

1 STATE OF OKLAHOMA

2 2nd Session of the 54th Legislature (2014)

3 COMMITTEE SUBSTITUTE
4 FOR

5 HOUSE BILL NO. 3118

6 By: Roberts (Sean)

7 COMMITTEE SUBSTITUTE

8 [revenue and taxation - defining term - effective
9 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 2802.1, is
14 amended to read as follows:

15 Section 2802.1 A. For purposes of implementing Section 8B of
16 Article X of the Oklahoma Constitution:

17 1. "Any person" means any person or entity, whether real or
18 artificial, other than the present owner;

19 2. "Any year when title to the property is transferred,
20 changed, or conveyed to another person or when improvements have
21 been made to the property" means the year next preceding the January
22 1 assessment date;

1 3. a. "Improvement" means a valuable addition made to
2 property amounting to more than normal repairs,
3 replacement, maintenance or upkeep.

4 b. No county assessor shall make a determination that
5 improvements have been made to property otherwise
6 qualifying for the provisions of Section 8B of Article
7 X of the Oklahoma Constitution unless the expenditure
8 for such improvements exceeds the greater of Ten
9 Thousand Dollars (\$10,000.00) or ten percent (10%) of
10 the fair cash value of the improvements constituting
11 the homestead of the owner of such parcel as
12 determined on January 1 of the year during which the
13 improvements are made. For purposes of this
14 subparagraph and for purposes of this section, "fair
15 cash value" shall mean the value at which a willing
16 buyer and a willing seller would enter into contract
17 for the sale of such property if both parties are
18 knowledgeable about the property and its uses and
19 neither party is under any undue pressure to either
20 buy or sell the property and such value shall not be
21 limited to the maximum fair cash value that is subject
22 to ad valorem taxation pursuant to Section 8B of
23 Article X of the Oklahoma Constitution; and
24

1 4. "Transfers, change or conveyance of title" means all types
2 of transfers, changes or conveyances of any interest, whether legal
3 or equitable. However, "transfers, change or conveyance of title"
4 shall not include the following:

- 5 a. deeds recorded prior to January 1, 1996,
- 6 b. deeds which secure a debt or other obligation,
- 7 c. deeds which, without additional consideration,
8 confirm, correct, modify or supplement a deed
9 previously recorded,
- 10 d. deeds between husband and wife, or parent and child,
11 or any persons related within the second degree of
12 consanguinity, without actual consideration therefor,
13 or deeds between any person and an express revocable
14 trust created by such person or such person's spouse,
- 15 e. deeds of release of property which is security for a
16 debt or other obligation,
- 17 f. deeds of partition, unless, for consideration, some of
18 the parties take shares greater in value than their
19 undivided interests,
- 20 g. deeds made pursuant to mergers of partnerships,
21 limited liability companies or corporations, or deeds
22 pursuant to which property is transferred from a
23 person to a partnership, limited liability company or
24 corporation of which the transferor or the

1 transferor's spouse, parent, child, or other person
2 related within the second degree of consanguinity to
3 the transferor, or trust for primary benefit of such
4 persons, are the only owners of the partnership,
5 limited liability company or corporation,

6 h. deeds made by a subsidiary corporation to its parent
7 corporation for no consideration other than the
8 cancellation or surrender of the subsidiary's stock,
9 or

10 i. any deed executed pursuant to a foreclosure proceeding
11 in which the grantee is the holder of a mortgage on
12 the property being foreclosed, or any deed executed
13 pursuant to a power of sale in which the grantee is
14 the party exercising such power of sale or any deed
15 executed in favor of the holder of a mortgage on the
16 property in consideration for the release of the
17 borrower from liability on the indebtedness secured by
18 such mortgage except as to cash consideration paid.

19 B. This section shall be applied effective from the date of the
20 passage of Section 8B of Article X of the Oklahoma Constitution.

21 C. The Oklahoma Tax Commission shall promulgate rules necessary
22 to implement Section 8B of Article X of the Oklahoma Constitution
23 and this section.

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SECTION 2. This act shall become effective January 1, 2015.

54-2-10476 JM 02/27/14