HOUSE OF REPRESENTATIVES - FLOOR VERSION

STATE OF OKLAHOMA

2nd Session of the 54th Legislature (2014)

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 3119 By: Roberts (Sean)

COMMITTEE SUBSTITUTE

An Act relating to revenue and taxation; amending 68 O.S. 2011, Sections 2876 and 2877, as amended by Section 2, Chapter 164, O.S.L. 2012 (68 O.S. Supp. 2013, Section 2877), which relate to protests regarding valuation increases; requiring assessor to provide multiple dates for informal conference; requiring county board of equalization to provide multiple dates for presentation of evidence; prohibiting final determinations of value under certain circumstances; and providing an effective date.

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

SECTION 1. AMENDATORY 68 O.S. 2011, Section 2876, is amended to read as follows:

Section 2876. A. If the county assessor shall increase the valuation of any property above that returned by the taxpayer, or in the case of real property increase the valuation over the assessment from the preceding year, or pursuant to the requirements of law if the assessor has added property not listed by the taxpayer, the

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county assessor shall notify in writing the person in whose name any such property is listed, giving the amount of such valuation as increased or valuation of property so added.

B. The notice required by this section shall, for cases in which the valuation of real property has increased, include the fair cash value of the property as used in determining the assessment for the preceding and current year, the taxable value for the preceding and current year, if different than the fair cash value, and the assessment percentage for the preceding and current year.

C. The notice required by this section may be mailed or delivered to the last-known address of the person affected or to the person in charge of or in possession of the property and shall clearly be marked with the date upon which the notice was prepared. Any notice dated as required by this section shall be mailed or delivered within one (1) working day of such date. The notice shall describe the property with sufficient accuracy to notify the taxpayer as to the property included, together with the assessed value of the property. Duplicate copies of the notice, showing the date of issuance and mailing or delivery, shall be kept in the office of the county assessor. Such record shall be prima facie evidence as to the fact of notice having been given as required by this section.

D. The taxpayer shall have ~~twenty (20) working~~ <u>thirty (30)</u> days from the date the notice was mailed or in the event that notice was

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delivered from the date of delivery in which to file a written complaint with the county assessor specifying objections to action taken by the county assessor; provided, in the case of a scrivener's error or other admitted error on the part of the county assessor, the assessor may make corrections to a valuation at any time, notwithstanding the ~~twenty-day~~ thirty-day period specified in this subsection. The complaint shall set out the pertinent facts in relation to the matter contained in the notice in ordinary and concise language and in such manner as to enable a person of common understanding to know what is intended. The complaint shall be made upon a form prescribed by the Oklahoma Tax Commission.

E. A taxpayer may file a complaint if the valuation of property has not increased or decreased from the previous year if the complaint is filed on or before the first Monday in May. Such complaint shall be made upon a form prescribed by the Oklahoma Tax Commission.

F. The county assessor shall schedule an informal hearing with the taxpayer to hear the protest as to the disputed valuation or addition of omitted property. The informal hearing may be held in person or may be held telephonically, if requested by the taxpayer. A taxpayer that is unable to personally appear at a scheduled informal hearing shall be given at least three opportunities to appear before the assessor makes a determination that the taxpayer has not participated in the informal hearing process. The assessor

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shall take final action upon the matter disputed within five (5) working days of the date of the informal hearing and shall mail or deliver notice of final action to the taxpayer. The notice of final action shall clearly be marked with the date upon which the notice was prepared. Such notice shall be mailed or delivered within one (1) working day of such date. Within ten (10) working days of the date the notice is mailed or delivered, the taxpayer may file an appeal with the county board of equalization. For purposes of this section, "working days" shall mean Monday through Friday and shall exclude Saturday and Sunday and any legal holidays. The appeal shall be made upon a form prescribed by the Oklahoma Tax Commission. One copy of the form shall be mailed or delivered to the county assessor and one copy shall be mailed or delivered to the county board of equalization. On receipt of the notice of an appeal to the county board of equalization by the taxpayer, the county assessor shall provide the county board of equalization with all information submitted by the taxpayer, data supporting the disputed valuation and a written explanation of the results of the informal hearing.

SECTION 2. AMENDATORY 68 O.S. 2011, Section 2877, as amended by Section 2, Chapter 164, O.S.L. 2012 (68 O.S. Supp. 2013, Section 2877), is amended to read as follows:

Section 2877. A. Upon receipt of an appeal from action by the county assessor on the form prescribed by the Oklahoma Tax Commission, the secretary of the county board of equalization shall

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fix a date of hearing, at which time said board shall be authorized and empowered to take evidence pertinent to said appeal; and for that purpose, is authorized to compel the attendance of witnesses and the production of books, records, and papers by subpoena, and to confirm, correct, or adjust the valuation of real or personal property or to cancel an assessment of personal property added by the assessor not listed by the taxpayer if the personal property is not subject to taxation or if the taxpayer is not responsible for payment of ad valorem taxes upon such property. The secretary of the board shall fix the dates of the hearings provided for in this section in such a manner as to ensure that the board is able to hear all complaints within the time provided for by law. <u>The county board of equalization shall provide at least three dates on which a taxpayer may personally appear and make a presentation of evidence. At least ten (10) days shall intervene between each such date. No final determination regarding valuation protests shall be made by a county board of equalization until the taxpayer shall have failed to appear for all three such dates.</u> The county board of equalization shall be required to follow the procedures prescribed by the Ad Valorem Tax Code or administrative rules and regulations promulgated pursuant to such Code governing the valuation of real and personal property. The county board of equalization shall not modify a valuation of real or personal property as established by the county assessor unless such modification is explained in writing upon a

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form prescribed by the Oklahoma Tax Commission. Each decision of the county board of equalization shall be explained in writing upon a form prescribed by the Oklahoma Tax Commission. The county board of equalization shall make a record of each proceeding involving an appeal from action by the county assessor either in transcribed or tape recorded form.

B. In all cases where the county assessor has, without giving the notice required by law, increased the valuation of property as listed by the taxpayer, and the taxpayer has knowledge of such adjustment or addition, the taxpayer may at any time prior to the adjournment of the board, file an appeal in the form and manner provided for in Section 2876 of this title. Thereafter, the board shall fix a date of hearing, notify the taxpayer, and conduct the hearing as required by this section.

C. The taxpayer or agent may appear at the scheduled hearing either in person, by telephone or other electronic means, or by affidavit.

D. If the taxpayer or agent fails to appear before the county board of equalization at the scheduled hearing, unless advance notification is given for the reason of absence, the county shall be authorized to assess against the taxpayer the costs incurred by the county in preparation for the scheduled hearing. If such costs are assessed, payment of the costs shall be a prerequisite to the filing of an appeal to the district court. A taxpayer that gives advance

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notification of their absence shall be given the opportunity to reschedule the hearing date.

E. 1. In order to increase taxpayer transparency, a member of the board of equalization shall not directly or indirectly communicate with the county assessor or any deputy assessor or designated agent on any matter relating to any pending appeal before the board of equalization prior to the actual hearing.

2. The provisions of paragraph 1 of this subsection shall not apply to a routine communication between the county assessor and the board of equalization that relates to the administration of an appraisal roll, including a communication made in connection with the certification, correction, or collection of an account that is not the subject of a pending appeal.

SECTION 3. 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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