

1 STATE OF OKLAHOMA

2 2nd Session of the 53rd Legislature (2012)

3 HOUSE BILL 2718

By: Reynolds

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5  
6 AS INTRODUCED

7 An Act relating to revenue and taxation; amending 68  
8 O.S. 2011, Section 2802, which relates to the Ad  
9 Valorem Tax Code; modifying definition of actual fair  
10 cash value; and providing an effective date.

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

13 SECTION 1. AMENDATORY 68 O.S. 2011, Section 2802, is  
14 amended to read as follows:

15 Section 2802. As used in Section 2801 et seq. of this title:

16 1. "Accepted standards for mass appraisal practice" means those  
17 standards for the collection and analysis of information about  
18 taxable properties within a taxing jurisdiction permitting the  
19 accurate estimate of fair cash value for similar properties in the  
20 jurisdiction either without direct observation of such similar  
21 properties or without direct sales price information for such  
22 similar properties using a reliable statistical or other method to  
23 estimate the values of such properties;

- 1        2. "Additional homestead exemption" means the exemption  
2 provided by Section 2890 of this title;
- 3        3. "Assessor" means the county assessor and, unless the context  
4 clearly requires otherwise, deputy assessors and persons employed by  
5 the county assessor in performance of duties imposed by law;
- 6        4. "Assess and value" means to establish the actual and taxable  
7 fair cash value of taxable real and personal property pursuant to  
8 requirements of law;
- 9        5. "Assessed valuation" or "assessed value" means the taxable  
10 value of real or personal property either of individual items of  
11 personal property or parcels of real property or the aggregate total  
12 of such individual taxable items or parcels within a jurisdiction;
- 13        6. "Assessment ratio" means the relationship between assessed  
14 value and taxable fair cash value for a county or for use categories  
15 within a county expressed as a percentage determined in the annual  
16 equalization ratio study;
- 17        7. "Assessment roll" means a computerized or noncomputerized  
18 record required by law to be kept by the county assessor and  
19 containing information about property within a taxing jurisdiction;
- 20        8. "Assessment year" means the year beginning January 1 of each  
21 calendar year and ending on December 31 preceding the following  
22 January 1 assessment date;
- 23        9. "Circuit breaker" means the form of property tax relief  
24 provided by Sections 2904 through 2911 of this title;

1       10. "Class of subjects" means a category of property  
2 specifically designated pursuant to provisions of the Oklahoma  
3 Constitution for purposes of ad valorem taxation;

4       11. "Code" means the Ad Valorem Tax Code, Section 2801 et seq.  
5 of this title;

6       12. "Coefficient of dispersion" means a statistical measure of  
7 assessment uniformity for a category of property or for all property  
8 within a taxing jurisdiction;

9       13. "Confidence level" means a statistical procedure for  
10 determining the degree of reliability for use in reporting the  
11 assessment ratio for a taxing jurisdiction;

12       14. "Cost approach" means a method used to establish the fair  
13 cash value of property involving an estimate of current construction  
14 cost of improvements, subtracting accrued depreciation and adding  
15 the value of land;

16       15. "County board of equalization" means the board which, upon  
17 hearing competent evidence, has the authority to correct and adjust  
18 the assessment rolls in its respective county to conform to fair  
19 cash value and such other responsibilities as prescribed in Section  
20 2801 et seq. of this title;

21       16. "Equalization" means the process for making adjustments to  
22 taxable property values within a county by analyzing the  
23 relationships between assessed values and fair cash values in one or  
24 more use categories within the county or between counties by

1 analyzing the relationship between assessed value and fair cash  
2 value in each county;

3 17. "Equalization ratio study" means the analysis of the  
4 relationships between assessed values and fair cash values in the  
5 manner provided by law;

6 18. "Actual fair cash value" means the value or price at which  
7 a willing buyer would purchase property and a willing seller would  
8 sell property if both parties are knowledgeable about the property  
9 and its uses and if neither party is under any undue pressure to buy  
10 or sell and for real property shall mean the value for the highest  
11 and best use for which such property was actually used, or was  
12 previously classified for use, during the calendar year next  
13 preceding the applicable January 1 assessment date, but "actual fair  
14 cash value" shall not exceed the consideration paid by a buyer  
15 whether the buyer acquires title to the property directly from the  
16 seller or whether the buyer purchases the property through a  
17 judicially ordered sale;

18 19. "Homestead exemption" means the reduction in the taxable  
19 value of a homestead as authorized by law;

20 20. "Income and expense approach" means a method to estimate  
21 fair cash value of a property by determining the present value of  
22 the projected income stream;

23 21. "List and assess" means the process by which taxable  
24 property is discovered, its description recorded for purposes of ad

1 | valorem taxation and its actual fair cash value and taxable fair  
2 | cash value are established;

3 |       22. "Mill" or "millage" means the rate of tax imposed upon  
4 | taxable value. One (1) mill equals One Dollar (\$1.00) of tax for  
5 | each One Thousand Dollars (\$1,000.00) of taxable value;

6 |       23. "Multiple regression analysis" means a statistical  
7 | technique for estimating unknown data on the basis of known and  
8 | available data;

9 |       24. "Parcel" means a contiguous area of land described in a  
10 | single description by a deed or other instrument or as one of a  
11 | number of lots on a plat or plan, separately owned and capable of  
12 | being separately conveyed;

13 |       25. "Sales comparison approach" means the collection,  
14 | verification, and screening of sales data, stratification of sales  
15 | information for purposes of comparison and use of such information  
16 | to establish the fair cash value of taxable property;

17 |       26. "State Board of Equalization" means the Board responsible  
18 | for valuation of railroad, airline and public service corporation  
19 | property and the adjustment and equalization of all property values  
20 | both centrally and locally assessed;

21 |       27. "Taxable value" means the percentage of fair cash value,  
22 | less applicable exemptions, upon which an ad valorem tax rate is  
23 | levied pursuant to the provisions of Section 8 of Article X of the  
24 | Oklahoma Constitution;

1        28. "Taxable fair cash value" means the actual fair cash value  
2 of locally assessed real property as capped by Section 8B of Article  
3 X of the Oklahoma Constitution;

4        29. "Use category" means a subcategory of real property, that  
5 is either agricultural use, residential use or commercial/industrial  
6 use but does not and shall not constitute a class of subjects within  
7 the meaning of the Oklahoma Constitution for purposes of ad valorem  
8 taxation;

9        30. "Use value" means the basis for establishing fair cash  
10 value of real property pursuant to the requirement of Section 8 of  
11 Article X of the Oklahoma Constitution; and

12        31. "Visual inspection program" means the program required in  
13 order to gather data about real property from physical examination  
14 of the property and improvements in order to establish the fair cash  
15 values of properties so inspected at least once each four (4) years  
16 and the fair cash values of similar properties on an annual basis.

17        SECTION 2. This act shall become effective January 1, 2013.

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