

THE HOUSE OF REPRESENTATIVES
Thursday, March 6, 2008

Committee Substitute for
House Bill No. 3229

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 3229 - By: KEY AND TERRILL of the House.

(school funding - Disputed Ad Valorem Tax Fund - investment of certain ad valorem taxes - protested funds - effective date – emergency)

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

1 SECTION 1. AMENDATORY 68 O.S. 2001, Section 2867, is amended to read
2 as follows:
3 Section 2867. A. As soon as practicable after the assessment rolls are corrected and
4 adjusted by the county board of equalization through the first Monday in June, the
5 county assessor shall make out an abstract thereof, containing the total amount of
6 property listed under the various classifications appearing on the blank forms for the
7 listing and assessment of property, and the total value of each class, and it shall be the
8 mandatory duty of the county assessor under the penalties as outlined pursuant to
9 Section 2943 of this title, to transmit this abstract to the Oklahoma Tax Commission not
10 later than June 15 of each year or the first working day thereafter, unless delayed by
11 court action or other causes beyond his control.

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

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

12 D. Within ten (10) days after the county assessor of each county receives from the
13 State Board of Equalization the certificates of assessment of all railroads, air carriers
14 and public service corporations, and the equalized value of real and personal property of
15 such county, it shall be the duty of the county assessor to prepare and file with the
16 county excise board an abstract of the assessed valuations of the county and each
17 municipal subdivision thereof as shown by ~~his~~ the records through that date; ~~and said.~~
18 The county assessor shall omit and show as a separate item any ad valorem taxable
19 value of real or personal property the fair cash value of which has been protested for that
20 assessment year of which the county assessor has been made aware. The abstract shall
21 show separately the valuations of all personal property, real property, railroad and air

1 carrier property and public service corporation property, in each municipality, and shall
2 be properly totaled and balanced.

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

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

- 13 1. Student enrollment by grade level;
- 14 2. Pupil category counts; and
- 15 3. Transportation supplement data.

16 On or before December 30, the State Department of Education shall determine each
17 school district's current year allocation pursuant to subsection D of this section. The
18 State Department of Education shall complete an audit, using procedures established by
19 the Department, of the student enrollment by grade level data, pupil category counts and
20 transportation supplement data to be used in the State Aid Formula pursuant to
21 subsection D of this section by December 1 and by January 15 shall notify each school
22 district of the district's final State Aid allocation for the current school year. The

UNDERLINED language denotes Amendments to present Statutes.
BOLD FACE CAPITALIZED language denotes Committee Amendments.
~~Strike thru~~ language denotes deletion from present Statutes.

1 January payment of State Aid and each subsequent payment for the remainder of the
2 school year shall be based on the final State Aid allocation as calculated in subsection D
3 of this section. Except for reductions made due to the assessment of penalties by the
4 State Department of Education according to law, the January payment of State Aid and
5 each subsequent payment for the remainder of the school year shall not decrease by an
6 amount more than the amount that the current chargeable revenue increases for that
7 district.

8 B. The State Department of Education shall retain not less than one and one-half
9 percent (1 1/2%) of the total funds appropriated for financial support of schools, to be
10 used to make midyear adjustments in State Aid and which shall be reflected in the final
11 allocations. If the amount of appropriated funds, including the one and one-half percent
12 (1 1/2%) retained, remaining after January 1 of each year is not sufficient to fully fund
13 the final allocations, the Department shall recalculate each school district's remaining
14 allocation pursuant to subsection D of this section using the reduced amount of
15 appropriated funds.

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

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

7 The December calculation of per pupil revenue shall be determined by dividing the
8 district's preceding year's total weighted average daily membership (ADM) into the
9 district's preceding year's total revenues excluding federal revenue, insurance loss
10 payments, reimbursements, recovery of overpayments and refunds, unused reserves,
11 prior expenditures recovered, prior year surpluses, and less the amount of any transfer
12 fees paid in that year.

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

15 1. Foundation Aid shall be determined by subtracting the amount of the
16 Foundation Program Income from the cost of the Foundation Program and adding to this
17 difference the Transportation Supplement.

18 a. The Foundation Program shall be a district's highest weighted average
19 daily membership based on the first nine (9) weeks of the current
20 school year, the preceding school year or the second preceding school
21 year of a school district, as determined by the provisions of subsection
22 A of Section 18-201.1 of this title and paragraphs 1, 2, 3 and 4 of

1 subsection B of Section 18-201.1 of this title, multiplied by the Base
2 Foundation Support Level.

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

4 (1) The adjusted assessed valuation of the current school year of the
5 school district, minus the ~~previous year~~ protested ad valorem
6 ~~tax revenues held as prescribed in Section 2884 of Title 68 of the~~
7 ~~Oklahoma Statutes~~ taxable value which has been omitted from
8 the abstract prepared by the county assessor as prescribed in
9 Section 2867 of Title 68 of the Oklahoma Statutes, multiplied by
10 the mills levied pursuant to subsection (c) of Section 9 of Article
11 X of the Oklahoma Constitution, if applicable, as adjusted in
12 subsection (c) of Section 8A of Article X of the Oklahoma
13 Constitution. For purposes of this subsection, the “adjusted
14 assessed valuation of the current school year” shall be the
15 adjusted assessed valuation on which tax revenues are collected
16 during the current school year, and

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

21 (3) Motor Vehicle Collections, and

22 (4) Gross Production Tax, and

1 (5) State Apportionment, and

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

3 The items listed in divisions (3), (4), (5), and (6) of this subparagraph
4 shall consist of the amounts actually collected from such sources
5 during the preceding fiscal year calculated on a per capita basis on the
6 unit provided for by law for the distribution of each such revenue.

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

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

12 b. The per capita allowance shall be determined using the following
13 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

1	.3917 - .4083	\$154.00	1.7500 - 1.9642	\$86.00
2	.4084 - .4249	\$152.00	1.9643 - 2.1785	\$84.00
3	.4250 - .4416	\$150.00	2.1786 - 2.3928	\$81.00
4	.4417 - .4583	\$147.00	2.3929 - 2.6249	\$79.00
5	.4584 - .4749	\$145.00	2.6250 - 2.8749	\$77.00
6	.4750 - .4916	\$143.00	2.8750 - 3.1249	\$75.00
7	.4917 - .5083	\$141.00	3.1250 - 3.3749	\$73.00
8	.5084 - .5249	\$139.00	3.3750 - 3.6666	\$70.00
9	.5250 - .5416	\$136.00	3.6667 - 3.9999	\$68.00
10	.5417 - .5583	\$134.00	4.0000 - 4.3333	\$66.00
11	.5584 - .5749	\$132.00	4.3334 - 4.6666	\$64.00
12	.5750 - .5916	\$130.00	4.6667 - 4.9999	\$62.00
13	.5917 - .6133	\$128.00	5.0000 - 5.5000	\$59.00
14	.6134 - .6399	\$125.00	5.5001 - 6.0000	\$57.00
15	.6400 - .6666	\$123.00	6.0001 - 6.5000	\$55.00
16	.6667 - .6933	\$121.00	6.5001 - 7.0000	\$53.00
17	.6934 - .7199	\$119.00	7.0001 - 7.3333	\$51.00
18	.7200 - .7466	\$117.00	7.3334 - 7.6667	\$48.00
19	.7467 - .7733	\$114.00	7.6668 - 8.0000	\$46.00
20	.7734 - .7999	\$112.00	8.0001 - 8.3333	\$44.00
21	.8000 - .8266	\$110.00	8.3334 - 8.6667	\$42.00
22	.8267 - .8533	\$108.00	8.6668 - 9.0000	\$40.00

1	.8534 - .8799	\$106.00	9.0001 - 9.3333	\$37.00
2	.8800 - .9066	\$103.00	9.3334 - 9.6667	\$35.00
3	.9067 - .9333	\$101.00	9.6668 or more	\$33.00

4 c. The formula transportation factor shall be 1.39.

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

6 a. Multiply the Incentive Aid guarantee by the district's highest weighted
7 average daily membership based on the first nine (9) weeks of the
8 current school year, the preceding school year or the second preceding
9 school year of a school district, as determined by the provisions of
10 subsection A of Section 18-201.1 of this title and paragraphs 1, 2, 3 and
11 4 of subsection B of Section 18-201.1 of this title.

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

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

1 b of this paragraph. The product shall be the Salary Incentive Aid of
2 the district.

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

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

1 in the State Aid Formula, shall be determined by subtracting the net assessed valuation
 2 of the property upon which taxes were deemed uncollectible from the assessed valuation
 3 of the school district and the state. Upon request of the local board of education, it shall
 4 be the duty of the county assessor to certify to the Director of Finance of the State
 5 Department of Education the net assessed valuation of the property upon which taxes
 6 were determined uncollectible.

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

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

17	Total Amount of General Fund Collections, Excluding Previous Year Cash Surplus as of June 30	Amount of General Fund Balance Allowable
21	Less than \$1,000,000	40%
22	\$1,000,000 - \$2,999,999	35%

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1	\$3,000,000 - \$3,999,999	30%
2	\$4,000,000 - \$4,999,999	25%
3	\$5,000,000 - \$5,999,999	20%
4	\$6,000,000 - \$7,999,999	18%
5	\$8,000,000 - \$9,999,999	16%
6	\$10,000,000 or more	14%

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

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

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

6 5. If a school district does not receive Foundation and/or Salary Incentive Aid
7 during the preceding fiscal year, the State Board of Education may waive the penalty
8 assessed in this subsection if the penalty would result in a loss of more than forty percent
9 (40%) of the remaining State Aid to be allocated to the school district between April 1 and
10 the remainder of the school year and if the Board determines the penalty will cause the
11 school district not to meet remaining financial obligations.

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

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

1 8. Any school district which receives proceeds from a sales tax levied by a
2 municipality pursuant to Section 22-159 of Title 11 of the Oklahoma Statutes or proceeds
3 from a sales tax levied by a county pursuant to Section 1370 of Title 68 of the Oklahoma
4 Statutes during the 2003-2004 school year or the 2004-2005 school year shall be exempt
5 from the penalties assessed in this subsection, if the penalty would occur solely as a
6 result of receiving funds from the sales tax levy.

7 9. For purposes of calculating the general fund balance penalty, the terms
8 “carryover” and “general fund balance” shall not include federal revenue.

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

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

22 a. the assessed valuation of property,

- 1 b. motor vehicle collections,
- 2 c. R.E.A. tax collected, and
- 3 d. gross productions tax collected.

4 2. Beginning July 1, 1997, the State Auditor and Inspector’s Office,
5 notwithstanding any provision of law to the contrary, shall report monthly to the
6 Oklahoma State Department of Education the monthly apportionment of the proceeds of
7 the county levy.

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

11 4. Beginning July 1, 1997, the county treasurers’ offices, notwithstanding any
12 provision of law to the contrary, shall report monthly to the Oklahoma State Department
13 of Education the ad valorem tax protest amounts for each county.

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

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

21 A. There is hereby created in the State Treasury a fund to be known as the
22 “Disputed Ad Valorem Tax Fund”.

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

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

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

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

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

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

7 B. When such taxes are paid, or by December 31, whichever is earlier, the persons
8 protesting the taxes shall give notice to the county treasurer that an appeal involving
9 such taxes has been taken and is pending, and shall set forth the total amount of tax that
10 has been paid under protest or required by law to be paid prior to April 1 that will be
11 paid under protest. The notice shall be on a form prescribed by the Tax Commission. If
12 taxes are paid in two equal installments and the amount paid under protest does not
13 exceed fifty percent (50%) of the full amount of assessed taxes, all protested taxes shall
14 be specified in the second installment payment. If such amount does exceed fifty percent
15 (50%) of the full amount of assessed taxes, then the portion of protested taxes that
16 exceeds fifty percent (50%) of the full amount of assessed taxes shall be specified in the
17 first installment payment and the entire second installment shall be specified to be paid
18 under protest. The taxpayer shall attach to such notice a copy of the petition filed in the
19 court or other appellate body in which the appeal was taken. For railroads, air carriers,
20 and public service corporations, the amount of taxes protested shall not exceed the
21 amount of tax calculated on the protested assessed valuation specified in the complaint
22 filed pursuant to the provisions of subsection A of Section 2881 of this title.

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

6 D. Except for ad valorem taxes deposited with the State Treasurer pursuant to
7 Section 3 of this act, it shall be the duty of the county treasurer to hold taxes paid under
8 protest separate and apart from other taxes collected. Any portion of such taxes not paid
9 under protest shall be apportioned as provided by law. The Except for ad valorem taxes
10 deposited with the State Treasurer pursuant to Section 3 of this act, the treasurer shall
11 invest the protested taxes in the same a manner as the treasurer invests surplus tax to
12 provide for the accrual of interest on such protested funds not paid under protest at the
13 same rate of return on state funds invested by the State Treasurer for the same period of
14 time or the rate of return actually earned, whichever is greater, but shall select an
15 investment medium which will permit prompt refund or apportionment of the protested
16 taxes upon final determination of the appeal. In no case shall the amount of interest on
17 such protested funds be less than the interest that would have accrued if the funds had
18 actually been invested by the State Treasurer.

19 ~~D.~~ E. 1. Prior to January 31 of each year, the county treasurer shall determine the
20 amount of ad valorem taxes paid under protest and those ad valorem taxes that will be
21 paid under protest pursuant to subsection B of this section. The county treasurer shall
22 then notify the State Auditor and Inspector of the total amount of paid protested ad

1 valorem taxes and anticipated protested ad valorem taxes, the total amount of protested
2 taxes and anticipated protested taxes by each individual taxpayer, and how such paid
3 protested ad valorem taxes and anticipated protested ad valorem taxes would have been
4 apportioned to each school district and technology center school district by fund had such
5 amount of protested ad valorem taxes not been protested.

6 2. The State Auditor and Inspector shall compile all of the information submitted
7 by the county treasurers in a format which shall set forth the total amount of paid and
8 anticipated protested taxes for each school district and technology center school district
9 by fund and a total for each school district and technology center school district by fund.
10 This information shall then be submitted by the State Auditor and Inspector to the State
11 Superintendent of Public Instruction, the Director of the Oklahoma Department of
12 Career and Technology Education, the Speaker of the House of Representatives, and the
13 President Pro Tempore of the Senate. If any of the information submitted to the State
14 Auditor and Inspector changes after being submitted, the county treasurer shall notify
15 the State Auditor and Inspector and the State Auditor and Inspector shall submit revised
16 information to the parties enumerated in this paragraph within thirty (30) days of such
17 change.

18 3. Within ten (10) days of the release of the escrowed ad valorem taxes by the
19 county treasurer, as required by subsection ~~E~~ F of this section, the county treasurer shall
20 submit a schedule showing the disposition of the released funds, separated by fund for
21 each school district and technology center school, to the State Auditor and Inspector. The
22 State Auditor and Inspector shall certify the apportionment schedule and transmit a

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1 copy to the State Superintendent of Public Instruction and the Director of the Oklahoma
2 Department of Career and Technology Education.

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

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

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

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

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

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

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

UNDERLINED language denotes Amendments to present Statutes.
BOLD FACE CAPITALIZED language denotes Committee Amendments.
~~Strike thru~~ language denotes deletion from present Statutes.

1 SECTION 6. It being immediately necessary for the preservation of the public
2 peace, health and safety, an emergency is hereby declared to exist, by reason whereof
3 this act shall take effect and be in full force from and after its passage and approval.
4 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET,
5 dated 03-05-08 - DO PASS, As Amended and Coauthored.