

STATE OF OKLAHOMA

2nd Session of the 56th Legislature (2018)

COMMITTEE SUBSTITUTE
FOR

SENATE BILL NO. 1085

By: Rader

COMMITTEE SUBSTITUTE

[ad valorem tax - costs of a comprehensive visual
inspection program - exceptions - allocated certain
reduced percentage of costs - effective date]

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

SECTION 1. AMENDATORY 68 O.S. 2011, Section 2823, is
amended to read as follows:

Section 2823. A. ~~For~~ Except as otherwise provided, for each
fiscal year, the cost of the comprehensive program of visual
inspections for real property and the cost of physical inspections
of personal property shall be paid by appropriate warrants from
those who receive the revenues of the mill rates levied on the
property of the county as prescribed by this section. School
districts are hereby authorized to pay such costs from revenues
accruing to their building funds. The county assessor shall prepare
a budget for the comprehensive program of visual inspections for
real property and the cost of physical inspections of personal

1 property and file such budget with the county excise board or county
2 budget board.

3 B. The Except as otherwise provided in subsection F of this
4 section, the county excise board or county budget board shall
5 apportion such cost among the various recipients of revenues from
6 the mill rates levied, including the county, all cities and towns,
7 all school districts, all sinking funds of such recipients, and all
8 jurisdictions specified in subsection D of this section, in the
9 ratio which each recipient's total tax collection authorized from
10 its mill rates levied for the preceding year bears to the total tax
11 collection authorized of all recipients from all their mill rates
12 levied for the preceding year. The cost shall include only those
13 expenses directly attributable to the visual inspection program and
14 those expenses directly attributable to physical inspections of
15 personal property and shall not include any expenses of the office
16 of the county assessor which, in the judgment of the county excise
17 board or county budget board, are expenses of county assessor's
18 office which would exist in the absence of such program or in the
19 absence of physical inspection of personal property. Expenses that
20 are attributable both to the visual inspection program and physical
21 inspection of personal property, and which would exist in the
22 absence of such program or inspection, including but not limited to
23 salaries, employee benefits, office supplies and equipment, may be
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1 prorated; provided, no portion of the salary of the county assessor
2 shall be included in such costs.

3 C. Upon receipt of the billing statement provided for in
4 subsections D and E of this section by each such recipient, the mill
5 rates to be established by the board for each such recipient for the
6 current year shall include and be based upon such amounts and shall
7 constitute an appropriation of such amounts to the county assessor
8 for expenditure for the expenses of administering the visual
9 inspection program each year. In the case of a sinking fund of a
10 recipient, if, after approving its budget, the governing body of a
11 recipient notifies the board in writing that there are no funds
12 appropriated to pay the amount of the billing statement for such
13 sinking fund, such notice shall constitute conclusive evidence of a
14 financial obligation of the recipient as it relates to such sinking
15 fund. The board may seek a judgment for the amount of such
16 obligation and court costs in the district court of the county in
17 which the board is located.

18 D. The county assessor shall render a statement to each of the
19 jurisdictions within the county which receive revenue from an ad
20 valorem mill rate. Such statement shall include the following
21 information:

22 1. The current fiscal year in which the charge has been
23 incorporated in the jurisdiction's budget;
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1 2. All jurisdictions receiving statements from the county
2 assessor, the mill rate for each in the previous year, and the
3 proportion of each to the combined mill rates of all jurisdictions
4 within the county for the previous year. The proportions specified
5 in this paragraph should equal a total of one hundred percent
6 (100%);

7 3. The charge for the entity receiving the statement as well as
8 the charge for each jurisdiction of the county based upon the
9 proportions specified in paragraph 2 of this subsection. The total
10 of all current year charges for all county jurisdictions should
11 equal the total visual inspection program budget for the current
12 fiscal year;

13 4. The amount of the total budget for the office of the county
14 assessor and the percentage that visual inspection program expenses
15 are of such total budget; and

16 5. A copy of the County Budget Visual Inspection Account and a
17 brief description of the areas to be visually inspected for the
18 current fiscal year, consistent with the plan on file with the
19 Oklahoma Tax Commission pursuant to Section 2820 of this title.

20 E. In any county wherein any jurisdiction's budget and mill
21 rates are not subject to review and approval by the county excise
22 board, the county assessor shall nevertheless include any such
23 jurisdiction in the calculations required under subsection A of this
24 section. The county assessor shall also render a billing statement

1 to any such jurisdiction showing the charge for the current fiscal
2 year due from the jurisdiction. Such billing statement shall also
3 show all the information specified in subsection D of this section.
4 Such billing statement shall clearly indicate that the charge
5 payable by the jurisdiction is due and payable by December 31 of the
6 current fiscal year.

7 F. If a county has not met the minimum points threshold for a
8 passing score based on the most recently-completed annual
9 Performance Audit provided to the State Board of Equalization, any
10 school district located within such county, or the sinking fund of a
11 school district, shall be apportioned ninety-five percent (95%) of
12 the amount which would otherwise be charged for the costs of such
13 county's comprehensive program of inspections for the year
14 immediately after the performance audit. If a school district is
15 not located wholly within the county, the district or its sinking
16 fund shall be apportioned the full amount of any costs associated
17 with any other county or counties for which an inspection program
18 applies.

19 SECTION 2. This act shall become effective January 1, 2019.
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