

<DateSubmitted>

HOUSE OF REPRESENTATIVES  
CONFERENCE COMMITTEE REPORT

Mr. President:  
Mr. Speaker:

The Conference Committee, to which was referred

**HB1758**

By: Manger of the House and Montgomery of the Senate

Title: Revenue and taxation; manner in which county assessors may inspect real or personal property; effective date.

Together with Engrossed Senate Amendments thereto, beg leave to report that we have had the same under consideration and herewith return the same with the following recommendations:

1. That the Senate recede from its amendment; and
2. That the attached Conference Committee Substitute be adopted.

Respectfully submitted,

House Action \_\_\_\_\_ Date \_\_\_\_\_ Senate Action \_\_\_\_\_ Date \_\_\_\_\_

**SENATE CONFEREES**

Montgomery	_____
Garvin	_____
Stewart	_____
Rogers	_____
Weaver	_____
Seifried	_____
Young	_____

STATE OF OKLAHOMA

1st Session of the 59th Legislature (2023)

CONFERENCE COMMITTEE  
SUBSTITUTE  
FOR ENGROSSED  
HOUSE BILL NO. 1758

By: Manger of the House

and

Montgomery of the Senate

CONFERENCE COMMITTEE SUBSTITUTE

An Act relating to revenue and taxation; amending 68 O.S. 2021, Section 2802, which relates to ad valorem definitions; defining term; describing manner by which county assessors may inspect real or personal property; providing for codification; and providing an effective date.

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

SECTION 1. AMENDATORY 68 O.S. 2021, 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

1 within a county expressed as a percentage determined in the annual  
2 equalization ratio study;

3 8. "Assessment roll" means a computerized or noncomputerized  
4 record required by law to be kept by the county assessor and  
5 containing information about property within a taxing jurisdiction;

6 9. "Assessment year" means the year beginning January 1 of each  
7 calendar year and ending on December 31 preceding the following  
8 January 1 assessment date;

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

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

14 12. "Code" means the Ad Valorem Tax Code, Section 2801 et seq.  
15 of this title;

16 13. "Coefficient of dispersion" means a statistical measure of  
17 assessment uniformity for a category of property or for all property  
18 within a taxing jurisdiction;

19 14. "Confidence level" means a statistical procedure for  
20 determining the degree of reliability for use in reporting the  
21 assessment ratio for a taxing jurisdiction;

22 15. "Cost approach" means a method used to establish the fair  
23 cash value of property involving an estimate of current construction  
24 cost of improvements, subtracting accrued depreciation including any

1 loss in value that may be caused by physical deterioration,  
2 functional obsolescence or economic obsolescence and adding the  
3 value of the land.

4       a. Physical deterioration is a cause of depreciation that  
5       is a loss in value due to ordinary wear and tear and  
6       the forces of nature.

7       b. Functional or internal obsolescence is the loss in  
8       value of a property resulting from changes in tastes,  
9       preferences, technical innovations or market  
10      standards.

11      c. Economic or external obsolescence is a cause of  
12      depreciation that is a loss in value as a result of  
13      impairment in utility and desirability caused by  
14      factors outside the boundaries of the property or loss  
15      of value in a property (relative to the cost of  
16      replacing it with a property of equal utility) that  
17      stems from factors external to the property;

18      16. "County board of equalization" means the board which, upon  
19      hearing competent evidence, has the authority to correct and adjust  
20      the assessment rolls in its respective county to conform to fair  
21      cash value and such other responsibilities as prescribed in Section  
22      2801 et seq. of this title;

23      17. "Equalization" means the process for making adjustments to  
24      taxable property values within a county by analyzing the

1 relationships between assessed values and fair cash values in one or  
2 more use categories within the county or between counties by  
3 analyzing the relationship between assessed value and fair cash  
4 value in each county;

5 18. "Equalization ratio study" means the analysis of the  
6 relationships between assessed values and fair cash values in the  
7 manner provided by law;

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

16 20. "Homestead exemption" means the reduction in the taxable  
17 value of a homestead as authorized by law;

18 21. "Income and expense approach" means a method to estimate  
19 fair cash value of a property by determining the present value of  
20 the projected income stream;

21 22. "Inspection" means the use of either on-ground site  
22 inspections or publicly or commercially available image overlays for  
23 purposes of valuation, data collection, or any other purposes  
24

1 concerning real or personal property related to the duties of a  
2 county assessor;

3 23. "List and assess" means the process by which taxable  
4 property is discovered, its description recorded for purposes of ad  
5 valorem taxation and its fair cash value and taxable fair cash value  
6 are established;

7 ~~23.~~ 24. "Mill" or "millage" means the rate of tax imposed upon  
8 taxable value. One (1) mill equals One Dollar (\$1.00) of tax for  
9 each One Thousand Dollars (\$1,000.00) of taxable value;

10 ~~24.~~ 25. "Multiple regression analysis" means a statistical  
11 technique for estimating unknown data on the basis of known and  
12 available data;

13 ~~25.~~ 26. "Parcel" means a contiguous area of land described in a  
14 single description by a deed or other instrument or as one of a  
15 number of lots on a plat or plan, separately owned and capable of  
16 being separately conveyed;

17 ~~26.~~ 27. "Sales comparison approach" means the collection,  
18 verification, and screening of sales data, stratification of sales  
19 information for purposes of comparison and use of such information  
20 to establish the fair cash value of taxable property;

21 ~~27.~~ 28. "State Board of Equalization" means the Board  
22 responsible for valuation of railroad, airline and public service  
23 corporation property and the adjustment and equalization of all  
24 property values both centrally and locally assessed;



1       ~~28.~~ 29. "Taxable value" means the percentage of the fair cash  
2 value of personal property or the taxable fair cash value of real  
3 property, less applicable exemptions, upon which an ad valorem tax  
4 rate is levied pursuant to the provisions of Section 8 and Section  
5 8B of Article X of the Oklahoma Constitution;

6       ~~29.~~ 30. "Taxable fair cash value" means the fair cash value of  
7 locally assessed real property as capped pursuant to Section 8B of  
8 Article X of the Oklahoma Constitution;

9       ~~30.~~ 31. "Use category" means a subcategory of real property,  
10 that is either agricultural use, residential use or  
11 commercial/industrial use but does not and shall not constitute a  
12 class of subjects within the meaning of the Oklahoma Constitution  
13 for purposes of ad valorem taxation;

14       ~~31.~~ 32. "Use value" means the basis for establishing fair cash  
15 value of real property pursuant to the requirement of Section 8 of  
16 Article X of the Oklahoma Constitution; and

17       ~~32.~~ 33. "Visual inspection program" means the program required  
18 in order to gather data about real property from physical  
19 examination of the property and improvements in order to establish  
20 the fair cash values of properties so inspected at least once each  
21 four (4) years and the fair cash values of similar properties on an  
22 annual basis.

1       SECTION 2.       NEW LAW       A new section of law to be codified  
2 in the Oklahoma Statutes as Section 2821.1 of Title 68, unless there  
3 is created a duplication in numbering, reads as follows:

4       County assessors shall inspect real or personal property by only  
5 using on-ground site inspections or publicly or commercially  
6 available aerial image overlays for purposes of valuation, data  
7 collection, or any other purposes related to the duties of county  
8 assessors.

9       SECTION 3.   This act shall become effective January 1, 2024.

10  
11       59-1-8345       AQH       05/10/23

12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24