HOUSE OF REPRESENTATIVES - FLOOR VERSION

STATE OF OKLAHOMA

2nd Session of the 54th Legislature (2014)

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 3118 By: Roberts (Sean)

COMMITTEE SUBSTITUTE

[revenue and taxation - defining term - effective date]

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

SECTION 1. AMENDATORY 68 O.S. 2011, Section 2802.1, is amended to read as follows:

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

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

2. "Any year when title to the property is transferred, changed, or conveyed to another person or when improvements have

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~~Strike thru~~ language denotes deletion from present Statutes.

been made to the property" means the year next preceding the January 1 assessment date;

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

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

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to ad valorem taxation pursuant to Section 8B of Article X of the Oklahoma Constitution; and

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

a. deeds recorded prior to January 1, 1996,

b. deeds which secure a debt or other obligation,

c. deeds which, without additional consideration, confirm, correct, modify or supplement a deed previously recorded,

d. deeds between husband and wife, or parent and child, or any persons related within the second degree of consanguinity, without actual consideration therefor, or deeds between any person and an express revocable trust created by such person or such person's spouse,

e. deeds of release of property which is security for a debt or other obligation,

f. deeds of partition, unless, for consideration, some of the parties take shares greater in value than their undivided interests,

g. deeds made pursuant to mergers of partnerships, limited liability companies or corporations, or deeds pursuant to which property is transferred from a

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

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

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

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

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

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

COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated 02/27/2014 - DO PASS, As Amended.

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