

STATE OF OKLAHOMA

1st Session of the 46th Legislature (1997)

CONFERENCE COMMITTEE  
SUBSTITUTE FOR ENGROSSED  
HOUSE BILL NO. 1337

By: Begley, Pope (Clay),  
Maddux and Wells of the  
House

and

Weedn and Muegge of the  
Senate

CONFERENCE COMMITTEE SUBSTITUTE

An Act relating to revenue and taxation; creating the Task Force on Centrally Assessed Property; providing for membership of Task Force; providing for chairperson; providing for meetings; providing for reimbursement for certain travel expenses; providing for staff support; setting forth duties of Task Force; requiring certain report; providing for termination of Task Force; amending 68 O.S. 1991, Section 2884, as last amended by Section 2, Chapter 325, O.S.L. 1995 (68 O.S. Supp. 1996, Section 2884), which relates to payment and appeal of protested taxes; requiring certain notice upon appeal of taxes; requiring notice to include taxes paid or to be paid under protest; deleting certain reference; providing for county treasurer to determine amount of certain protested taxes; providing for certain notification; requiring State Auditor and Inspector to compile certain information; requiring State Auditor and Inspector to submit certain information to certain officials; authorizing release and apportionment of certain funds; requiring county treasurer to submit apportionment schedule; requiring State Auditor and Inspector to transmit certain schedule to certain officials; providing for promulgation of rules; deleting reference to certain payment procedure; requiring county treasurer to determine and submit certain information to the State Auditor and Inspector; providing for State Auditor and Inspector to certify information and submit to certain persons; providing for noncodification; providing for codification; providing an effective date; and declaring an emergency.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2946.4 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created the Task Force on Centrally Assessed Property.

B. The Task Force shall consist of twenty-five (25) members, eighteen members to be appointed by August 1, 1997, as follows:

1. The Governor shall appoint six members as follows:

- a. one member who shall represent major oil and gas producers,
- b. one member who shall represent non-energy-related businesses concerned about ad valorem issues,
- c. one member who shall represent the telecommunications industry,
- d. one member who shall be a representative of an urban county,
- e. one member who shall be a representative of a state chamber of commerce, and
- f. one member who shall be a representative of a major metropolitan chamber of commerce;

2. The Speaker of the House of Representatives shall appoint six members as follows:

- a. one member who shall represent independent oil and gas producers,
- b. one member who shall represent energy-related utility companies,
- c. one member who shall represent area vocational-technical schools,
- d. one member who shall be a representative of a rural Oklahoma schools organization,
- e. one member who shall be a representative of an association of county commissioners, and
- f. one member who shall be a representative of a state library association;

3. The President Pro Tempore of the Senate shall appoint six members as follows:

- a. one member who shall represent interstate pipelines,
- b. one member who shall be a representative of an organization of school administrators,
- c. one member who shall be a representative of a statewide educators association,
- d. one member who shall be a representative of a state school board association,
- e. one member who shall be a county assessor of a rural county, and
- f. one member who shall be a representative of a realtors association;

4. The Chairperson of the House Revenue and Taxation Committee, who shall be an ex officio nonvoting member;

5. The Chairperson of the Senate Finance Committee, who shall be an ex officio nonvoting member;

6. The Chairperson of the Education Subcommittee of the House Appropriations and Budget Committee, who shall be an ex officio nonvoting member; and

7. The Chairperson of the Education Subcommittee of the Senate Appropriations Committee, who shall be an ex officio nonvoting member.

The Chair of the Citizens' Advisory Task Force on Property Taxation created in Enrolled Senate Joint Resolution No. 21 of the 1st Session of the 45th Legislature shall serve as a member and shall chair the Task Force.

C. The Task Force shall meet at such times and places as it deems necessary to perform its duties as specified in this section. Meetings shall be held at the call of the chair and shall be conducted in accordance with the Oklahoma Open Meeting Act. A majority of the members serving on the Task Force shall constitute a quorum.

D. Members of the Task Force shall be reimbursed for necessary travel expenses incurred in the performance of their duties as follows:

1. Legislative members of the Task Force shall be reimbursed by their appointing authorities for their necessary travel

expenses incurred in the performance of their duties in accordance with Section 456 of Title 74 of the Oklahoma Statutes from the legislative body which they serve; and

2. Nonlegislative members of the Task Force shall be reimbursed by their appointing authorities for necessary travel expenses incurred in the performance of their duties in accordance with the State Travel Reimbursement Act.

E. The Ad Valorem Division of the Oklahoma Tax Commission and the House of Representatives and Senate staff shall provide such staff support as is required by the Task Force.

F. The duties of the Task Force shall include:

1. Reviewing the constitutional provisions, laws, and procedures related to the definition of the term public service corporation, as used in the ad valorem tax code and developing a list of options and recommendations for changes in the definition;

2. Reviewing the constitutional provisions, laws, and procedures related to determining values of public service corporations, as used in the ad valorem tax code and developing a list of options and recommendations for changes for determining the values;

3. Reviewing the constitutional provisions, laws, and procedures related to determining values of business personal property that is locally assessed by the county assessor and developing a list of options and recommendations for changes in determining values of such locally assessed business personal property; and

4. Reviewing the existing laws, rules, and procedures relating to the Court of Tax Review and developing a list of options for changes relating to the Court of Tax Review.

G. The Task Force shall develop a list of options and recommendations for changes related to centrally assessed property and shall submit a report to the Governor, the Speaker of the House of Representatives and the President Pro Tempore of the Senate no later than January 31, 1998. The Task Force shall be terminated as of March 1, 1998.

SECTION 2. AMENDATORY 68 O.S. 1991, Section 2884, as last amended by Section 2, Chapter 325, O.S.L. 1995 (68 O.S. Supp. 1996, Section 2884), is amended to read as follows:

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

B. ~~When such taxes are paid~~ By December 31, the persons paying the ~~same~~ taxes shall give notice to the county treasurer that an appeal involving such taxes has been taken and is pending, and ~~that a specified portion of~~ shall set forth the total amount of tax amount is being that has been paid or required by law to be paid prior to April 1 under protest. The notice shall be on a form prescribed by the ~~Oklahoma~~ Tax Commission. If taxes are paid in two equal installments and the amount paid under protest does not exceed fifty percent (50%) of the full amount of assessed taxes, all protested taxes shall be specified in the second installment payment. If such amount does exceed fifty percent (50%) of the full amount of assessed taxes, then the portion of protested taxes that exceeds fifty percent (50%) of the full amount of assessed taxes shall be specified in the first installment payment and the entire second installment shall be specified to be paid under protest. The taxpayer shall attach to such notice a copy of the petition filed in the court or other appellate body in which the appeal was taken. For railroads, air carriers, and public service corporations, the amount of taxes protested shall not exceed the amount of tax calculated on the protested assessed valuation specified in the complaint filed pursuant to the provisions of subsection A of Section 2881 of this title. ~~Except as otherwise provided by subsection E of this section, it~~

C. It shall be the duty of ~~such~~ the county treasurer to hold taxes paid under protest separate and apart from other taxes collected. Any portion of such taxes not paid under protest shall be apportioned as provided by law. The treasurer shall invest ~~such~~ the protested taxes in the same manner as the treasurer invests surplus tax funds not paid under protest, but shall select an investment medium which will permit prompt refund or apportionment of ~~such~~ the protested taxes upon final determination of the appeal.

D. 1. Prior to January 31 of each year, the county treasurer shall determine the amount of ad valorem taxes paid under protest pursuant to subsection B of this section. The county treasurer shall then notify the State Auditor and Inspector of the total amount of protested ad valorem taxes, the total amount of protested taxes by each individual taxpayer, and how such protested ad valorem taxes would have been apportioned to each school district and vocational-technical school district by fund if such amount of protested ad valorem taxes had not been protested.

2. The State Auditor and Inspector shall compile all of the information submitted by the county treasurers in a format which shall set forth the amount of protested taxes for each school district and vocational-technical school district by fund and a total for each school district and vocational-technical school district by fund. This information shall then be submitted by the State Auditor and Inspector to the State Superintendent of Public Instruction, the Director of the State Department of Vocational and Technical Education, the Speaker of the House of Representatives, and the President Pro Tempore of the Senate by March 1 of each year. If any of the information compiled by the State Auditor and Inspector changes after March 1, the county treasurer shall notify the State Auditor and Inspector and the State Auditor and Inspector shall submit revised information to the parties enumerated in this paragraph within thirty (30) days of such change.

3. Within ten (10) days of the release of the escrowed ad valorem taxes by the county treasurer, as required by subsection E of this section, the county treasurer shall submit a schedule showing the disposition of the released funds, separated by fund for each school district and area school, to the State Auditor and Inspector. The State Auditor and Inspector shall certify the apportionment schedule and transmit a copy to the State Superintendent of Public Instruction and the Director of the State Department of Vocational and Technical Education.

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

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

2. If upon the final determination of any appeal, the court shall find that the property of the railroad, air carrier, or public service corporation was assessed at too great an amount, the State Board of Equalization from whose order the appeal was taken shall certify the corrected valuation of the property of the railroads, air carriers, and public service corporations to the State Auditor and Inspector in accordance with the decision of the court. Upon receipt of the corrected certificate of valuation, the State Auditor and Inspector shall certify to the county

treasurer the correct valuation of the railroad, air carrier, or public service corporation and shall send a copy of the certificate to the county assessor, who shall make the correction as specified in Section 2871 of this title. The difference between the amount paid and the correct amount payable with accrued interest shall be refunded by the treasurer upon the taxpayer filing a proper verified claim, and the remainder paid under protest with accrued interest shall be apportioned according to law.

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

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

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

SECTION 3. Each county treasurer shall determine the amount of ad valorem taxes paid under protest by any taxpayer, and which funds were never apportioned to the school districts and vocational-technical school districts because of such protests, for years 1994, 1995, and 1996. The information shall be submitted to the State Auditor and Inspector and shall include the total amount of protested ad valorem taxes by each individual taxpayer, and how such protested ad valorem taxes would have been

apportioned to each fund, school district, and vocational-technical school district by fund. The county treasurer shall also include the amount of assessed ad valorem taxes released by the county treasurer to the taxpayer and the amount of ad valorem taxes released to the school district or vocational-technical school district as of June 30. The State Auditor and Inspector shall certify the information and submit it to the State Superintendent of Public Instruction and the Director of the State Department of Vocational and Technical Education by October 1, 1997.

SECTION 4. NONCODIFICATION Section 3 of this act shall not be codified in the Oklahoma Statutes.

SECTION 5. This act shall become effective July 1, 1997.

SECTION 6. 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.

46-1-7817

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