

STATE OF OKLAHOMA

2nd Session of the 46th Legislature (1998)
CONFERENCE COMMITTEE SUBSTITUTE
FOR ENGROSSED
SENATE BILL NO. 1114

By: Herbert of the Senate

and

Seikel and Thornbrugh of
the House

CONFERENCE COMMITTEE SUBSTITUTE

An Act relating to revenue and taxation; amending 47 O.S. 1991, Sections 1113, as last amended by Section 1, Chapter 192, O.S.L. 1997 and 1117, as amended by Section 2, Chapter 192, O.S.L. 1997 (47 O.S. Supp. 1997, Sections 1113 and 1117), which relate to the Oklahoma Vehicle License and Registration Act; deleting authorization for any state official to verify license plate or proper registration; deleting reference to registration fees; deleting procedure for registering manufactured home after first year if moved from its location; deleting requirement that county treasurer notify Oklahoma Tax Commission of certain lien; removing authority of motor license agents to register manufactured homes; deleting certain procedure to transfer title to manufactured home; removing authorization of holder of a perfected security interest to pay certain registration fee and the procedure relating thereto; requiring Department of Public Safety to issue certain permits under certain conditions; requiring payment of certain taxes; prohibiting issuance of certification of title prior to furnishing of certain proof; requiring Department of Public Safety to issue certain permit under certain conditions; amending 68 O.S. 1991, Sections 1358.1, as last amended by Section 17, Chapter 294, O.S.L. 1997, 2811, as amended by Section 5, Chapter 192, O.S.L. 1997, 2813, as last amended by Section 7, Chapter 192, O.S.L. 1997, and 2817, as last amended by Section 1, Chapter 318, O.S.L. 1997 (68 O.S. Supp. 1997, Sections 1358.1, 2811, 2813 and 2817), which relate to sales and ad valorem taxation; modifying procedures for determination of eligibility for agricultural sales tax exemption; deleting requirement that county assessor notify Oklahoma Tax Commission of certain action and information; deleting certain reference to registration; providing procedure for determination of fair cash value of manufactured home; requiring county treasurer to collect ad valorem taxes for certain period if manufactured home moved or title transferred; specifying allowable means of certain transactions; requiring county treasurer to issue release of taxes paid under certain circumstances; requiring county assessor to furnish certain information; deleting reference to certain procedures; removing authorization of holder of a perfected security interest to pay certain registration fee and the procedure

relating thereto; permitting holder of perfected security interest to repossess the manufactured home; modifying assessment procedures for certain property; modifying procedure for assessing and valuing improvements to property; setting forth fair cash value for certain property; prohibiting county assessor from utilizing certain costs; and declaring an emergency.

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

SECTION 1. AMENDATORY 47 O.S. 1991, Section 1113, as last amended by Section 1, Chapter 192, O.S.L. 1997 (47 O.S. Supp. 1997, Section 1113), is amended to read as follows:

Section 1113. A. 1. Upon the filing of a registration application and the payment of the fees provided for in the Oklahoma Vehicle License and Registration Act, the Oklahoma Tax Commission shall assign to the vehicle described in the application a distinctive number, and issue the owner of the vehicle a certificate of registration and one license plate or a yearly decal for the year that a license plate is not issued. The yearly decal shall have an identification number and the last two numbers of the registration year for which it shall expire. Except as provided by Section 1113A of this title, the license plate shall be affixed to the exterior of the vehicle until a replacement license plate is applied for. The yearly decal will validate ~~said~~ the license plate for each registration period other than the year the license plate is issued. The license plate and decal shall be of such size, color, design and numbering as the Tax Commission may direct. However, yearly decals issued to the owner of a vehicle who has filed an affidavit with the appropriate motor license agent in accordance with Section 7-607 of this title shall be a separate and distinct color from all other decals issued under this section.

2. The license plate shall be securely attached to the rear of the vehicle, except truck-tractor plates which shall be attached to the front of the vehicle. The Tax Commission may, with the concurrence of the Department of Public Safety, by Joint Rule, change and direct the manner, place and location of display

of any vehicle license plate when such action is deemed in the public interest. The license plate, decal and all letters and numbers shall be clearly visible at all times. The operation of a vehicle upon which the license plate is covered, overlaid or otherwise screened with any material, whether such material be clear, translucent, tinted or opaque, shall be a violation of this paragraph.

3. Upon payment of the annual registration fee provided in Section 1133 of this title, the Tax Commission may issue a permanent nonexpiring license plate to an owner of ten or more motor vehicles and for vehicles registered under the provisions of Section 1120 of this title. Upon payment of the annual registration fee, the Tax Commission shall issue a certificate of registration that shall be carried at all times in the vehicle for which it is issued.

B. The license plates required under the provisions of this title shall conform to the requirements and specifications listed hereinafter:

1. Each license plate shall have a space for the placement of the yearly decals for each succeeding year of registration after the initial issue;

2. The provisions of the Oklahoma Vehicle License and Registration Act regarding the issuance of yearly decals shall not apply to the issuance of apportioned license plates, including license plates for state vehicles, and exempt plates for governmental entities and fire departments organized pursuant to Section 592 of Title 18 of the Oklahoma Statutes;

3. Within the limits herein prescribed the Tax Commission shall redesign the official vehicle license plates which currently bear the legend "Oklahoma OK" or "Oklahoma is OK!" and substitute therefor the legend "Oklahoma Native America" as further described in this paragraph. Except for personalized license plates and license plates issued for motorcycles and mopeds, the emblem on the state flag of Oklahoma as provided for in Section 91 of Title 25 of the Oklahoma Statutes shall be a part of all license plates issued after December 31, 1988. The Tax Commission may continue

to issue license plates with the legend "Oklahoma is OK!" or "Oklahoma OK" until any inventory of such license plates is depleted but the Tax Commission shall not produce or cause to be produced any additional license plates with these legends. Except for personalized license plates, license plates issued for commercial vehicles, and license plates issued for motorcycles and mopeds, the "Oklahoma Native America" emblem shall be a part of all license plates issued after December 31, 1993. The specifications for lettering style and appearance for the legend "Oklahoma Native America" shall be provided to the Tax Commission by the Oklahoma Tourism and Recreation Department. The license plates shall be issued with the letters and numerals in the colors of green and white. All license plates and decals shall be made with reflectorized material as a background to the letters, numbers and characters impressed thereon. The reflectorized material shall be of such a nature as to provide effective and dependable brightness during the service period for which the license plate or decal is issued;

4. Except as otherwise provided in this subsection, the Tax Commission shall design appropriate official license plates for all state vehicles. Such license plates shall be permanent in nature and designed in such manner as to remain with the vehicle for the duration of the vehicle's life span or until the title is transferred to a nongovernmental owner;

5. Within the limits prescribed in this section, the Tax Commission shall design appropriate official license plates for vehicles of the Oklahoma Highway Patrol. The license plates shall have the legend "Oklahoma OK" and shall contain the letters "OHP" followed by the state seal and the badge number of the Highway Patrol officer to whom the vehicle is assigned. The words "Oklahoma Highway Patrol" shall also be included on such license plates;

6. Within the limits prescribed in this section, the Tax Commission shall design appropriate official license plates for vehicles of the Oklahoma Capitol Patrol. Such license plates shall have the legend "Oklahoma OK" and shall contain the letters

"OCP" followed by the state seal and badge number of the Oklahoma Capitol Patrol officer to whom the vehicle is assigned. The words "Oklahoma Capitol Patrol" shall also be included on such license plates; and

7. Within the limits prescribed in this section, the Tax Commission shall design appropriate official license plates for vehicles of the Oklahoma Lake Patrol. Such license plates shall have the legend "Oklahoma OK" and shall contain the letters "OLP" followed by the state seal and badge number of the Oklahoma Lake Patrol officer to whom the vehicle is assigned. The words "Oklahoma Lake Patrol" shall also be included on such license plates.

C. Where the applicant has satisfactorily shown that the applicant owns the vehicle sought to be registered but is unable to produce documentary evidence of the ownership, a license plate may be issued upon approval by the Tax Commission. In such instances the reason for not issuing a certificate of title shall be indicated on the receipt given to the applicant. It shall still be the duty of the applicant to immediately take all necessary steps to obtain the Oklahoma certificate of title and it shall be unlawful for the applicant to sell the vehicle until the certificate has been obtained in the applicant's name.

D. The certificate of registration provided for in this section shall be in convenient form, and the certificate of registration, or a certified copy or photostatic copy thereof, duly authenticated by the Tax Commission, shall be carried at all times in or upon commercial vehicles so registered, in such manner as to permit a ready examination thereof upon demand by any peace officer of the state or duly authorized employee of the Department of Public Safety. Any such officer or agent may seize and hold such commercial vehicle when the operator of the same does not have the registration certificate in the operator's possession or when any such officer or agent determines that the registration certificate has been obtained by misrepresentation of any essential or material fact or when any number or identifying information appearing on such certificate has been changed,

altered, obliterated or concealed in any way, until the proper registration or identification of such vehicle has been made or produced by the owner thereof.

E. The purchaser of a new or used manufactured home shall, within thirty (30) days of the date of purchase, register the home with the Tax Commission or a motor license agent pursuant to the provisions of Section 1117 of this title. For a new manufactured home, it shall be the responsibility of the dealer selling the home to place a temporary license plate on the home in the same manner as provided in Section 1128 of this title for other new motor vehicles. For the first year that any manufactured home is registered in this state, the Tax Commission shall issue a metal license plate which shall be affixed to the manufactured home. Manufactured homes previously registered and subject to ad valorem taxation as provided by law shall have the metal license plate affixed at the time ad valorem taxes are paid for such manufactured home. The owner of the home shall be required to affix such plate to the home. The Tax Commission shall make sufficient plates available to the various motor license agents of the state in order for an owner of a manufactured home to acquire the plate. A One Dollar (\$1.00) fee shall be charged for issuance of any plate. The fee shall be apportioned each month to the General Revenue Fund of the State Treasury.

F. The manufactured home license plate shall be designed so that it is easily visible for purposes of verification by a county assessor ~~or any state official~~ that the manufactured home is properly assessed for ad valorem taxation ~~or registered as required by this subsection~~. The plate shall be designed for a yearly decal. In the first year of registration, a decal shall be issued for placement on the license plate indicating payment of applicable registration fees and excise taxes. In the second and all subsequent years for which the manufactured home is subject to ad valorem taxation ~~or registration~~, an annual decal shall be affixed to the license plate as evidence of payment of ad valorem taxes ~~or registration fees~~. The Tax Commission shall issue decals to the various county treasurers ~~and motor license agents~~ of the

Req. No. 3098Page 6

state in order for a manufactured home owner to obtain such decal each year. Upon presentation of a valid ad valorem tax receipt ~~or registration fee receipt~~, the manufactured home owner shall be issued the annual decal.

~~G. After the first year of registration, if a manufactured home is to be moved from its location, the manufactured home shall be registered with the Tax Commission or a motor license agent for the calendar year in which the move is to take place pursuant to the provisions of the Oklahoma Vehicle License and Registration Act. The Tax Commission or motor license agent shall register the manufactured home pursuant to the provisions of this subsection unless a lien has been filed on the home for delinquent ad valorem taxes. The fee for such registration shall be as specified in Section 1135 of this title and shall be in lieu of ad valorem taxes on the manufactured home for such year. Such fee shall be apportioned to the county treasurer of the county in which the manufactured home is located prior to being moved. The county treasurer shall then apportion such fees in the same proportions that ad valorem tax revenue would have been apportioned if ad valorem taxes had been paid on the home.~~

~~H.~~ Upon the registration of a manufactured home in this state for the first time or upon discovery of a manufactured home previously registered within this state for which the information required by this subsection is not known, the Tax Commission shall obtain:

1. The name of the owner of the manufactured home;
2. The serial number or identification number of the manufactured home;
3. A legal description or address of the location for the home;
4. The actual retail selling price of the manufactured home excluding Oklahoma taxes;
5. The certificate of title number for the home; and
6. Any other information which the Tax Commission deems to be necessary.

The application for registration shall also include the school district in which the manufactured home is located or is to be located. ~~When a lien is filed against a manufactured home for delinquent ad valorem taxes, or when such a lien is released upon payment of such taxes, the county treasurer shall immediately notify the Tax Commission of such action.~~ The information ~~required by this subsection~~ shall be entered into a computer data system which shall be used by the Tax Commission to provide information to county assessors upon request by the assessor ~~and to allow motor license agents to register manufactured homes pursuant to the provisions of subsection C of this section.~~ The assessor may request any information from the system in order to properly assess a manufactured home for ad valorem taxation.

SECTION 2. AMENDATORY 47 O.S. 1991, Section 1117, as amended by Section 2, Chapter 192, O.S.L. 1997 (47 O.S. Supp. 1997, Section 1117), is amended to read as follows:

Section 1117. A. Unless otherwise provided by law, any person purchasing a new or used manufactured home or owning a manufactured home which has not been registered in this state shall register such manufactured home pursuant to the provisions of subsection B of this section and obtain a certificate of title as provided in Section 1105 of this title. ~~If the title to a used manufactured home upon which all registration fees and ad valorem taxes due have been properly paid is to be transferred and the manufactured home is not to be moved from its location, the title shall be transferred upon application to a motor license agent or the Oklahoma Tax Commission and payment of the fee required in Section 1105 of this title. The motor license agent or the Tax Commission shall notify the county assessor of the county in which the home is located of the transfer of title and the manufactured home shall continue to be subject to ad valorem taxes.~~

B. The application for registration and certificate of title shall be made to the Oklahoma Tax Commission or to a motor license agent. Such application shall be accompanied by the registration fees required by Section 1135 of this title and any penalties

thereon. The application for registration and certificate of title shall include:

1. The name of the owner of the manufactured home;
2. The serial number or identification number of the manufactured home;
3. A legal description or address of the location;
4. The actual retail selling price of the manufactured home excluding Oklahoma taxes; and
5. Any other information which the Tax Commission deems to be necessary.

The application for registration shall also include the school district in which the manufactured home is located or is to be located.

Upon the filing of an application for registration and certificate of title, the payment of fees as required by Section 1133 of this title ~~and~~, the excise tax as provided for in Section 2104.3 of Title 68 of the Oklahoma Statutes and the furnishing of proof satisfactory to the Tax Commission or motor license agent that ~~no liens for delinquent~~ all ad valorem taxes ~~are outstanding on the manufactured home and that any fees required by the Oklahoma Vehicle License and Registration Act~~ have been paid, the Tax Commission or motor license agent shall assign the manufactured home a distinctive number and shall issue to the owner of the manufactured home a certificate of title, a manufactured home registration receipt, Manufactured Home Registration Decal, and an excise tax receipt. The certificate of title number shall be recorded in the computer data system required by Section 1113 of this title in order to collect and store information concerning the subsequent ad valorem tax payments ~~or registration fees~~ for such manufactured home. The receipts and decal shall be permanently attached to the title by the Tax Commission or agent. An excise tax receipt so attached shall constitute evidence of payment of the excise tax required by the provisions of Section 2104.3 of Title 68 of the Oklahoma Statutes. Thereafter, the owner of a manufactured home shall be

assessed the ad valorem tax as provided in Section 2801 et seq. of Title 68 of the Oklahoma Statutes.

C. If an applicant has satisfactorily shown to the Tax Commission or to a motor license agent, that the applicant owns the manufactured home sought to be registered, but is unable to produce the documentary evidence of title, the Tax Commission or motor license agent may issue a manufactured home registration receipt, Manufactured Home Registration Decal and excise tax receipt to the applicant. In such instances, the Tax Commission or motor license agent shall indicate on the receipt given the applicant the reason for not issuing a certificate of title. It shall be the duty of the applicant to immediately take all necessary steps to obtain an Oklahoma certificate of title. It shall be unlawful for such applicant to sell the manufactured home until such title has been obtained by the applicant. After receiving a certificate of title, the applicant shall then take such title, registration and excise tax receipts and decal to the Tax Commission or motor license agent for permanent attachment of the receipts to the title.

D. ~~When lawfully repossessing a manufactured home, a holder of a perfected security interest in the home is authorized to pay the registration fees for the full current year pursuant to the provisions of subsection C of Section 1113 of this title and any registration fees or ad valorem taxes which may be due for any prior year on the manufactured home. The Tax Commission or motor license agent shall issue a receipt of fees paid to such holder and a decal showing the payment of such fees. Such a receipt shall be evidence of payment of the registration fees for purposes of obtaining a permit. The Department of Public Safety shall not issue a permit pursuant to the provisions of Section 14-103D of this title until all registration fees due are paid on the manufactured home.~~ The Department of Public Safety shall issue a permit immediately to the holder of a perfected security interest or licensed representative thereof, if the holder or representative is bonded by the state, to move the manufactured home to a secure location with a repossession affidavit; ~~provided.~~

However, all ~~registration fees~~, excise taxes and ad valorem taxes due on such a manufactured home shall be required to be paid within thirty (30) days of the issuance of the permit. A certificate of title for a manufactured home shall not be issued pursuant to a repossession prior to the furnishing of proof satisfactory to the Tax Commission or motor license agent that all ~~registration fees and~~ ad valorem taxes due have been paid.

E. The Department shall issue a permit immediately to a licensed manufactured home dealer to move a trade-in to a secure location with a trade-in affidavit. However, all excise taxes and ad valorem taxes due on such a manufactured home trade-in shall be required to be paid within thirty (30) days of the issuance of the permit. A certificate of title for a manufactured home trade-in shall not be issued prior to the furnishing of proof satisfactory to the Tax Commission or a motor license agent that all ad valorem taxes due have been paid. A receipt evidencing payment of ad valorem taxes for the current year shall constitute satisfactory proof that all ad valorem taxes due have been paid.

F. The Department shall issue a moving permit for a manufactured home which bears a current year license plate and decal.

SECTION 3. AMENDATORY 68 O.S. 1991, Section 1358.1, as last amended by Section 17, Chapter 294, O.S.L. 1997 (68 O.S. Supp. 1997, Section 1358.1), is amended to read as follows:

Section 1358.1 A. In order to qualify for any exemption authorized by Section 1358 of this title, at the time of sale, the person to whom the sale is made shall be required to furnish the vendor proof of eligibility for the exemption as required by this section.

B. All vendors shall honor the proof of eligibility for sales tax exemption as authorized by this section and sales to a person providing such proof shall be exempt from the tax levied by this article, Section 1350 et seq. of this title.

C. The agricultural exemption permit, the size and design of which shall be prescribed by the Oklahoma Tax Commission, shall constitute proof of eligibility for sales tax exemptions

authorized by Section 1358 of this title. The permit shall be obtained by listing personal property used in farming or ranching by the person with the county assessor each year as provided by law. If the assessor determines that the personal property is correctly listed and assessed for ad valorem taxation and the county treasurer certifies whether the person has delinquent accounts appearing on the personal property tax lien docket in the county treasurer's office, the assessor shall certify the assessment upon a form prescribed by the Oklahoma Tax Commission. One copy shall be retained by the assessor, one copy shall be forwarded to the Oklahoma Tax Commission and one copy shall be given to the person listing the personal property. Upon verification that the applicant qualifies for the exemptions authorized by Section 1358 of this title and that the applicant has no delinquent accounts appearing on the personal property tax lien docket in the office of the county treasurer, a permit shall be issued as prescribed by this section. The permit shall be renewable annually in the manner provided by this section.

D. A person who does not otherwise qualify for a permit pursuant to subsection C of this section, except as provided in subsection E of this section, shall file with the Oklahoma Tax Commission an application for an agricultural exemption permit constituting proof of eligibility for the sales tax exemptions authorized by Section 1358 of this title, setting forth such information as the Tax Commission may require. The application shall be certified by the applicant that the applicant is engaged in custom farming operations or in the business of farming or ranching. If the applicant is a corporation, the application shall be certified by a legally constituted officer thereof.

E. ~~For~~ Except as provided in this subsection, for a person who is a resident of another state and who is engaged in custom farming operations in this state, the person shall provide the vendor proof of residency, the name, address and telephone number of the person engaging the custom farmer and certification on the face of the invoice, under the penalty of perjury, that the property purchased shall be used in agricultural production as

proof of eligibility for the sales tax exemption authorized by Section 1358 of this title. Any person who is a resident of another state and who is engaged in custom farming operations in this state and who owns property in this state, shall obtain proof of eligibility as provided in subsection C or D of this section.

F. If an agricultural exemption permit holder purchases tangible personal property from a vendor on a regular basis, the permit holder may furnish the vendor proof of eligibility as provided for in subsections C and D of this section and the vendor may subsequently make sales of tangible personal property to the permit holder without requiring proof of eligibility for each subsequent sale. Provided, the permit holder shall notify the vendor of all purchases which are not exempt from sales tax under the provisions of Section 1358 of this title and remit the applicable amount of tax thereon. If the permit holder fails to notify the vendor of purchases not exempt from sales tax, then sufficient grounds shall exist for the Oklahoma Tax Commission to cancel the agricultural exemption permit of the permit holder who so failed to notify the vendor.

G. A purchaser who uses an agricultural exemption permit or provides proof of eligibility pursuant to subsection E of this section to purchase, exempt from sales tax, items not authorized for exemption under Section 1358 of this title shall be subject to a penalty in the amount of Five Hundred Dollars (\$500.00).

SECTION 4. AMENDATORY 68 O.S. 1991, Section 2811, as amended by Section 5, Chapter 192, O.S.L. 1997 (68 O.S. Supp. 1997, Section 2811), is amended to read as follows:

Section 2811. A. Upon locating a manufactured home which is not registered as required pursuant to the provisions of Title 47 of the Oklahoma Statutes or is not listed and assessed for ad valorem taxation pursuant to the provisions of the Ad Valorem Tax Code, the county assessor of the county in which the manufactured home is located shall list and assess the manufactured home, and place the home on the tax rolls as required by law. ~~The county assessor shall notify the Oklahoma Tax Commission of such action and shall provide such information as the Tax Commission may~~

~~require.~~ The county assessor shall cause such manufactured home to be entered on the assessment rolls and tax rolls for the year or years not to exceed three (3) years omitted pursuant to the provisions of Section 2844 of this title whether or not such manufactured home had situs in such county on January 1 of the year in which the manufactured home was located. No manufactured home shall be entered upon the assessment roll of any county for an assessment year in which the manufactured home was previously assessed for ad valorem taxation in such county or any other county of this state ~~or was registered pursuant to the provisions of the Oklahoma Vehicle License and Registration Act, Section 1101 et seq. of Title 47 of the Oklahoma Statutes.~~ The county assessor may use the following method to determine the fair cash value of such a manufactured home:

1. If a bill of sale is provided to the county assessor, the actual consideration reflected thereon may be used as the fair cash value; or

2. If a bill of sale is not provided to the county assessor, the total delivered price may be used as the fair cash value, depreciated at a rate of ten percent (10%) per year for the first three (3) years of age of such manufactured home and at a rate of three percent (3%) per year for each year thereafter until accumulated depreciation shall equal eighty percent (80%), after which the depreciated fair cash value shall remain at such level.

B. The county assessor of the county in which a manufactured home is located shall require satisfactory proof of registration, payment of ad valorem taxes, ~~if due,~~ and excise taxes on a manufactured home. An ad valorem tax receipt for a manufactured home presented as evidence of payment of ad valorem taxes for such home shall be conclusive as to proper payment of ad valorem taxes upon such home for all assessment years preceding the year of the receipt by the county issuing such receipt.

C. Any person owning a manufactured home and refusing to show satisfactory proof of registration of such manufactured home pursuant to the provisions of this section or payment of ad valorem taxes pursuant to the provisions of the Ad Valorem Tax

Code upon demand by the county assessor of the county in which the manufactured home is located, upon conviction, shall be guilty of a misdemeanor.

D. A used manufactured home held for resale, on a sales lot, by a licensed manufactured housing dealer on January 1, shall be exempt from ad valorem taxation and the dealer shall be required to obtain a current certificate of title and registration decal for the manufactured home. A purchaser of a used manufactured home held for resale for which a certificate of title and registration decal has been obtained shall provide to the county assessor of the county in which the home is to be located the information specified in subsection ~~E~~ G of Section 2813 of this title. The manufactured home shall not be subject to ad valorem taxation until the first January 1 date following the date of purchase.

SECTION 5. AMENDATORY 68 O.S. 1991, Section 2813, as last amended by Section 7, Chapter 192, O.S.L. 1997 (68 O.S. Supp. 1997, Section 2813), is amended to read as follows:

Section 2813. A. On the first day of January of each year, the county assessor of the county in which a manufactured home is located shall list, assess and tax such manufactured home as required by the provisions of Section 2812 of this title and the Ad Valorem Tax Code, Section 2801 et seq. of this title.

B. In addition to the other requirements prescribed by law for the listing and assessing of real property pursuant to the provisions of the Ad Valorem Tax Code, when listing the value of real property on which a manufactured home is located and owned by the person owning the manufactured home and when listing the value of the improvements thereon, the county assessor shall separately describe and identify the value of the manufactured home apart from other real property and the value of the other improvements thereon. The value of the real property, the manufactured home, and the other improvements shall be shown separately.

C. Except as authorized by subsection ~~D~~ F of this section, ~~when a manufactured home which is to be moved from one county to another within this state shall be registered pursuant to the~~

provisions of subsection C of Section 1113 of Title 47 of the Oklahoma Statutes, or whenever title to a manufactured home is transferred, any county treasurer shall collect all ad valorem taxes due for the current calendar year and all delinquent taxes due and owing prior to the change of title or location and shall issue a receipt of taxes paid, which shall be a Form 936, and a tax payment decal. These transactions may be handled by mail or facsimile transmission at the option of the taxpayer, except for tax payments which shall be handled either by mail or in person.

D. If, after payment of taxes due, the owner of a manufactured home makes a subsequent move in the same year, any county treasurer shall issue a release of taxes paid, which shall be a Form 936, to the owner. Such transaction may be handled by mail or facsimile transmission at the option of the taxpayer.

E. After issuance of a receipt of taxes paid and a decal pursuant to the provisions of subsection C of this section and after notification by the county treasurer of such payment or after issuance of a release of taxes paid pursuant to subsection D of this section, the county assessor of the county in which the manufactured home is located shall furnish to the county assessor of the county where the manufactured home is to be located, the following information:

1. The name of the owner of the manufactured home;
2. The serial number or identification number of the manufactured home;
3. The registration number given to the manufactured home by the Oklahoma Tax Commission;
4. The address or legal description where the manufactured home is to be located;
5. The actual retail selling price of the manufactured home, excluding Oklahoma state taxes; and
6. Any other information necessary to enable the county assessor to list and assess the proper ad valorem taxes for the manufactured home for the following year.

~~D.~~ F. When lawfully repossessing a manufactured home which has been listed and assessed as real property pursuant to the
Req. No. 3098Page 16

provisions of subsection A of Section 2812 of this title, a holder of a perfected security interest in the home is authorized to pay the ~~registration fees~~ ad valorem taxes for the full current year ~~pursuant to the provisions of subsection C of Section 1113 of Title 47 of the Oklahoma Statutes~~ and any registration fees or ad valorem taxes which may be due for any prior year on the manufactured home based on the assessed value of the home pursuant to the provisions of subsection B of this section apart from other real property and the other improvements thereon. When lawfully repossessing a manufactured home which has been listed and assessed as personal property pursuant to the provisions of subsection B of Section 2812 of this title, a holder of a perfected security interest in the home is authorized to pay ~~the registration fees for the current year pursuant to the provisions of subsection C of Section 1113 of Title 47 of the Oklahoma Statutes~~ and the ad valorem taxes for the full current year and any registration fees or ad valorem taxes which may be due for any prior years. The county treasurer shall issue a receipt of taxes paid to said holder and a decal showing the payment of such taxes. Such receipt shall be issued notwithstanding the existence of a tax sale certificate issued as a result of a tax sale to a purchaser of property upon which a manufactured home is located and for which the holder of a perfected security interest makes payment as authorized by this subsection. Such receipt shall be issued if the procedures prescribed by Section 3106 of this title are followed. If a tax sale certificate has been issued as required by law and the notice of sale contained the statement concerning the right of a secured party to repossess the manufactured home, the amount of taxes paid by the holder of the security interest shall be refunded to the holder of the tax sale certificate. ~~Said~~ The receipt shall be evidence of payment of the ad valorem taxes for purposes of obtaining a permit. The Department of Public Safety shall not issue a permit pursuant to the provisions of Section 14-103D of Title 47 of the Oklahoma Statutes until all ad valorem taxes are paid on the manufactured home. The Department shall issue a permit immediately to the

holder of a perfected security interest or licensed representative thereof, if the holder or representative is bonded by the state, to move the manufactured home to a secure location with a repossession affidavit; ~~provided.~~ However, all ~~registration fees,~~ excise taxes and ad valorem taxes due on such a manufactured home shall be required to be paid within thirty (30) days of the issuance of the permit. A certificate of title for a manufactured home shall not be issued pursuant to a repossession prior to the furnishing of proof satisfactory to the Oklahoma Tax Commission or motor license agent that all ad valorem taxes ~~and registration fees~~ due have been paid. If the home is subject to registration pursuant to the provisions of the Oklahoma Vehicle License and Registration Act, the holder of a perfected security interest in a manufactured home may repossess the manufactured home and transport the manufactured home within the state for the purpose of securing the property after registering the manufactured home pursuant to the provisions of Section 1113 or 1117 of Title 47 of the Oklahoma Statutes.

~~E. G.~~ 1. The decal shall be affixed to the manufactured home license plate as evidence of the ad valorem tax ~~or registration fee~~ paid and shall remain on the license plate, which shall be affixed to the exterior of the manufactured home, while the manufactured home is in transit.

2. It shall be a misdemeanor for any person to transport or cause to be transported a manufactured home without the decal affixed as required by this section ~~or without proof of payment of registration fees.~~

3. The decal issued pursuant to subsection C of this section shall be of such size, color, design and numbering as the Tax Commission may direct. The tax payment decals shall be made with reflectionized material so as to provide effective and dependable brighteners during the service period for which the tax payment decal is issued. The Tax Commission shall issue such tax payment decals to the various county treasurers of the state in order for a manufactured home owner or reposessor to move the manufactured home.

SECTION 6. AMENDATORY 68 O.S. 1991, Section 2817, as last amended by Section 1, Chapter 318, O.S.L. 1997 (68 O.S. Supp. 1997, 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 January 1.

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 Section 8 of Article X of the Oklahoma Constitution, the percentage of value prescribed by this section for the household personal property shall be presumed to constitute the fair cash value of the 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 the assessment, shall assess all unmanufactured farm products owned by the person, firm, company, association or corporation 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 the 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 January 1, 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 the property was actually used during the preceding calendar year; or

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

The Ad Valorem Division of the ~~Oklahoma~~ Tax Commission shall be responsible for the promulgation of rules 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 the property was actually used, or was previously classified for use, during the calendar year next preceding January 1 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;

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

4. A capitalization rate to be determined annually by the Ad Valorem Division of the Oklahoma Tax 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 promulgated by the State Board of Equalization. This subsection shall not be construed in a manner which is

inconsistent with the State Board of Equalization's duties, powers and authority of the valuation of the counties as fixed and defined by Section 21 of Article X of the Oklahoma Constitution.

D. The use value of nonresidential improvements on agricultural land shall be based on the cost approach to value estimation using currently updated cost manuals published by the Marshall and Swift Company or similar cost manuals approved by the Ad Valorem Division of the ~~Oklahoma~~ Tax Commission. The use value estimates for the 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 determined and defined by Section 21 of Article X of the Oklahoma Constitution.

The use value of facilities used for poultry production shall be determined according to the following procedures:

1. The Ad Valorem Division of the Tax Commission is hereby directed to develop a standard system of valuation of both real and personal property of such facilities, which shall be used by all county assessors in this state, under which valuation based on the following shall be presumed to be the fair cash value of the property:

- a. for real property, a ten-year depreciation schedule, at the end of which the residual value is twenty percent (20%) of the value of the facility during its first year of operation, and
- b. for personal property, a five-year depreciation schedule, at the end of which the residual value is zero;

2. Such facilities shall be valued only in comparison to other facilities used exclusively for poultry production. Such a facility which is no longer used for poultry production shall be deemed to have no productive use;

3. During the first year such a facility is placed on the tax rolls, its fair cash value shall be presumed to be the lesser of the actual purchase price or the actual documented cost of construction; and

4. For the purpose of determining the valuation of nonresidential improvements used for poultry production, the provisions of this subsection shall be applicable and such improvements shall not be considered to be commercial property.

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 the 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 the 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 the property is not commensurate with and would not justify the amount of the sales consideration of the property, then the assessor shall, in either event, reassess the property for the new use classification for which the property is being used, or, the highest and best use classification for which the property may, by reason of the 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, 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 the 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 the property is zoned shall be considered the highest and best use classification of the property for determining its value for assessment purposes;~~ however, the zoning classification for assessment purposes shall

~~only apply in the event that the rezoning occurs by reason of the application of the landowner or the agent of the landowner and the use of the property has not been changed, the use and not zoning shall determine assessment.~~ Any reassessment required shall be effective January 1 following the change in use ~~or classification~~ and upon a transfer of ownership of the 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. When any ~~improvements or buildings having value are placed upon real estate~~ building is constructed upon land after January 1 of any year, the value of the ~~improvements~~ building shall be added by the county assessor to the assessed valuation of the land upon which the building is constructed at the fair cash value thereof for the next ensuing year; ~~however.~~ However, in case the improvements or buildings are new construction for single family residential purposes only, the improvements or buildings the building shall be deemed ~~completed~~ and to have a value for assessment purposes ~~when the improvements or buildings~~ of the fair cash value of the materials used in such building only, until the building and the land on which the building is located shall have been conveyed to a bona fide purchaser or ~~when they~~ shall have been occupied or used for any purpose other than as a sales office by the owner thereof, or shall have been leased, whichever event shall first occur ~~before January 1 of the initial assessment year.~~ In the event that the 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 the improvements based on the fair market value of the materials used therein. The county assessor shall continue to assess the ~~improvements or buildings~~ building based upon the fair market value of the materials used therein until the ~~single family residential improvements are~~ building and land upon which the building is located shall have been conveyed

to a bona fide purchaser or is occupied or used for any purpose other than as a sales office by the owner thereof, or is leased, whichever event shall first occur. In case the improvements, other than buildings, are made in anticipation of residential or commercial development and the property is not conveyed or leased within the year prior to January 1 of the year that the improvements would initially be assessed, fair cash value of the property shall be deemed to be the lesser of the fair cash value of the property with the improvements or the fair cash value of the property immediately prior to the improvements being made. The county assessor shall continue to assess the property based upon such fair cash value until the property is leased or conveyed. However, the fair cash value of a lot in any platted addition or a subdivision in a city, town or county zoned for residential, commercial, industrial or other use shall be deemed to be the total purchase price paid by the developer of the addition or subdivision for the land comprising the platted addition or subdivision divided by the number of lots contained in the addition or subdivision until the lot with building or buildings located thereon shall have been conveyed to a bona fide purchaser or shall have been occupied other than as a sales office by the owner thereof, or shall have been leased, whichever event shall first occur. The cost of any land or improvements to any real property required to be dedicated to public use, including, but not limited to, streets, curbs, gutters, sidewalks, storm or sanitary sewers, utilities, detention or retention ponds, easements, parks or reserves shall not be utilized by the county assessor in the valuation of any real property for assessment purposes.

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 the property for that year at the fair cash value of the property, as defined herein, taking into account the damage occasioned by fire, lightning, storm, winds, floodwaters, overflow of streams or other ~~causes~~ cause.

SECTION 7. 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.

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