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

SECTION 1. AMENDATORY 68 O.S. 2011, Section 2802, as amended by Section 1, Chapter 266, O.S.L. 2018 (68 O.S. Supp. 2020, Section 2802), is amended to read as follows:

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

1. “Accepted standards for mass appraisal practice” means those standards for the collection and analysis of information about taxable properties within a taxing jurisdiction permitting the accurate estimate of fair cash value for similar properties in the jurisdiction either without direct observation of such similar properties or without direct sales price information for such similar properties using a reliable statistical or other method to estimate the values of such properties;
2. “Additional homestead exemption” means the exemption provided by Section 2890 of this title;

3. “Assessor” means the county assessor and, unless the context clearly requires otherwise, deputy assessors and persons employed by the county assessor in performance of duties imposed by law;

4. “Assess and value” means to establish the fair cash value and taxable fair cash value of taxable real and personal property pursuant to requirements of law;

5. “Assessed valuation” or “assessed value” means the percentage of the fair cash value of personal property, or the percentage of the taxable fair cash value of real property, pursuant to the provisions of Sections 8 and 8B of Article X of the Oklahoma Constitution, either of individual items of personal property, parcels of real property or the aggregate total of such individual taxable items or parcels within a jurisdiction;

6. “Assessment percentage” means the percentage applied to personal property and real property pursuant to Section 8 of Article X of the Oklahoma Constitution;

7. “Assessment ratio” means the relationship between assessed value and taxable fair cash value for a county or for use categories within a county expressed as a percentage determined in the annual equalization ratio study;
8. “Assessment roll” means a computerized or noncomputerized record required by law to be kept by the county assessor and containing information about property within a taxing jurisdiction;

9. “Assessment year” means the year beginning January 1 of each calendar year and ending on December 31 preceding the following January 1 assessment date;

10. “Circuit breaker” means the form of property tax relief provided by Sections 2904 through 2911 of this title;

11. “Class of subjects” means a category of property specifically designated pursuant to provisions of the Oklahoma Constitution for purposes of ad valorem taxation;

12. “Code” means the Ad Valorem Tax Code, Section 2801 et seq. of this title;

13. “Coefficient of dispersion” means a statistical measure of assessment uniformity for a category of property or for all property within a taxing jurisdiction;

14. “Confidence level” means a statistical procedure for determining the degree of reliability for use in reporting the assessment ratio for a taxing jurisdiction;

15. “Cost approach” means a method used to establish the fair cash value of property involving an estimate of current construction cost of improvements, subtracting accrued depreciation and adding the value of land;
16. “County board of equalization” means the board which, upon hearing competent evidence, has the authority to correct and adjust the assessment rolls in its respective county to conform to fair cash value and such other responsibilities as prescribed in Section 2801 et seq. of this title;

17. “Equalization” means the process for making adjustments to taxable property values within a county by analyzing the relationships between assessed values and fair cash values in one or more use categories within the county or between counties by analyzing the relationship between assessed value and fair cash value in each county;

18. “Equalization ratio study” means the analysis of the relationships between assessed values and fair cash values in the manner provided by law;

19. “Fair cash value” or “market value” means the value or price at which a willing buyer would purchase property and a willing seller would sell property if both parties are knowledgeable about the property and its uses and if neither party is under any undue pressure to buy or sell and for real property shall mean the value for the highest and best use for which such property was actually used, or was previously classified for use, during the calendar year next preceding the applicable January 1 assessment date;

20. “Homestead exemption” means the reduction in the taxable value of a homestead as authorized by law;
21. “Income and expense approach” means a method to estimate fair cash value of a property by determining the present value of the projected income stream;

22. “List and assess” means the process by which taxable property is discovered, its description recorded for purposes of ad valorem taxation and its fair cash value and taxable fair cash value are established;

23. “Mill” or “millage” means the rate of tax imposed upon taxable value. One (1) mill equals One Dollar ($1.00) of tax for each One Thousand Dollars ($1,000.00) of taxable value;

24. “Multiple regression analysis” means a statistical technique for estimating unknown data on the basis of known and available data;

25. “Oblique imagery” means high resolution aerial or satellite images captured approximately at a 45-degree angle from the ground;

26. “Orthoimagery” means high resolution images of a uniform scale where corrections and variations are made to remove distortion;

27. “Parcel” means a contiguous area of land described in a single description by a deed or other instrument or as one of a number of lots on a plat or plan, separately owned and capable of being separately conveyed;

28. “Sales comparison approach” means the collection, verification, and screening of sales data, stratification of sales
information for purposes of comparison and use of such information
to establish the fair cash value of taxable property;

27. 29. “State Board of Equalization” means the Board
responsible for valuation of railroad, airline and public service
corporation property and the adjustment and equalization of all
property values both centrally and locally assessed;

28. 30. “Taxable value” means the percentage of the fair cash
value of personal property or the taxable fair cash value of real
property, less applicable exemptions, upon which an ad valorem tax
rate is levied pursuant to the provisions of Section 8 and Section
8B of Article X of the Oklahoma Constitution;

29. 31. “Taxable fair cash value” means the fair cash value of
locally assessed real property as capped pursuant to Section 8B of
Article X of the Oklahoma Constitution;

32. “Unmanned aircraft” means an aircraft without occupants
that is flown by a pilot via a ground control system or autonomously
through use of an onboard computer and other additional equipment
necessary to operate the aircraft and includes unmanned aircraft
commonly called drones;

30. 33. “Use category” means a subcategory of real property,
that is either agricultural use, residential use or
commercial/industrial use but does not and shall not constitute a
class of subjects within the meaning of the Oklahoma Constitution
for purposes of ad valorem taxation;
31. “Use value” means the basis for establishing fair cash value of real property pursuant to the requirement of Section 8 of Article X of the Oklahoma Constitution; and

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

SECTION 2. AMENDATORY 68 O.S. 2011, Section 2818, is amended to read as follows:

Section 2818. A. The return of the taxpayer shall not be conclusive as to the value or amount of any property. The county assessor shall have the authority and it shall be his or her duty to raise or lower the returned value:

1. Of any personal property, to conform to the fair cash value thereof, estimated at the price it would bring at a fair voluntary sale; or

2. Of any real property so that the assessment thereof shall be made in accordance with the provisions of Section 2817 of this title and with all provisions of the Ad Valorem Tax Code applicable to the valuation of real property.

B. The county assessor shall assess and value all property, both real and personal, which is subject to assessment by him or
her, and shall place a separate value on the land and improvements
in assessing real estate; and he or she shall do all things
necessary including the viewing and inspecting of property, by
physical inspection or inspection by use of available change
detection techniques or software that uses oblique imagery,
orthoimagery or high resolution street level imagery, to enable him
or her to assess and value all taxable property, determine the
accuracy of assessment lists filed with him or her, discover and
assess omitted property and determine the taxable status of any
property which is claimed to be exempt from ad valorem taxation for
any reason. The county assessor shall obtain written permission, on
a form prescribed by the assessor, from the owner of the property
before using an unmanned aircraft to inspect that property.

C. In the performance of his or her duties, the county
assessor, or his or her duly appointed and authorized deputy, shall
have the power and authority to:

1. Go upon any premises and enter any business building or
structure and view the same and the property therein, and to view,
inspect or appraise any property located within his or her county;
however, the county assessor shall not have the power or authority
to enter the private dwelling of a taxpayer except as provided for
in subsection D of this section; and

2. Examine any person under oath in regard to the amount or
value of his or her property.
D. In the event of a dispute concerning the valuation of household personal property, a taxpayer may request the county assessor to perform a visual inspection of such property.

E. Prior to entering the business or commercial premises of any taxpayer for purposes of discovering personal property, the county assessor or deputy shall request permission to enter the business or commercial premises and shall state the reason for the inspection. If access to the business or commercial premises is denied, the county assessor or deputy shall be required to obtain a search warrant in order to conduct an inspection of the interior of the business or commercial premises. A search warrant may be obtained upon a showing of probable cause that personal property located within particularly described business or commercial premises is subject to ad valorem taxation, but not listed or assessed for ad valorem taxation as required by law.

SECTION 3. AMENDATORY 68 O.S. 2011, Section 2821, is amended to read as follows:

Section 2821. A. Each county assessor shall cause real property to be physically inspected, by physical inspection or inspection by use of available change detection techniques or software that uses oblique imagery, orthoimagery or high resolution street level imagery, as part of the visual inspection cycle and shall require such examination as will provide adequate data from which to make accurate valuations. The county assessor shall obtain
written permission, on a form prescribed by the assessor, from the owner of the property before using an unmanned aircraft to inspect that property.

B. The information gathered from the physical inspection shall be relevant to the type of property involved, its use category, the valuation methodology to be used for the property, whether the methodology consists of the cost approach, an income and expense approach or sales comparison approach, and shall be complete enough in order to establish the fair cash value of the property in accordance with accepted standards for mass appraisal practice.

C. Information gathered during the physical inspection shall be recorded using a standard method as prescribed by the Oklahoma Tax Commission in computerized or noncomputerized form. The information may include property ownership, location, size, use, use category, a physical description of the land and improvements or such other information as may be required.

D. In order to conduct the visual inspections of real property during the four-year cycle, each county assessor shall acquire and maintain cadastral maps and a parcel identification system. The standards for the cadastral maps and the parcel identification system shall be uniform for each county of the state and shall be in such form as developed by the Ad Valorem Task Force.

E. The county assessor shall maintain a comprehensive sales file for each parcel of real property within the county containing
relevant property characteristics, sales price information,
adjustments to sales price for purposes of cash equivalency,
transaction terms and such other information as may be required in
order to establish the fair cash value of taxable real property.

Each county assessor shall ensure that the office is equipped
with adequate drafting facilities, tools, equipment and supplies in
order to produce or update maps, sketches or drawings necessary to
support the proper administration of the ad valorem tax and such
other tools or equipment as may be required to perform duties
imposed by law for the discovery and valuation of taxable property.

SECTION 4. This act shall become effective November 1, 2021.

COMMITTEE REPORT BY: COMMITTEE ON FINANCE
February 9, 2021 - DO PASS AS AMENDED