ENGROSSED SENATE AMENDMENT
TO
ENGROSSED HOUSE
BILL NO. 1963 By: Watson of the House

and

Marlatt of the Senate

An Act relating to revenue and taxation; amending 68 O.S. 2011, Sections 2835, 2868 and 2884, which relate to the Ad Valorem Tax Code; modifying provision related to confidentiality of certain information; prohibiting increase in ad valorem taxes pursuant to certain final judgments in tax appeals; modifying provisions related to payment of taxes related to appeals from certain orders regarding valuation of property; and declaring an emergency.

AMENDMENT NO. 1. Page 1, restore the enacting clause and the emergency clause

AMENDMENT NO. 2. Page 1, substitute the following for the title, enacting clause and the entire body of the bill:

"An Act relating to revenue and taxation; amending 68 O.S. 2011, Sections 2835, 2868 and 2884, which relate to the Ad Valorem Tax Code; modifying provision related to confidentiality of certain information; prohibiting increase in ad valorem taxes pursuant to certain final judgments in tax appeals, and providing for exception thereto; modifying provisions related to payment of taxes related to appeals from certain orders regarding valuation of property; and declaring an emergency.

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

SECTION 1. AMENDATORY 68 O.S. 2011, Section 2835, is amended to read as follows:

Section 2835. A. On or before January 1 of each year, the Oklahoma Tax Commission shall prescribe for the use of all county assessors, suitable blank forms for the listing and assessment of all property, both real and personal. Such forms shall contain such information and instructions as may be necessary in order to obtain a full and complete list of all taxable property and such forms shall be used uniformly throughout the state. Any change in these forms must have the approval of the Tax Commission.

B. It shall be the duty of the county assessor to furnish such forms to any taxpayer upon request, and all personal property shall be listed on such forms in the manner provided therein. Such lists shall be signed and sworn to and filed with the county assessor not later than March 15 of each year; and such lists may show the description of real property, which may be by subdivision of quarter sections, or less if any such subdivision is owned in less quantity, describing such less quantity by United States Land Survey nomenclature if that can be done, otherwise by metes and bounds, according to ownership.

C. Real estate need not be listed by the taxpayer, but may be listed if the taxpayer so desires, in which case the list shall show the taxpayer's estimate of the value of each tract of land and shall separately show the value of the buildings and improvements thereon.

D. All such sworn lists of property shall contain such other information concerning both real and personal property as may be required by such forms so prescribed.

E. All such sworn lists of property, ~~and~~ any other documents produced by a taxpayer to the assessor or the board of equalization during the informal and formal hearing process, <u>or during discovery in any ad valorem tax appeal in the Court of Tax Review or the district court,</u> shall be protected as confidential and shall not be available for inspection under the Open Records Act.

SECTION 2. AMENDATORY 68 O.S. 2011, Section 2868, is amended to read as follows:

Section 2868. A. As soon as practicable, and not later than October 1, the county assessor shall prepare tax rolls containing all adjustments by either the equalization board or the excise board which have been completed and provided to the assessor, and containing:

1. A list or lists in alphabetical order of all the persons and bodies corporate in whose name any personal or public service property has been assessed, with the assessed valuation thereof distinguished by separate amounts if located in more than one school district and by the number of each school district, each in a separate column opposite the name, and the total amount of the tax as to each school district location extended in another column. In

city and town districts, distinction shall be made as to urban and rural locations;

2. A list or lists of all taxable lands in the county or school districts of the county, not including city or town lots, nor unplatted tracts of land inside a city or town, in numerical order, commencing with the lowest numbered section and the different subdivisions and fractional parts thereof in the lowest numbered township in the lowest numbered range in the county, and ending with the highest numbered section, township and range, with the number of the school district located in and the name of the owner in each instance, the assessed valuation of each tract, and the total amount of taxes extended in separate columns opposite each tract in the same manner as provided in the alphabetical list or lists of names; except where homestead exemptions are involved, then by distinctive valuations and amounts of tax as hereinafter provided; and

3. A list of the city or town lots in each city or town and the unplatted tracts in each city or town in the county, commencing with the lowest numbered section in the lowest numbered township in the lowest numbered range in the county and the different subdivisions and fractional parts thereof and ending with the highest numbered section, township and range, and the number of acres in each tract with the name of the owner in each instance, and the valuation and total tax extended in separate columns in the same manner as hereinbefore provided in respect to personal property and lands,

except homesteads which shall be distinguished as provided for lands. Each lot shall be separately listed, except as hereinafter provided, and the valuation and tax separately extended thereon. Where one building or one set of improvements is situated on two or more lots or parts of lots so as to preclude distinction as to the value of improvements as to each such lot or parts of lots, such lots or parts of lots shall be listed together with one valuation, and the tax extended in one amount. Unless the owner otherwise elects, vacant lots valued and equalized at Ten Dollars ($10.00) or less per lot and belonging to the same owner may, if adjacent and lying within the same city or town block, be so listed with one valuation and the tax extended in one amount; and in either or any event where more than one lot or part of lot is listed under one valuation, the tax rolls shall disclose whether the same be vacant or improved. All additions to cities and towns shall be arranged in the tax rolls in alphabetical order immediately following the original townsite.

B. In applying the tax rate to determine the amount of tax due, the county assessor shall compute same to the nearest dollar, that is, any fraction of a dollar in the amount of fifty cents ($0.50) or less shall be disregarded, and any fraction of a dollar in the amount of fifty-one cents ($0.51) or more shall be shown as a full dollar. The total amount of the tax due and extended on the tax rolls, as required by this section, shall be determined and shown

accordingly. Provided, however, in all cases where, under the tax rate, the tax is computed to be less than One Dollar ($1.00), then the tax due shall be shown as One Dollar ($1.00). Once the total amount of taxes due is calculated and extended onto the tax rolls, the amount of taxes due or value upon which the tax was assessed cannot be increased by a final judgment in any tax appeal filed pursuant to Section 2880.1 or Section 2881 of this title. The limitation on taxes due in the preceding sentence shall not apply in cases of omitted property.

C. Each property, whether lands or lots, lawfully exempted from taxation in whole or in part by reason of a homestead interest, shall be distinguished upon the tax rolls by the word "homestead" or an appropriate symbol, and opposite each of such properties shall be entered in separate columns the total assessed valuation, the value of the exemption allowed and approved and the assessed valuation after the amount of exemption allowed has been deducted. In extending the tax the county assessor shall, as to each such property, consolidate all levies to which the homestead exemption is subject, compute the tax thereon and enter the same in one column in one amount, and all the levies to which the valuation in excess of the homestead exemption is subject, compute the tax thereon and enter the same in another column in one amount.

D. All real property which is exempt from taxation shall be listed in the tax rolls, with the name of the owner, in all respects

as if the same were taxable but with the reason for the exemption noted thereon across the columns where otherwise the tax would have been entered.

E. The county treasurer shall transfer to the tax rolls for the current year, in a separate column, all delinquent taxes remaining unpaid for the previous years, distinguishing the same as to each lot and tract of land by the year and amount of tax, exclusive of penalty, as to all real properties; and when giving a statement of taxes on any property, said statement shall include all taxes due and shall designate the sum due for the current year, and the sum past due and delinquent. Said transfer to the current rolls of unpaid real property tax of previous years is hereby declared to be mandatory; and the county treasurer shall be allowed not to exceed fifteen (15) days after the delivery to him of said current rolls within which to make such transfer, before he shall be required to open the same for the reception and collection of taxes and to begin the thirty-day nonpenalty-taxpaying period before delinquency.

F. The tax rolls shall be made up as required by and in the form prescribed by the State Auditor and Inspector and shall contain such other information as may be required by the State Auditor and Inspector.

SECTION 3. AMENDATORY 68 O.S. 2011, Section 2884, is amended to read as follows:

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

B. When such taxes are paid, or by December 31, whichever is earlier, the persons protesting the taxes shall give notice to the county treasurer that an appeal involving such taxes has been taken and is pending, and shall set forth the total amount of tax that has been paid under protest or required by law to be paid prior to April 1 that will be paid under protest. The notice shall be on a form prescribed by the Tax Commission. If taxes are paid in two equal installments and the amount paid under protest does not exceed fifty percent (50%) of the full amount of assessed taxes, all protested taxes shall be specified in the second installment payment. If such amount does exceed fifty percent (50%) of the full amount of assessed taxes, then the portion of protested taxes that exceeds fifty percent (50%) of the full amount of assessed taxes shall be specified in the first installment payment and the entire second installment shall be specified to be paid under protest. The taxpayer shall attach to such notice a copy of the petition filed in the court or other appellate body in which the appeal was taken.

For railroads, air carriers, and public service corporations, the amount of taxes protested shall not exceed the amount of tax calculated on the protested assessed valuation specified in the complaint filed pursuant to the provisions of subsection A of Section 2881 of this title.

C. It shall be the duty of the county treasurer to hold taxes paid under protest separate and apart from other taxes collected. Any portion of such taxes not paid under protest shall be apportioned as provided by law. Except as otherwise provided for in this subsection, the treasurer shall invest the protested taxes in the same manner as the treasurer invests surplus tax funds not paid under protest, but shall select an interest-bearing investment medium which will permit prompt refund or apportionment of the protested taxes upon final determination of the appeal. In cases where the amount of the protested ad valorem taxes by a taxpayer is in excess of Fifteen Thousand Dollars ($15,000.00), the taxpayer may elect to choose the type of investment and where the investment of the protested funds will be deposited as long as the investment is of a type authorized for the county, the depository institution qualifies as a county depository, and the depository institution is located in the applicable county.

D. 1. Prior to January 31 of each year, the county treasurer shall determine the amount of ad valorem taxes paid under protest and those ad valorem taxes that will be paid under protest pursuant

to subsection B of this section. The county treasurer shall then notify the State Auditor and Inspector of the total amount of paid protested ad valorem taxes and anticipated protested ad valorem taxes, the total amount of protested taxes and anticipated protested taxes by each individual taxpayer, and how such paid protested ad valorem taxes and anticipated protested ad valorem taxes would have been apportioned to each school district and technology center school district by fund had such amount of protested ad valorem taxes not been protested.

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

3. Within ten (10) days of the release of the escrowed ad valorem taxes by the county treasurer, as required by subsection E of this section, the county treasurer shall submit a schedule showing the disposition of the released funds, separated by fund for each school district and technology center school, to the State Auditor and Inspector. The State Auditor and Inspector shall certify the apportionment schedule and transmit a copy to the State Superintendent of Public Instruction and the Director of the Oklahoma Department of Career and Technology Education.

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

E. 1. In cases involving taxpayers other than railroads, air carriers, or public service corporations, if upon the final determination of any such appeal, the court shall find that the property was assessed at too great an amount, the board of equalization from whose order the appeal was taken shall certify the corrected valuation of the property of such taxpayers to the county assessor, in accordance with the decision of the court, and shall send a copy of such certificate to the county treasurer. Upon receipt of the corrected certificate of valuation, the county assessor shall compute and certify to the county treasurer the correct amount of taxes payable by the taxpayer. The difference between the amount paid and the correct amount payable, with accrued interest, shall be refunded by the treasurer to the taxpayer upon

the taxpayer filing a proper verified claim therefor, and the remainder paid under protest, with accrued interest, shall be apportioned as provided by law.

2. If upon the final determination of any appeal, the court shall find that the property of the railroad, air carrier, or public service corporation was assessed at too great an amount, the State Board of Equalization from whose order the appeal was taken shall certify the corrected valuation of the property of the railroads, air carriers, and public service corporations to the State Auditor and Inspector in accordance with the decision of the court. Upon receipt of the corrected certificate of valuation, the State Auditor and Inspector shall certify to the county treasurer the correct valuation of the railroad, air carrier, or public service corporation and shall send a copy of the certificate to the county assessor, who shall make the correction as specified in Section 2871 of this title. The difference between the amount paid and the correct amount payable with accrued interest shall be refunded by the treasurer upon the taxpayer filing a proper verified claim, and the remainder paid under protest with accrued interest shall be apportioned according to law.

F. If an appeal is upon a question of valuation of the property, then the amount paid under protest by reason of the question of valuation being appealed shall be limited to the amount of taxes assessed against the property for the year in question less

the amount of taxes which would be payable by the taxpayer for that year if the valuation of the property asserted by the taxpayer in the appeal were determined by the court to be correct. If an appeal is timely filed by a taxpayer pursuant to subsection A of Section 2880.1 of this title, the amount of taxes payable by the taxpayer shall not exceed the amount based upon the value originally submitted by the assessor to the county board of equalization. If an appeal is timely filed by the county assessor pursuant to subsection A of Section 2880.1 of this title, the amount of taxes payable by the taxpayer shall not exceed the amount of taxes based upon the value assessed by the county assessor and submitted to the board of equalization.

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

SECTION 4. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval."

Passed the Senate the 22nd day of April, 2015.

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Presiding Officer of the Senate

Passed the House of Representatives the ____ day of _____, 2015.

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Presiding Officer of the House
of Representatives