

1 ENGROSSED HOUSE
2 BILL NO. 1485

By: Adkins of the House

and

Bingman of the Senate

3
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6
7 (revenue and taxation - gross production taxes -
8 property exempt from ad valorem taxation - listing
9 property - valuation and assessment of property -
10 apportionment of gross production tax revenues -
11 claims for certain reimbursement - publications to
12 be used to value certain oil and gas equipment and
13 pipeline - penalties for providing false and
14 fraudulent list or refusing to allow inspections -
15 effective date)

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17
18 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

19 SECTION 1. AMENDATORY 68 O.S. 2001, Section 1004, as
20 last amended by Section 55 of Enrolled House Bill No. 2195 of the
21 1st Session of the 51st Oklahoma Legislature, is amended to read as
22 follows:
23
24

1 Section 1004. ~~Beginning July 1, 2002, the~~ The gross production
2 tax provided for in Section 1001 of this title is hereby levied and
3 shall be collected and apportioned as follows:

4 1. For all monies collected from the tax levied on asphalt or
5 ores bearing uranium, lead, zinc, jack, gold, silver or copper:

6 a. eighty-five and seventy-two one-hundredths percent
7 (85.72%) shall be paid to the State Treasurer of the
8 state to be placed in the General Revenue Fund of the
9 state and used for the general expense of state
10 government, to be paid out pursuant to direct
11 appropriation by the Legislature,

12 b. seven and fourteen one-hundredths percent (7.14%) of
13 the sum collected from natural gas and/or casinghead
14 gas or asphalt or ores bearing uranium, lead, zinc,
15 jack, gold, silver or copper shall be paid to the
16 various county treasurers to be credited to the County
17 Highway Fund as follows: Each county shall receive a
18 proportionate share of the funds available based upon
19 the proportion of the total value of production from
20 such county in the corresponding month of the
21 preceding year, and

22 c. seven and fourteen one-hundredths percent (7.14%)
23 shall be allocated to each county as provided for in
24 subparagraph b of this paragraph and shall be

1 apportioned, on an average daily attendance per capita
2 distribution basis, as certified by the State
3 Superintendent of Public Instruction to the school
4 districts of the county where such pupils attend
5 school regardless of residence of such pupil, provided
6 the school district makes an ad valorem tax levy of
7 fifteen (15) mills for the current year and maintains
8 twelve (12) years of instruction;

9 2. For all monies collected from the tax levied on natural gas
10 and/or casinghead gas at a tax rate of seven percent (7%) pursuant
11 to the provisions of subsection B of Section 1001 of this title:

12 a. except as otherwise provided in Section 3 of this act,
13 eighty-five and seventy-two one-hundredths percent
14 (85.72%) shall be paid to the State Treasurer of the
15 state to be placed in the General Revenue Fund of the
16 state and used for the general expense of state
17 government, to be paid out pursuant to direct
18 appropriation by the Legislature,

19 b. seven and fourteen one-hundredths percent (7.14%) of
20 the sum collected from natural gas and/or casinghead
21 gas shall be paid to the various county treasurers to
22 be credited to the County Highway Fund as follows:
23 Each county shall receive a proportionate share of the
24 funds available based upon the proportion of the total

1 value of production from such county in the
2 corresponding month of the preceding year, and
3 c. seven and fourteen one-hundredths percent (7.14%)
4 shall be allocated to each county as provided for in
5 subparagraph b of this paragraph and shall be
6 apportioned, on an average daily attendance per capita
7 distribution basis, as certified by the State
8 Superintendent of Public Instruction to the school
9 districts of the county where such pupils attend
10 school regardless of residence of such pupil, provided
11 the school district makes an ad valorem tax levy of
12 fifteen (15) mills for the current year and maintains
13 twelve (12) years of instruction;

14 3. For all monies collected from the tax levied on natural gas
15 and/or casinghead gas at a tax rate of four percent (4%) pursuant to
16 the provisions of subsection B of Section 1001 of this title:

- 17 a. except as otherwise provided in Section 3 of this act,
18 seventy-five percent (75%) shall be paid to the State
19 Treasurer of the state to be placed in the General
20 Revenue Fund of the state and used for the general
21 expense of state government, to be paid out pursuant
22 to direct appropriation by the Legislature,
23 b. twelve and one-half percent (12.5%) of the sum
24 collected from natural gas and/or casinghead gas shall

1 be paid to the various county treasurers to be
2 credited to the County Highway Fund as follows: Each
3 county shall receive a proportionate share of the
4 funds available based upon the proportion of the total
5 value of production from such county in the
6 corresponding month of the preceding year, and

7 c. twelve and one-half percent (12.5%) shall be allocated
8 to each county as provided for in subparagraph b of
9 this paragraph and shall be apportioned, on an average
10 daily attendance per capita distribution basis, as
11 certified by the State Superintendent of Public
12 Instruction to the school districts of the county
13 where such pupils attend school regardless of
14 residence of such pupil, provided the school district
15 makes an ad valorem tax levy of fifteen (15) mills for
16 the current year and maintains twelve (12) years of
17 instruction;

18 4. For all monies collected from the tax levied on natural gas
19 and/or casinghead gas at a tax rate of one percent (1%) pursuant to
20 the provisions of subsection B of Section 1001 of this title:

21 a. fifty percent (50%) of the sum collected from natural
22 gas and/or casinghead gas shall be paid to the various
23 county treasurers to be credited to the County Highway
24 Fund as follows: Each county shall receive a

1 proportionate share of the funds available based upon
2 the proportion of the total value of production from
3 such county in the corresponding month of the
4 preceding year, and

- 5 b. fifty percent (50%) shall be allocated to each county
6 as provided for in subparagraph a of this paragraph
7 and shall be apportioned, on an average daily
8 attendance per capita distribution basis, as certified
9 by the State Superintendent of Public Instruction to
10 the school districts of the county where such pupils
11 attend school regardless of residence of such pupil,
12 provided the school district makes an ad valorem tax
13 levy of fifteen (15) mills for the current year and
14 maintains twelve (12) years of instruction;

15 5. For all monies collected from the tax levied on oil at a tax
16 rate of seven percent (7%) pursuant to the provisions of subsection
17 B of Section 1001 of this title:

- 18 a. twenty-five and seventy-two one-hundredths percent
19 (25.72%) shall be paid to the State Treasurer to be
20 placed in the Common Education Technology Revolving
21 Fund created in Section 41.29c of Title 62 of the
22 Oklahoma Statutes,
23 b. twenty-five and seventy-two one-hundredths percent
24 (25.72%) shall be paid to the State Treasurer to be

1 placed in the Higher Education Capital Revolving Fund
2 created in Section 41.29d of Title 62 of the Oklahoma
3 Statutes,

4 c. twenty-five and seventy-two one-hundredths percent
5 (25.72%) shall be paid to the State Treasurer to be
6 placed in the Oklahoma Tuition Scholarship Revolving
7 Fund created in Section 41.29e of Title 62 of the
8 Oklahoma Statutes,

9 d. four and twenty-eight one-hundredths percent (4.28%)
10 shall be paid to the State Treasurer to be apportioned
11 to the County Bridge and Road Improvement Fund of the
12 State Treasury,

13 e. four and twenty-eight one-hundredths percent (4.28%)
14 shall be paid to the State Treasurer to be apportioned
15 to:

16 (1) the following sources and in the following
17 amounts for the fiscal year ending June 30, 2007,
18 through the fiscal year ending June 30, 2011:

19 (a) thirty-three and one-third percent (33 1/3%)
20 to the Oklahoma Tourism and Recreation
21 Department Capital Expenditure Revolving
22 Fund created pursuant to Section ~~2~~ 2254.1 of
23 ~~this act~~ Title 74 of the Oklahoma Statutes,
24

1 (b) thirty-three and one-third percent (33 1/3%)
2 to the Oklahoma Conservation Commission
3 Infrastructure Revolving Fund created
4 pursuant to Section 3 3-2-110 of ~~this act~~
5 Title 27A of the Oklahoma Statutes, and

6 (c) thirty-three and one-third percent (33 1/3%)
7 to the Community Water Infrastructure
8 Development Revolving Fund created pursuant
9 to Section 4 1085.7A of ~~this act~~ Title 82 of
10 the Oklahoma Statutes, and

11 (2) the Oklahoma Water Resources Board Rural Economic
12 Action Plan Water Projects Fund for the fiscal
13 year ending June 30, 2012, and for each fiscal
14 year thereafter,

15 f. seven and fourteen one-hundredths percent (7.14%) of
16 the sum collected from oil shall be paid to the
17 various county treasurers, to be credited to the
18 County Highway Fund as follows: Each county shall
19 receive a proportionate share of the funds available
20 based upon the proportion of the total value of
21 production from such county in the corresponding month
22 of the preceding year, and

23 g. seven and fourteen one-hundredths percent (7.14%)
24 shall be allocated to each county as provided in

1 subparagraph f of this paragraph and shall be
2 apportioned, on an average daily attendance per capita
3 distribution basis, as certified by the State
4 Superintendent of Public Instruction, to the school
5 districts of the county where such pupils attend
6 school regardless of residence of such pupil, provided
7 the school district makes an ad valorem tax levy of
8 fifteen (15) mills for the current year and maintains
9 twelve (12) years of instruction;

10 6. For all monies collected from the tax levied on oil at a tax
11 rate of four percent (4%) pursuant to the provisions of subsection B
12 of Section 1001 of this title:

13 a. twenty-two and one-half percent (22.5%) shall be paid
14 to the State Treasurer to be placed in the Common
15 Education Technology Revolving Fund created in Section
16 41.29c of Title 62 of the Oklahoma Statutes,

17 b. twenty-two and one-half percent (22.5%) shall be paid
18 to the State Treasurer to be placed in the Higher
19 Education Capital Revolving Fund created in Section
20 41.29d of Title 62 of the Oklahoma Statutes,

21 c. twenty-two and one-half percent (22.5%) shall be paid
22 to the State Treasurer to be placed in the Oklahoma
23 Tuition Scholarship Revolving Fund created in Section
24 41.29e of Title 62 of the Oklahoma Statutes,

1 d. three and seventy-five one-hundredths percent (3.75%)
2 shall be paid to the State Treasurer to be apportioned
3 to the County Bridge and Road Improvement Fund of the
4 State Treasury,

5 e. three and seventy-five one-hundredths percent (3.75%)
6 shall be paid to the State Treasurer to be apportioned
7 to:

8 (1) the following sources and in the following
9 amounts for the fiscal year ending June 30, 2007,
10 through the fiscal year ending June 30, 2011:

11 (a) thirty-three and one-third percent (33 1/3%)
12 to the Oklahoma Tourism and Recreation
13 Department Capital Expenditure Revolving
14 Fund created pursuant to Section ~~2~~ 2254.1 of
15 ~~this act~~ Title 74 of the Oklahoma Statutes,

16 (b) thirty-three and one-third percent (33 1/3%)
17 to the Oklahoma Conservation Commission
18 Infrastructure Revolving Fund created
19 pursuant to Section ~~3~~ 3-2-110 of ~~this act~~
20 Title 27A of the Oklahoma Statutes, and

21 (c) thirty-three and one-third percent (33 1/3%)
22 to the Community Water Infrastructure
23 Development Revolving Fund created pursuant
24

1 to Section 4 1085.7A of ~~this act~~ Title 82 of
2 the Oklahoma Statutes, and

3 (2) the Oklahoma Water Resources Board Rural Economic
4 Action Plan Water Projects Fund for the fiscal
5 year ending June 30, 2012, and for each fiscal
6 year thereafter,

7 f. twelve and one-half percent (12.5%) of the sum
8 collected from oil shall be paid to the various county
9 treasurers, to be credited to the County Highway Fund
10 as follows: Each county shall receive a proportionate
11 share of the funds available based upon the proportion
12 of the total value of production from such county in
13 the corresponding month of the preceding year, and

14 g. twelve and one-half percent (12.5%) shall be allocated
15 to each county as provided in subparagraph f of this
16 paragraph and shall be apportioned on an average daily
17 attendance per capita distribution basis, as certified
18 by the State Superintendent of Public Instruction, to
19 the school districts of the county where such pupils
20 attend school regardless of residence of such pupil,
21 provided the school district makes an ad valorem tax
22 levy of fifteen (15) mills for the current year and
23 maintains twelve (12) years of instruction; and

24

1 7. For all monies collected from the tax levied on oil at a tax
2 rate of one percent (1%) pursuant to the provisions of subsection B
3 of Section 1001 of this title:

4 a. fifty percent (50%) of the sum collected shall be paid
5 to the various county treasurers, to be credited to
6 the County Highway Fund as follows: Each county shall
7 receive a proportionate share of the funds available
8 based upon the proportion of the total value of
9 production from such county in the corresponding month
10 of the preceding year, and

11 b. fifty percent (50%) shall be allocated to each county
12 as provided for in subparagraph a of this paragraph
13 and shall be apportioned on an average daily
14 attendance per capita distribution basis, as certified
15 by the State Superintendent of Public Instruction, to
16 the school districts of the county where such pupils
17 attend school regardless of residence of such pupil,
18 provided the school district makes an ad valorem tax
19 levy of fifteen (15) mills for the current year and
20 maintains twelve (12) years of instruction.

21 Provided, notwithstanding any other provision of this section,
22 the total amounts deposited to the Common Education Technology
23 Revolving Fund, the Higher Education Capital Revolving Fund, the
24 Oklahoma Tuition Scholarship Revolving Fund, the Rural Economic

1 Action Plan Water Projects Fund, the Oklahoma Tourism and Recreation
2 Department Capital Expenditure Revolving Fund, the Oklahoma
3 Conservation Commission Infrastructure Revolving Fund and the
4 Community Water Infrastructure Development Revolving Fund pursuant
5 to paragraphs 5 and 6 of this section shall not exceed One Hundred
6 Fifty Million Dollars (\$150,000,000.00) in any fiscal year. All
7 sums in excess of One Hundred Fifty Million Dollars
8 (\$150,000,000.00) in any fiscal year which would otherwise be
9 deposited in such funds shall be placed by the State Treasurer in
10 the General Revenue Fund of the state.

11 SECTION 2. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 1004.1 of Title 68, unless there
13 is created a duplication in numbering, reads as follows:

14 A. Any county in which property is located and in service
15 which, on and after January 1, 2008, is exempt from ad valorem
16 taxation pursuant to the provisions of subsection B of Section
17 1001.1 of Title 68 of the Oklahoma Statutes, but upon which ad
18 valorem taxes were paid for calendar year 2007, may file a claim for
19 reimbursement in the amount of such taxes paid for calendar year
20 2007 on a form prescribed by the Oklahoma Tax Commission. Such
21 claim shall be filed prior to April 30, 2008, and prior to April 30
22 of each succeeding year. The claim shall contain a list of such
23 property and shall include the amount of ad valorem taxes paid upon
24 such property for calendar year 2007. Any such claim shall be

1 either approved or disapproved in whole or in part by the Tax
2 Commission by June 15, 2008, and June 15 of each succeeding year.

3 B. Prior to the apportionment of revenue to the General Revenue
4 Fund pursuant to the provisions of subparagraph a of paragraph 2 and
5 subparagraph a of paragraph 3 of Section 1004 of Title 68 of the
6 Oklahoma Statutes for the fiscal year beginning July 1, 2008, and
7 for succeeding fiscal years, the Tax Commission shall withhold an
8 amount sufficient to pay claims approved pursuant to the provisions
9 of subsection A of this section and shall pay such claims in the
10 order they were received. The Tax Commission is hereby authorized
11 to create an agency special account into which such amount shall be
12 deposited and from which claims received as provided in this section
13 may be paid.

14 C. If the Tax Commission determines that an exemption has been
15 erroneously or unlawfully granted, it shall notify the appropriate
16 county assessor who shall immediately value and assess the property
17 and place it on the rolls for ad valorem taxation. No claim for
18 reimbursement shall be filed or paid pursuant to the provisions of
19 this section upon any property upon which ad valorem tax is paid for
20 any year.

21 D. The county treasurer shall apportion or disburse funds
22 received pursuant to the provisions of this section in the same
23 manner as other ad valorem tax collections.

24

1 E. The Tax Commission shall promulgate rules as may be
2 necessary to implement the provisions of this section.

3 SECTION 3. AMENDATORY 68 O.S. 2001, Section 2817, as
4 last amended by Section 70, Chapter 16, O.S.L. 2006 (68 O.S. Supp.
5 2006, Section 2817), is amended to read as follows:

6 Section 2817. A. All taxable personal property, except
7 intangible personal property, personal property exempt from ad
8 valorem taxation, or household personal property, shall be listed
9 and assessed each year at its fair cash value, estimated at the
10 price it would bring at a fair voluntary sale, as of January 1.

11 The fair cash value of household personal property shall be
12 valued at ten percent (10%) of the appraised value of the
13 improvement to the residential real property within which such
14 personal property is located as of January 1 each year. The
15 assessment of household personal property as provided by this
16 section may be altered by the taxpayer listing such property at its
17 actual fair cash value. For purposes of establishing the value of
18 household personal property, pursuant to the requirement of Section
19 8 of Article X of the Oklahoma Constitution, the percentage of value
20 prescribed by this section for the household personal property shall
21 be presumed to constitute the fair cash value of the personal
22 property.

23 All unmanufactured farm products shall be assessed and valued as
24 of the preceding May 31. Every person, firm, company, association,

1 or corporation, in making the assessment, shall assess all
2 unmanufactured farm products owned by the person, firm, company,
3 association or corporation on the preceding May 31, at its fair cash
4 value on that date instead of January 1.

5 Stocks of goods, wares and merchandise shall be assessed at the
6 value of the average amount on hand during the preceding year, or
7 the average amount on hand during the part of the preceding year the
8 stock of goods, wares or merchandise was at its January 1 location.

9 B. All taxable real property shall be assessed annually as of
10 January 1, at its fair cash value, estimated at the price it would
11 bring at a fair voluntary sale for:

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

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

17 The Ad Valorem Division of the Tax Commission shall be
18 responsible for the promulgation of rules which shall be followed by
19 each county assessor of the state, for the purposes of providing for
20 the equitable use valuation of locally assessed real property in
21 this state. Agricultural land and nonresidential improvements
22 necessary or convenient for agricultural purposes shall be assessed
23 for ad valorem taxation based upon the highest and best use for
24 which the property was actually used, or was previously classified

1 for use, during the calendar year next preceding January 1 on which
2 the assessment is made.

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

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

10 2. Soil productivity indices approved by the Ad Valorem
11 Division of the Tax Commission;

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

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

21 The final use value will be calculated using the soil
22 productivity indices and the agricultural use classification as
23 defined by rules promulgated by the State Board of Equalization.
24 This subsection shall not be construed in a manner which is

1 inconsistent with the duties, powers and authority of the Board as
2 to valuation of the counties as fixed and defined by Section 21 of
3 Article X of the Oklahoma Constitution.

4 However, in calculating the use value of buffer strips as
5 defined in Section 2817.2 of this title, exclusive consideration
6 shall be based only on income from production agriculture from such
7 buffer strips, not including federal or state subsidies, when valued
8 as required by subsection C of Section 2817.2 of this title.

9 D. The use value of nonresidential improvements on agricultural
10 land shall be based on the cost approach to value estimation using
11 currently updated cost manuals published by the Marshall and Swift
12 Company or similar cost manuals approved by the Ad Valorem Division
13 of the Tax Commission. The use value estimates for the
14 nonresidential improvements shall take obsolescence and depreciation
15 into consideration in addition to necessary adjustments for local
16 variations in the cost of labor and materials. This section shall
17 not be construed in a manner which is inconsistent with the duties,
18 powers and authority of the Board as to equalization of valuation of
19 the counties as determined and defined by Section 21 of Article X of
20 the Oklahoma Constitution.

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

23 1. The Ad Valorem Division of the Tax Commission is hereby
24 directed to develop a standard system of valuation of both real and

1 personal property of such facilities, which shall be used by all
2 county assessors in this state, under which valuation based on the
3 following shall be presumed to be the fair cash value of the
4 property:

5 a. for real property, a ten-year depreciation schedule,
6 at the end of which the residual value is twenty
7 percent (20%) of the value of the facility during its
8 first year of operation, and

9 b. for personal property, a five-year depreciation
10 schedule, at the end of which the residual value is
11 zero;

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

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

20 4. For the purpose of determining the valuation of
21 nonresidential improvements used for poultry production, the
22 provisions of this subsection shall be applicable and such
23 improvements shall not be considered to be commercial property.
24

1 E. The value of investment in property used exclusively by an
2 oil refinery that is used wholly as a facility, device or method for
3 the desulphurization of gasoline or diesel fuel as defined in
4 Section 2817.3 of this title shall not be included in the
5 capitalization used in the determination of fair market value of
6 such oil refinery if such property would qualify as exempt property
7 pursuant to Section 2902 of this title, whether or not an
8 application for such exemption is made by an otherwise qualifying
9 manufacturing concern owning the property described by Section
10 2817.3 of this title.

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

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

17 2. That by reason of the amount of the sales consideration it
18 is obvious that the use classification prior to the transfer of the
19 property is not commensurate with and would not justify the amount
20 of the sales consideration of the property;

21 then the assessor shall, in either event, reassess the property for
22 the new use classification for which the property is being used, or,
23 the highest and best use classification for which the property may,
24 by reason of the transfer, be classified for use.

1 G. When the term "fair cash value" or the language "fair cash
2 value, estimated at the price it would bring at a fair voluntary
3 sale" is used in the Ad Valorem Tax Code, in connection with and in
4 relation to the assessment of real property, it is defined to mean
5 and shall be given the meaning ascribed and assigned to it in this
6 section and when the term or language is used in the Code in
7 connection with the assessment of personal property it shall be
8 given its ordinary or literal meaning.

9 H. Where any real property is zoned for a use by a proper
10 zoning authority, and the use of the property has not been changed,
11 the use and not zoning shall determine assessment. Any reassessment
12 required shall be effective January 1 following the change in use.
13 Taxable real property need not be listed annually with the county
14 assessor.

15 I. If any real property shall become taxable after January 1 of
16 any year, the county assessor shall assess the same and place it
17 upon the tax rolls for the next ensuing year. When any building is
18 constructed upon land after January 1 of any year, the value of the
19 building shall be added by the county assessor to the assessed
20 valuation of the land upon which the building is constructed at the
21 fair cash value thereof for the next ensuing year. However, after
22 the building has been completed it shall be deemed to have a value
23 for assessment purposes of the fair cash value of the materials used
24 in such building only, until the building and the land on which the

1 building is located shall have been conveyed to a bona fide
2 purchaser or shall have been occupied or used for any purpose other
3 than as a sales office by the owner thereof, or shall have been
4 leased, whichever event shall first occur. The county assessor
5 shall continue to assess the building based upon the fair market
6 value of the materials used therein until the building and land upon
7 which the building is located shall have been conveyed to a bona
8 fide purchaser or is occupied or used for any purpose other than as
9 a sales office by the owner thereof, or is leased, whichever event
10 shall first occur. However, the fair cash value of a lot in any
11 platted addition or a subdivision in a city, town or county zoned
12 for residential, commercial, industrial or other use shall be deemed
13 to be the total purchase price paid by the developer of the addition
14 or subdivision for the land comprising the platted addition or
15 subdivision divided by the number of lots contained in the addition
16 or subdivision until the lot with building or buildings located
17 thereon shall have been conveyed to a bona fide purchaser or shall
18 have been occupied other than as a sales office by the owner
19 thereof, or shall have been leased, whichever event shall first
20 occur. One who purchases a lot for the purposes of constructing and
21 selling a building on such lot shall not be deemed to be a bona fide
22 purchaser for purposes of this section. However, if the lot is held
23 for a period longer than two (2) years before construction, then the
24 assessor may consider the lot to have been conveyed to a bona fide

1 purchaser. The cost of any land or improvements to any real
2 property required to be dedicated to public use, including, but not
3 limited to, streets, curbs, gutters, sidewalks, storm or sanitary
4 sewers, utilities, detention or retention ponds, easements, parks or
5 reserves shall not be utilized by the county assessor in the
6 valuation of any real property for assessment purposes.

7 J. In case improvements on land or personal property located
8 therein or thereon are destroyed by fire, lightning, storm, winds,
9 floodwaters, overflow of streams or other cause, or the value of
10 land is impaired, damaged or destroyed by fire, lightning, storm,
11 winds, floodwaters, overflow of streams or other cause, after
12 January 1 and before the adjournment of the county board of
13 equalization during any year, the county board of equalization, in
14 cooperation with the county assessor, shall determine the amount of
15 damage, and shall make an order directing the assessment of the
16 property for that year at the fair cash value of the property, as
17 defined herein, taking into account the damage occasioned by fire,
18 lightning, storm, winds, floodwaters, overflow of streams or other
19 cause.

20 K. All taxable personal property used in the exploration of
21 oil, natural gas, or other minerals, including drilling equipment
22 and rigs, shall be assessed annually at the value set forth in the
23 first Hadco International monthly bulletin published for the tax
24

1 year, using the appropriate depth rating assigned to the drawworks
2 by its manufacturer and the actual condition of the rig.

3 L. All pipe which is used in the gathering, transportation, or
4 delivery of petroleum-based products, whether active or idle, shall
5 be assessed annually at a value no higher than that set forth in the
6 most current manual published by the Marshall and Swift Company.

7 SECTION 4. AMENDATORY 68 O.S. 2001, Section 2945, is
8 amended to read as follows:

9 Section 2945. A. If any person shall knowingly and willfully
10 make or give under oath or affirmation a false and fraudulent list
11 of ~~his~~ taxable personal property, or a false and fraudulent list of
12 any taxable personal property under ~~his~~ the control of the person or
13 required to be listed by ~~him~~ the person, or shall knowingly and
14 willfully make false answer to any question which may be put ~~to him~~
15 under oath by any person, board or commission authorized to examine
16 persons under oath in relation to the value or amount of any taxable
17 personal property, ~~such~~ the person shall be deemed guilty of the
18 felony of perjury, and upon conviction ~~thereof~~ shall be punished
19 ~~therefor~~ as is provided by law for the punishment of the felony of
20 perjury.

21 B. If any taxpayer, or any official, employee, or agent of ~~such~~
22 the taxpayer, shall fail or refuse, upon proper request, to permit
23 the inspection of any property or the examination of any books,
24 records and papers by any person authorized by the Ad Valorem Tax

1 Code to do so, or shall fail or refuse to comply with any subpoena
2 duces tecum legally issued under authority of this Code, ~~such~~ the
3 taxpayer shall be stopped from questioning or contesting the amount
4 or validity of any assessment placed upon ~~his~~ the property of the
5 taxpayer to the board of equalization. Nothing in this section
6 shall impair or impede the right of the taxpayer to appeal any order
7 of the board of equalization to the district court as provided for
8 in Section 2880.1 of this title.

9 SECTION 5. This act shall become effective January 1, 2008.

10 Passed the House of Representatives the 14th day of March, 2007.

11
12
13 Presiding Officer of the House of
14 Representatives

15 Passed the Senate the ____ day of _____, 2007.

16
17
18 Presiding Officer of the Senate