 O.S. Supp. 1992, 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 Assessment Administration Agency. 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~~ Agency from the county assessor's budget for all costs incurred as a result of the assumption of the valuation function by the ~~Commission~~ Agency.

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 60. AMENDATORY 68 O.S. 1991, Section 3204, is amended to read as follows:

Section 3204. A. The Oklahoma Tax Commission shall design such stamps in such denominations as in its judgment it deems necessary for the administration of this tax. The Oklahoma Tax Commission shall distribute the stamps to the county clerks of the counties of the State of Oklahoma, and said county clerks shall have the responsibility of selling these stamps and shall have the further duty of accounting for the stamps to the Oklahoma Tax Commission on the last day of each month. Stamp metering machines may be used by the county clerk, and the expenses thereof shall be paid by the county concerned. The use of meters will be governed by the Oklahoma Tax Commission.

B. The county clerks shall account for all collections from the sales of such tax stamps to the Oklahoma Tax Commission, on the last day of each month. The first fifty-five cents (\$0.55) of each seventy-five cents (\$0.75) collected shall be apportioned as follows:

1. The county clerks shall retain five percent (5%) of all monies collected for such stamps as their cost of administration and shall pay the same into the county general fund.

2. The remaining ninety-five percent (95%) of the collections shall be transferred by the Oklahoma Tax Commission to the ~~General Revenue Fund of the State Treasury to be expended pursuant to legislative appropriation~~ State Assessment Administration Revolving Fund created in Section 2 of this act.

C. The remaining twenty cents (\$0.20) of each seventy-five cents (\$0.75) collected shall be paid into the county general fund.

SECTION 61. REPEALER 68 O.S. 1991, Section 2946.1, is hereby repealed.

SECTION 62. This act shall become effective July 1, 1993.

SECTION 63. 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.

44-1-0189

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