

STATE OF OKLAHOMA

2nd Session of the 60th Legislature (2026)

SENATE BILL 1842

By: Dossett

AS INTRODUCED

An Act relating to ad valorem tax; amending 68 O.S. 2021, Section 2913, which relates to collection and payment; providing exception to payment date for certain prepayment option; permitting county treasurer to offer prepayment option; limiting eligibility for prepayment option; requiring certain notification to county treasurer; prescribing installment payments schedule; requiring certain notice; requiring certain notice from county assessor; requiring certain notice from county treasurer; requiring prepayments be deposited in certain account; providing for distribution of prepayments; providing for refund of overpayments; limiting effect of prepayment option on current law; 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 2913, is amended to read as follows:

Section 2913. A. All taxes levied upon an ad valorem basis for each fiscal year shall become due and payable on the first day of November. Except for mortgage servicers and taxes prepaid using the prepayment option provided for in Section 2 of this act, the exclusive method for payment shall be as follows:

1        1. Unless one-half (1/2) or more of the taxes so levied has  
2 been paid before the first day of January, the entire tax levy for  
3 such fiscal year shall become delinquent on that date.

4        2. If the first half or more of the taxes levied upon an ad  
5 valorem basis for any such fiscal year has been paid before the  
6 first day of January, the remainder shall be paid before the first  
7 day of April thereafter and if not paid shall become delinquent on  
8 that date.

9        In no event may payment be made in more than two installments  
10 subject to the provisions of the payment schedule specified in this  
11 subsection.

12        B. Mortgage servicers, as defined in 24 C.F.R., part 3500.17,  
13 shall pay all accounts which they are servicing in one annual  
14 payment before the first day of January or the entire tax levy for  
15 such fiscal year shall become delinquent on that date.

16        C. If the total tax owed is Twenty-five Dollars (\$25.00) or  
17 less, then the total amount must be paid before January 1. If the  
18 total tax is not paid before January 1, the unpaid balance owing  
19 shall become delinquent on the first day of January and shall be  
20 subject to delinquent charges as provided for in this section.

21        D. All delinquent taxes shall bear interest at the rate of one  
22 and one-half percent (1 1/2%) per month or major fraction thereof  
23 until paid. In no event shall such interest exceed a sum equal to  
24 the unpaid principal amount of tax, and when such interest has

1 accumulated to a sum equivalent to one hundred percent (100%) of the  
2 unpaid tax the further accumulation of interest shall cease.

3 E. In addition to any other penalties prescribed by law,  
4 delinquent taxes shall be subject to a late payment penalty of five  
5 percent (5%) per month or a major fraction thereof until paid. The  
6 penalty assessed herein shall only apply to delinquent taxes that  
7 are due on property located in a dependent school district in a  
8 county with a population of less than seventy-five thousand (75,000)  
9 according to the most recent Federal Decennial Census and held by a  
10 nonindividual taxpayer when the tax has been paid delinquent for two  
11 (2) or more separate and consecutive years and the fair cash value  
12 of the property exceeds Five Hundred Thousand Dollars (\$500,000.00).

13 F. The county treasurer shall stamp the date of receipt on each  
14 letter received containing funds for payment of taxes and no  
15 interest shall be added or charged after the receipt of such letter  
16 or the amount due. It shall be the duty of every person subject to  
17 taxation according to the law to attend the county treasurer's  
18 office and pay his or her taxes. If any person neglects to pay his  
19 or her taxes until after they have become delinquent, the county  
20 treasurer is directed and required to collect the delinquent tax as  
21 provided for by law. The first installment of taxes payable  
22 pursuant to the provisions of this section shall not become  
23 delinquent until thirty (30) days after the tax rolls have become  
24

1 completed and filed by the county assessor with the county  
2 treasurer.

3 G. The county treasurer may waive penalties or interest in any  
4 case where it is shown to the county treasurer that such penalties  
5 or interest were incurred through no fault of the taxpayer. Each  
6 waiver of penalties or interest shall be audited by the Office of  
7 the State Auditor and Inspector each year during the annual audit of  
8 the county offices.

9 SECTION 2. NEW LAW A new section of law to be codified  
10 in the Oklahoma Statutes as Section 2913.1 of Title 68, unless there  
11 is created a duplication in numbering, reads as follows:

12 A. The county treasurer may allow taxpayers owning taxable  
13 property within the county the option to prepay taxes levied upon an  
14 ad valorem basis using the prepayment option provided for by this  
15 section. The prepayment option shall allow taxpayers to make  
16 installment payments to pay toward taxes levied upon an ad valorem  
17 basis for the following calendar year. A prepayment option is not  
18 allowed for:

- 19 1. Accounts with delinquent taxes;  
20 2. Accounts with an ongoing valuation protest from the previous  
21 tax year;  
22 3. Taxes paid through an escrow account; or  
23 4. Public service corporations.  
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1       B. A taxpayer electing the prepayment option, or a taxpayer  
2 electing to opt out of using the prepayment option after electing  
3 the prepayment option, shall notify the county treasurer in writing  
4 no later than January 15 of the calendar year for which the  
5 prepayments may be made and no earlier than December 1 of the  
6 preceding year. If the county treasurer does not receive written  
7 notification, the taxpayer must pay the taxes in the manner as  
8 prescribed in subsection A of Section 2913 of Title 68 of the  
9 Oklahoma Statutes.

10       C. The prepayment option shall consist of twelve installment  
11 payments. Each installment payment shall be based on an estimated  
12 property tax obligation which shall be computed by the taxpayer  
13 using the total property tax amount from the previous calendar year,  
14 adjusted for any anticipated changes in property value. The  
15 installment payments shall be divided equally, rounded to the  
16 nearest whole dollar, from the estimated property tax obligation and  
17 shall be paid to the county treasurer on or before the fifteenth day  
18 of each month, except for December, in which case such shall be paid  
19 on or before the thirty-first day of the month.

20       D. Before the first day of November, a sum of all installment  
21 payment amounts made in that calendar year by each taxpayer shall be  
22 calculated by the county treasurer. This sum shall be reported on  
23 the taxpayer statement prescribed by subsection B of Section 2915 of  
24 Title 68 of the Oklahoma Statutes.

1 If a taxpayer electing the prepayment option does not timely  
2 make each installment payment, the county treasurer may refuse to  
3 accept all other installment payments. If the county treasurer  
4 refuses to accept other installment payments, the remaining balance  
5 is due in accordance with Section 2913 of Title 68 of the Oklahoma  
6 Statutes.

7 E. The taxes paid under the prepayment option shall be  
8 considered a credit against the total tax amount due for the current  
9 calendar year. The taxes paid under the prepayment option must be  
10 deposited by the county treasurer in a dedicated trust and agency  
11 fund to be known as the "Property Tax Prepayment Fund". The fund  
12 shall receive interest and the interest shall be retained by the  
13 county treasurer and placed into a separate existing cash fund known  
14 as the "County Treasurer's Mortgage Certification Fee Account" to  
15 offset the administrative expenses of the prepayment option. Once  
16 the final installment payment is made, and no later than the last  
17 day of December, the installment payments must be credited to the  
18 accounts of the property taxing entities in the county in the same  
19 proportion that millage was imposed by such entities in the previous  
20 tax year with the necessary adjustments made to reflect current tax  
21 year millage impositions when property taxes for the current year  
22 are paid.

23 F. If the amount of taxes paid using the prepayment option  
24 results in an overpayment of property tax, the overpayment shall be

1 refunded to the taxpayer within sixty (60) days after the date of  
2 the final installment payment. A taxpayer may request a refund  
3 equal to the sum of all installment payments for the current  
4 calendar year. The refund shall be paid to the taxpayer within ten  
5 (10) business days.

6 G. The prepayment of estimated property tax as provided in this  
7 section and the credit allowed from these prepayments in no way  
8 alters the due date, penalty schedule, or enforced collection of  
9 property taxes as provided by law.

10 SECTION 3. This act shall become effective November 1, 2026.  
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