

1 STATE OF OKLAHOMA

2 2nd Session of the 51st Legislature (2008)

3 COMMITTEE SUBSTITUTE
4 FOR

5 HOUSE BILL NO. 3229

6 By: Key

7 COMMITTEE SUBSTITUTE

8 (School funding - Disputed Ad Valorem Tax Fund -
9 investment of certain ad valorem taxes - protested
10 funds - effective date -
11 emergency)

12
13
14 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

15 SECTION 1. AMENDATORY 68 O.S. 2001, Section 2867, is
16 amended to read as follows:

17 Section 2867. A. As soon as practicable after the assessment
18 rolls are corrected and adjusted by the county board of equalization
19 through the first Monday in June, the county assessor shall make out
20 an abstract thereof, containing the total amount of property listed
21 under the various classifications appearing on the blank forms for
22 the listing and assessment of property, and the total value of each
23 class, and it shall be the mandatory duty of the county assessor
24 under the penalties as outlined pursuant to Section 2943 of this

1 title, to transmit this abstract to the Oklahoma Tax Commission not
2 later than June 15 of each year or the first working day thereafter,
3 unless delayed by court action or other causes beyond his control.

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

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

17 D. Within ten (10) days after the county assessor of each
18 county receives from the State Board of Equalization the
19 certificates of assessment of all railroads, air carriers and public
20 service corporations, and the equalized value of real and personal
21 property of such county, it shall be the duty of the county assessor
22 to prepare and file with the county excise board an abstract of the
23 assessed valuations of the county and each municipal subdivision
24 thereof as shown by ~~his~~ the records through that date, ~~and said.~~

1 The county assessor shall omit and show as a separate item any ad
2 valorem taxable value of real or personal property the fair cash
3 value of which has been protested for that assessment year of which
4 the county assessor has been made aware. The abstract shall show
5 separately the valuations of all personal property, real property,
6 railroad and air carrier property and public service corporation
7 property, in each municipality, and shall be properly totaled and
8 balanced.

9 SECTION 2. AMENDATORY 70 O.S. 2001, Section 18-200.1, as
10 last amended by Section 1, Chapter 90, O.S.L. 2005 (70 O.S. Supp.
11 2007, Section 18-200.1), is amended to read as follows:

12 Section 18-200.1 A. Beginning with the 1997-98 school year,
13 and each school year thereafter, each school district shall have its
14 initial allocation of State Aid calculated based on the state
15 dedicated revenues actually collected during the preceding fiscal
16 year, the adjusted assessed valuation of the preceding year and the
17 highest weighted average daily membership for the school district of
18 the two (2) preceding school years. Each school district shall
19 submit the following data based on the first nine (9) weeks, to be
20 used in the calculation of the average daily membership of the
21 school district:

- 22 1. Student enrollment by grade level;
- 23 2. Pupil category counts; and
- 24 3. Transportation supplement data.

1 On or before December 30, the State Department of Education
2 shall determine each school district's current year allocation
3 pursuant to subsection D of this section. The State Department of
4 Education shall complete an audit, using procedures established by
5 the Department, of the student enrollment by grade level data, pupil
6 category counts and transportation supplement data to be used in the
7 State Aid Formula pursuant to subsection D of this section by
8 December 1 and by January 15 shall notify each school district of
9 the district's final State Aid allocation for the current school
10 year. The January payment of State Aid and each subsequent payment
11 for the remainder of the school year shall be based on the final
12 State Aid allocation as calculated in subsection D of this section.
13 Except for reductions made due to the assessment of penalties by the
14 State Department of Education according to law, the January payment
15 of State Aid and each subsequent payment for the remainder of the
16 school year shall not decrease by an amount more than the amount
17 that the current chargeable revenue increases for that district.

18 B. The State Department of Education shall retain not less than
19 one and one-half percent (1 1/2%) of the total funds appropriated
20 for financial support of schools, to be used to make midyear
21 adjustments in State Aid and which shall be reflected in the final
22 allocations. If the amount of appropriated funds, including the one
23 and one-half percent (1 1/2%) retained, remaining after January 1 of
24 each year is not sufficient to fully fund the final allocations, the

1 Department shall recalculate each school district's remaining
2 allocation pursuant to subsection D of this section using the
3 reduced amount of appropriated funds.

4 C. On and after July 1, 1997, the amount of State Aid each
5 district shall receive shall be the sum of the Foundation Aid, the
6 Salary Incentive Aid and the Transportation Supplement, as adjusted
7 pursuant to the provisions of subsection G of this section and
8 Section 18-112.2 of this title; provided, no district having per
9 pupil revenue in excess of three hundred percent (300%) of the
10 average per pupil revenue of all districts shall receive any State
11 Aid or Supplement in State Aid.

12 The July calculation of per pupil revenue shall be determined by
13 dividing the district's second preceding year's total weighted
14 average daily membership (ADM) into the district's second preceding
15 year's total revenues excluding federal revenue, insurance loss
16 payments, reimbursements, recovery of overpayments and refunds,
17 unused reserves, prior expenditures recovered, prior year surpluses,
18 and less the amount of any transfer fees paid in that year.

19 The December calculation of per pupil revenue shall be
20 determined by dividing the district's preceding year's total
21 weighted average daily membership (ADM) into the district's
22 preceding year's total revenues excluding federal revenue, insurance
23 loss payments, reimbursements, recovery of overpayments and refunds,
24

1 unused reserves, prior expenditures recovered, prior year surpluses,
2 and less the amount of any transfer fees paid in that year.

3 D. For the 1997-98 school year, and each school year
4 thereafter, Foundation Aid, the Transportation Supplement and Salary
5 Incentive Aid shall be calculated as follows:

6 1. Foundation Aid shall be determined by subtracting the amount
7 of the Foundation Program Income from the cost of the Foundation
8 Program and adding to this difference the Transportation Supplement.

9 a. The Foundation Program shall be a district's highest
10 weighted average daily membership based on the first
11 nine (9) weeks of the current school year, the
12 preceding school year or the second preceding school
13 year of a school district, as determined by the
14 provisions of subsection A of Section 18-201.1 of this
15 title and paragraphs 1, 2, 3 and 4 of subsection B of
16 Section 18-201.1 of this title, multiplied by the Base
17 Foundation Support Level.

18 b. The Foundation Program Income shall be the sum of the
19 following:

20 (1) The adjusted assessed valuation of the current
21 school year of the school district, minus the
22 ~~previous year protested ad valorem tax revenues~~
23 ~~held as prescribed in Section 2884 of Title 68 of~~
24 ~~the Oklahoma Statutes~~ taxable value which has

1 been omitted from the abstract prepared by the
2 county assessor as prescribed in Section 2867 of
3 Title 68 of the Oklahoma Statutes, multiplied by
4 the mills levied pursuant to subsection (c) of
5 Section 9 of Article X of the Oklahoma
6 Constitution, if applicable, as adjusted in
7 subsection (c) of Section 8A of Article X of the
8 Oklahoma Constitution. For purposes of this
9 subsection, the "adjusted assessed valuation of
10 the current school year" shall be the adjusted
11 assessed valuation on which tax revenues are
12 collected during the current school year, and

13 (2) Seventy-five percent (75%) of the amount received
14 by the school district from the proceeds of the
15 county levy during the preceding fiscal year, as
16 levied pursuant to subsection (b) of Section 9 of
17 Article X of the Oklahoma Constitution, and

18 (3) Motor Vehicle Collections, and

19 (4) Gross Production Tax, and

20 (5) State Apportionment, and

21 (6) R.E.A. Tax.

22 The items listed in divisions (3), (4), (5), and (6)
23 of this subparagraph shall consist of the amounts
24 actually collected from such sources during the

preceding fiscal year calculated on a per capita basis on the unit provided for by law for the distribution of each such revenue.

2. The Transportation Supplement shall be equal to the average daily haul times the per capita allowance times the appropriate transportation factor.

a. The average daily haul shall be the number of children in a district who are legally transported and who live one and one-half (1 1/2) miles or more from school.

b. The per capita allowance shall be determined using the following chart:

	PER CAPITA		PER CAPITA
DENSITY FIGURE	ALLOWANCE	DENSITY FIGURE	ALLOWANCE
.3000 - .3083	\$167.00	.9334 - .9599	\$99.00
.3084 - .3249	\$165.00	.9600 - .9866	\$97.00
.3250 - .3416	\$163.00	.9867 - 1.1071	\$95.00
.3417 - .3583	\$161.00	1.1072 - 1.3214	\$92.00
.3584 - .3749	\$158.00	1.3215 - 1.5357	\$90.00
.3750 - .3916	\$156.00	1.5358 - 1.7499	\$88.00
.3917 - .4083	\$154.00	1.7500 - 1.9642	\$86.00
.4084 - .4249	\$152.00	1.9643 - 2.1785	\$84.00
.4250 - .4416	\$150.00	2.1786 - 2.3928	\$81.00
.4417 - .4583	\$147.00	2.3929 - 2.6249	\$79.00
.4584 - .4749	\$145.00	2.6250 - 2.8749	\$77.00

1	.4750 - .4916	\$143.00	2.8750 - 3.1249	\$75.00
2	.4917 - .5083	\$141.00	3.1250 - 3.3749	\$73.00
3	.5084 - .5249	\$139.00	3.3750 - 3.6666	\$70.00
4	.5250 - .5416	\$136.00	3.6667 - 3.9999	\$68.00
5	.5417 - .5583	\$134.00	4.0000 - 4.3333	\$66.00
6	.5584 - .5749	\$132.00	4.3334 - 4.6666	\$64.00
7	.5750 - .5916	\$130.00	4.6667 - 4.9999	\$62.00
8	.5917 - .6133	\$128.00	5.0000 - 5.5000	\$59.00
9	.6134 - .6399	\$125.00	5.5001 - 6.0000	\$57.00
10	.6400 - .6666	\$123.00	6.0001 - 6.5000	\$55.00
11	.6667 - .6933	\$121.00	6.5001 - 7.0000	\$53.00
12	.6934 - .7199	\$119.00	7.0001 - 7.3333	\$51.00
13	.7200 - .7466	\$117.00	7.3334 - 7.6667	\$48.00
14	.7467 - .7733	\$114.00	7.6668 - 8.0000	\$46.00
15	.7734 - .7999	\$112.00	8.0001 - 8.3333	\$44.00
16	.8000 - .8266	\$110.00	8.3334 - 8.6667	\$42.00
17	.8267 - .8533	\$108.00	8.6668 - 9.0000	\$40.00
18	.8534 - .8799	\$106.00	9.0001 - 9.3333	\$37.00
19	.8800 - .9066	\$103.00	9.3334 - 9.6667	\$35.00
20	.9067 - .9333	\$101.00	9.6668 or more	\$33.00

21 c. The formula transportation factor shall be 1.39.

22 3. Salary Incentive Aid shall be determined as follows:

23 a. Multiply the Incentive Aid guarantee by the district's
24 highest weighted average daily membership based on the

1 first nine (9) weeks of the current school year, the
2 preceding school year or the second preceding school
3 year of a school district, as determined by the
4 provisions of subsection A of Section 18-201.1 of this
5 title and paragraphs 1, 2, 3 and 4 of subsection B of
6 Section 18-201.1 of this title.

7 b. Divide the district's adjusted assessed valuation of
8 the current school year minus the ~~previous year's~~
9 ~~protested ad valorem tax revenues held as prescribed~~
10 taxable value which has been omitted from the abstract
11 prepared by the county assessor as prescribed in
12 ~~Section 2884~~ 2867 of Title 68 of the Oklahoma
13 Statutes, by one thousand (1,000) and subtract the
14 quotient from the product of subparagraph a of this
15 paragraph. The remainder shall not be less than zero
16 (0).

17 c. Multiply the number of mills levied for general fund
18 purposes above the fifteen (15) mills required to
19 support Foundation Aid pursuant to division (1) of
20 subparagraph b of paragraph 1 of this subsection, not
21 including the county four-mill levy, by the remainder
22 of subparagraph b of this paragraph. The product
23 shall be the Salary Incentive Aid of the district.

1 E. By June 30, 1998, the State Department of Education shall
2 develop and the Department and all school districts shall have
3 implemented a student identification system which is consistent with
4 the provisions of subsections C and D of Section 3111 of Title 74 of
5 the Oklahoma Statutes. The student identification system shall be
6 used specifically for the purpose of reporting enrollment data by
7 school sites and by school districts, the administration of the
8 Oklahoma School Testing Program Act, the collection of appropriate
9 and necessary data pursuant to the Oklahoma Educational Indicators
10 Program, determining student enrollment, establishing a student
11 mobility rate, allocation of the State Aid Formula and mid-year
12 adjustments in funding for student growth. This enrollment data
13 shall be submitted to the State Department of Education in
14 accordance with rules promulgated by the State Board of Education.
15 Funding for the development, implementation, personnel training and
16 maintenance of the student identification system shall be set out in
17 a separate line item in the allocation section of the appropriation
18 bill for the State Board of Education for each year.

19 F. 1. In the event that ad valorem taxes of a school district
20 are determined to be uncollectible because of bankruptcy, clerical
21 error, or a successful tax protest, and the amount of such taxes
22 deemed uncollectible exceeds Fifty Thousand Dollars (\$50,000.00) or
23 an amount greater than twenty-five percent (25%) of ad valorem taxes
24 per tax year, or the valuation of a district is lowered by order of

1 the State Board of Equalization, the school district's State Aid,
2 for the school year that such ad valorem taxes are calculated in the
3 State Aid Formula, shall be determined by subtracting the net
4 assessed valuation of the property upon which taxes were deemed
5 uncollectible from the assessed valuation of the school district and
6 the state. Upon request of the local board of education, it shall
7 be the duty of the county assessor to certify to the Director of
8 Finance of the State Department of Education the net assessed
9 valuation of the property upon which taxes were determined
10 uncollectible.

11 2. In the event that the amount of funds a school district
12 receives for reimbursement from the Ad Valorem Reimbursement Fund is
13 less than the amount of funds claimed for reimbursement by the
14 school district due to insufficiency of funds as provided in Section
15 193 of Title 62 of the Oklahoma Statutes, then the school district's
16 assessed valuation for the school year that such ad valorem
17 reimbursement is calculated in the State Aid Formula shall be
18 adjusted accordingly.

19 G. 1. Notwithstanding the provisions of Section 18-112.2 of
20 this title, a school district shall have its State Aid reduced by an
21 amount equal to the amount of carryover in the general fund of the
22 district as of June 30 of the preceding fiscal year, that is in
23 excess of the following standards for two consecutive years:

24 Total Amount of Amount of

1	General Fund Collections,	General Fund
2	Excluding Previous Year	Balance
3	Cash Surplus as of June 30	Allowable
4	Less than \$1,000,000	40%
5	\$1,000,000 - \$2,999,999	35%
6	\$3,000,000 - \$3,999,999	30%
7	\$4,000,000 - \$4,999,999	25%
8	\$5,000,000 - \$5,999,999	20%
9	\$6,000,000 - \$7,999,999	18%
10	\$8,000,000 - \$9,999,999	16%
11	\$10,000,000 or more	14%

12 2. By February 1 the State Department of Education shall send
13 by certified mail, with return receipt requested, to each School
14 District Superintendent, Auditor and Regional Accreditation Officer
15 a notice of and calculation sheet reflecting the general fund
16 balance penalty to be assessed against that school district.
17 Calculation of the general fund balance penalty shall not include
18 federal revenue. Within thirty (30) days of receipt of this written
19 notice the school district shall submit to the Department a written
20 reply either accepting or protesting the penalty to be assessed
21 against the district. If protesting, the school district shall
22 submit with its reply the reasons for rejecting the calculations and
23 documentation supporting those reasons. The Department shall review
24 all school district penalty protest documentation and notify each

1 district by March 15 of its finding and the final penalty to be
2 assessed to each district. General fund balance penalties shall be
3 assessed to all school districts by April 1.

4 3. Any school district which receives proceeds from a tax
5 settlement or a Federal Emergency Management Agency settlement
6 during the last two (2) months of the preceding fiscal year shall be
7 exempt from the penalties assessed in this subsection, if the
8 penalty would occur solely as a result of receiving funds from the
9 tax settlement.

10 4. Any school district which receives an increase in State Aid
11 because of a change in Foundation and/or Salary Incentive Aid
12 factors during the last two (2) months of the preceding fiscal year
13 shall be exempt from the penalties assessed in this subsection, if
14 the penalty would occur solely as a result of receiving funds from
15 the increase in State Aid.

16 5. If a school district does not receive Foundation and/or
17 Salary Incentive Aid during the preceding fiscal year, the State
18 Board of Education may waive the penalty assessed in this subsection
19 if the penalty would result in a loss of more than forty percent
20 (40%) of the remaining State Aid to be allocated to the school
21 district between April 1 and the remainder of the school year and if
22 the Board determines the penalty will cause the school district not
23 to meet remaining financial obligations.

24

1 6. Any school district which receives gross production revenue
2 apportionment during the 2002-2003 school year or in any subsequent
3 school year that is greater than the gross production revenue
4 apportionment of the preceding school year shall be exempt from the
5 penalty assessed in this subsection, if the penalty would occur
6 solely as a result of the gross production revenue apportionment, as
7 determined by the State Board of Education.

8 7. Beginning July 1, 2003, school districts that participate in
9 consolidation or annexation pursuant to the provisions of the
10 Oklahoma School Voluntary Consolidation and Annexation Act shall be
11 exempt from the penalty assessed in this subsection for the school
12 year in which the consolidation or annexation occurs and for the
13 next three (3) fiscal years.

14 8. Any school district which receives proceeds from a sales tax
15 levied by a municipality pursuant to Section 22-159 of Title 11 of
16 the Oklahoma Statutes or proceeds from a sales tax levied by a
17 county pursuant to Section 1370 of Title 68 of the Oklahoma Statutes
18 during the 2003-2004 school year or the 2004-2005 school year shall
19 be exempt from the penalties assessed in this subsection, if the
20 penalty would occur solely as a result of receiving funds from the
21 sales tax levy.

22 9. For purposes of calculating the general fund balance
23 penalty, the terms "carryover" and "general fund balance" shall not
24 include federal revenue.

1 H. In order to provide startup funds for the implementation of
2 early childhood programs, State Aid may be advanced to school
3 districts that initially start early childhood instruction at a
4 school site. School districts that desire such advanced funding
5 shall make application to the State Department of Education no later
6 than September 15 of each year and advanced funding shall be awarded
7 to the approved districts no later than October 30. The advanced
8 funding shall not exceed the per pupil amount of State Aid as
9 calculated in subsection D of this section per anticipated Head
10 Start eligible student. The total amount of advanced funding shall
11 be proportionately reduced from the monthly payments of the
12 district's State Aid payments during the last six (6) months of the
13 same fiscal year.

14 I. 1. Beginning July 1, 1996, the Oklahoma Tax Commission,
15 notwithstanding any provision of law to the contrary, shall report
16 monthly to the Oklahoma State Department of Education the monthly
17 apportionment of the following information:

- 18 a. the assessed valuation of property,
- 19 b. motor vehicle collections,
- 20 c. R.E.A. tax collected, and
- 21 d. gross productions tax collected.

22 2. Beginning July 1, 1997, the State Auditor and Inspector's
23 Office, notwithstanding any provision of law to the contrary, shall

24

1 report monthly to the Oklahoma State Department of Education the
2 monthly apportionment of the proceeds of the county levy.

3 3. Beginning July 1, 1996, the Commissioners of the Land
4 Office, notwithstanding any provision of law to the contrary, shall
5 report monthly to the State Department of Education the monthly
6 apportionment of state apportionment.

7 4. Beginning July 1, 1997, the county treasurers' offices,
8 notwithstanding any provision of law to the contrary, shall report
9 monthly to the Oklahoma State Department of Education the ad valorem
10 tax protest amounts for each county.

11 5. The information reported by the Tax Commission, the State
12 Auditor and Inspector's Office, the county treasurers' offices and
13 the Commissioners of the Land Office, pursuant to this subsection
14 shall be reported by school district on forms developed by the State
15 Department of Education.

16 SECTION 3. NEW LAW A new section of law to be codified
17 in the Oklahoma Statutes as Section 210 of Title 62, unless there is
18 created a duplication in numbering, reads as follows:

19 A. There is hereby created in the State Treasury a fund to be
20 known as the "Disputed Ad Valorem Tax Fund".

21 B. The State Treasurer shall develop and implement a system for
22 the investment of ad valorem taxes paid under protest pursuant to
23 Section 2884 of Title 68 of the Oklahoma Statutes.

24

1 C. Ad valorem taxes paid under protest that are deposited with
2 the State Treasurer and invested pursuant to the provisions of this
3 section shall bear interest. Deposited funds shall earn interest
4 from the date such funds are deposited with the State Treasurer
5 until the county notifies the State Treasurer of a settlement,
6 dismissal or final order or judgment from a court of competent
7 jurisdiction and requests the funds be returned. Deposited funds
8 shall earn interest at the same rate of return as state funds
9 invested by the State Treasurer for the same period.

10 D. The State Treasurer shall ensure that any funds deposited
11 with the State Treasurer pursuant to the provisions of this section
12 are invested in a method that allows sufficient liquidity to provide
13 for the return of protested taxes and interest to the county
14 treasurer.

15 E. The State Treasurer shall develop any necessary system of
16 accounts in order to separately document and account for any funds
17 deposited with the State Treasurer and invested pursuant to the
18 provisions of this section. A regular monthly statement of every
19 account in the Disputed Ad Valorem Tax Fund will be provided to the
20 county that deposited the funds in the Disputed Ad Valorem Tax Fund.

21 SECTION 4. AMENDATORY 68 O.S. 2001, Section 2884, is
22 amended to read as follows:

23 Section 2884. A. The full amount of the taxes assessed against
24 the property of any taxpayer who has appealed from a decision

1 affecting the value or taxable status of such property as provided
2 by law shall be paid at the time and in the manner provided by law.
3 If at the time such taxes or any part thereof become delinquent and
4 any such appeal is pending, it shall abate and be dismissed upon a
5 showing that the taxes have not been paid.

6 B. When such taxes are paid, or by December 31, whichever is
7 earlier, the persons protesting the taxes shall give notice to the
8 county treasurer that an appeal involving such taxes has been taken
9 and is pending, and shall set forth the total amount of tax that has
10 been paid under protest or required by law to be paid prior to April
11 1 that will be paid under protest. The notice shall be on a form
12 prescribed by the Tax Commission. If taxes are paid in two equal
13 installments and the amount paid under protest does not exceed fifty
14 percent (50%) of the full amount of assessed taxes, all protested
15 taxes shall be specified in the second installment payment. If such
16 amount does exceed fifty percent (50%) of the full amount of
17 assessed taxes, then the portion of protested taxes that exceeds
18 fifty percent (50%) of the full amount of assessed taxes shall be
19 specified in the first installment payment and the entire second
20 installment shall be specified to be paid under protest. The
21 taxpayer shall attach to such notice a copy of the petition filed in
22 the court or other appellate body in which the appeal was taken.
23 For railroads, air carriers, and public service corporations, the
24 amount of taxes protested shall not exceed the amount of tax

1 calculated on the protested assessed valuation specified in the
2 complaint filed pursuant to the provisions of subsection A of
3 Section 2881 of this title.

4 C. ~~It~~ For protested ad valorem taxes where the amount protested
5 by an individual taxpayer is in excess of Ten Thousand Dollars
6 (\$10,000.00), the county may elect to deposit the funds with the
7 State Treasurer within ten (10) business days of receipt of the
8 protested ad valorem taxes. The State Treasurer shall credit the
9 funds to the Disputed Ad Valorem Tax Fund and invest the funds
10 pursuant to Section 3 of this act.

11 D. Except for ad valorem taxes deposited with the State
12 Treasurer pursuant to Section 3 of this act, it shall be the duty of
13 the county treasurer to hold taxes paid under protest separate and
14 apart from other taxes collected. Any portion of such taxes not
15 paid under protest shall be apportioned as provided by law. The
16 Except for ad valorem taxes deposited with the State Treasurer
17 pursuant to Section 3 of this act, the treasurer shall invest the
18 protested taxes in the same a manner as the treasurer invests
19 surplus tax to provide for the accrual of interest on such protested
20 funds not paid under protest at the same rate of return on state
21 funds invested by the State Treasurer for the same period of time or
22 the rate of return actually earned, whichever is greater, but shall
23 select an investment medium which will permit prompt refund or
24 apportionment of the protested taxes upon final determination of the

1 appeal. In no case shall the amount of interest on such protested
2 funds be less than the interest that would have accrued if the funds
3 had actually been invested by the State Treasurer.

4 ~~D.~~ E. 1. Prior to January 31 of each year, the county
5 treasurer shall determine the amount of ad valorem taxes paid under
6 protest and those ad valorem taxes that will be paid under protest
7 pursuant to subsection B of this section. The county treasurer
8 shall then notify the State Auditor and Inspector of the total
9 amount of paid protested ad valorem taxes and anticipated protested
10 ad valorem taxes, the total amount of protested taxes and
11 anticipated protested taxes by each individual taxpayer, and how
12 such paid protested ad valorem taxes and anticipated protested ad
13 valorem taxes would have been apportioned to each school district
14 and technology center school district by fund had such amount of
15 protested ad valorem taxes not been protested.

16 2. The State Auditor and Inspector shall compile all of the
17 information submitted by the county treasurers in a format which
18 shall set forth the total amount of paid and anticipated protested
19 taxes for each school district and technology center school district
20 by fund and a total for each school district and technology center
21 school district by fund. This information shall then be submitted
22 by the State Auditor and Inspector to the State Superintendent of
23 Public Instruction, the Director of the Oklahoma Department of
24 Career and Technology Education, the Speaker of the House of

1 Representatives, and the President Pro Tempore of the Senate. If
2 any of the information submitted to the State Auditor and Inspector
3 changes after being submitted, the county treasurer shall notify the
4 State Auditor and Inspector and the State Auditor and Inspector
5 shall submit revised information to the parties enumerated in this
6 paragraph within thirty (30) days of such change.

7 3. Within ten (10) days of the release of the escrowed ad
8 valorem taxes by the county treasurer, as required by subsection ~~E~~ F
9 of this section, the county treasurer shall submit a schedule
10 showing the disposition of the released funds, separated by fund for
11 each school district and technology center school, to the State
12 Auditor and Inspector. The State Auditor and Inspector shall
13 certify the apportionment schedule and transmit a copy to the State
14 Superintendent of Public Instruction and the Director of the
15 Oklahoma Department of Career and Technology Education.

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

18 ~~E~~ F. 1. In cases involving taxpayers other than railroads,
19 air carriers, or public service corporations, if upon the final
20 determination of any such appeal, the court shall find that the
21 property was assessed at too great an amount, the board of
22 equalization from whose order the appeal was taken shall certify the
23 corrected valuation of the property of such taxpayers to the county
24 assessor, in accordance with the decision of the court, and shall

1 send a copy of such certificate to the county treasurer. Upon
2 receipt of the corrected certificate of valuation, the county
3 assessor shall compute and certify to the county treasurer the
4 correct amount of taxes payable by the taxpayer. The difference
5 between the amount paid and the correct amount payable, with accrued
6 interest, shall be refunded by the treasurer to the taxpayer upon
7 the taxpayer filing a proper verified claim therefor, and the
8 remainder paid under protest, with accrued interest, shall be
9 apportioned as provided by law.

10 2. If upon the final determination of any appeal, the court
11 shall find that the property of the railroad, air carrier, or public
12 service corporation was assessed at too great an amount, the State
13 Board of Equalization from whose order the appeal was taken shall
14 certify the corrected valuation of the property of the railroads,
15 air carriers, and public service corporations to the State Auditor
16 and Inspector in accordance with the decision of the court. Upon
17 receipt of the corrected certificate of valuation, the State Auditor
18 and Inspector shall certify to the county treasurer the correct
19 valuation of the railroad, air carrier, or public service
20 corporation and shall send a copy of the certificate to the county
21 assessor, who shall make the correction as specified in Section 2871
22 of this title. The difference between the amount paid and the
23 correct amount payable with accrued interest shall be refunded by
24 the treasurer upon the taxpayer filing a proper verified claim, and

1 the remainder paid under protest with accrued interest shall be
2 apportioned according to law.

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

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

17 SECTION 5. This act shall become effective July 1, 2008.

18 SECTION 6. It being immediately necessary for the preservation
19 of the public peace, health and safety, an emergency is hereby
20 declared to exist, by reason whereof this act shall take effect and
21 be in full force from and after its passage and approval.

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23 51-2-10567 CJB 03/05/08

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