

*Handbook for  
County Assessors  
of Oklahoma*

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## **Acknowledgments for the 2023 Edition**

This handbook is interactive with computer access making it a tremendous asset to the Assessors and deputies of Oklahoma. Many people devoted many hours to assure the accuracy of this handbook revision.

We also want to thank Gary Snyder, CLGT Director, for always supporting and assisting our association.

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# Handbook for County Assessors of Oklahoma

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## Introduction

# How to Use This Handbook

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This handbook revision has been prepared for use primarily by County Assessors, their deputies, and other employees in the County Treasurer's office to aid them in performing their duties. It is intended as a guide to the responsibilities, duties, procedures, and statutory mandates for that office. This handbook is not meant to be all inclusive and complete, but should include sufficient references and other sources to help the County Assessors to supplement the information that is provided.

This handbook has been prepared solely as a guide and source of reference for use in day-to-day job activities. It is not intended to be, nor should it be, used as a supplement to, or a replacement for, the Oklahoma State Statutes, Opinions of the State Attorney General, and/or policies and procedures issued by the appropriate state agencies (Office of the State Auditor and Inspector and others).

Every effort has been made to incorporate the latest statutes, opinions, and interpretations. In every instance where a statement in this handbook disagrees with an Attorney General opinion, an interpretation of the statutes by a responsible state agency or District Attorney, and/or procedure or policy issued by an appropriate state agency, those opinions, interpretations, procedures, and policies will take precedence over the handbook.

## New Technology

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This revision of the *Handbook for County Assessors of Oklahoma* is an interactive, web-based PDF document that County Assessors can access directly from the Center for Local Government Technology (CLGT) website. They can also download the document into their office computer systems.

In addition, County Assessors can print this handbook as a hard copy. However, a printed copy will not have the interactive capabilities of the on-line copy. County Assessor's should be aware that this handbook is over 390 pages long.

The interactive capability of this handbook allows County Assessors to link from references in the document to the web. For example, clicking on a statute reference (in blue) on the right-hand side of the pages will link directly to a complete version of that statute on [www.oscn.net](http://www.oscn.net). Other links are provided to forms, state offices, and other references. Clicking on any word or groups of words in the text that appear in blue on the screen will link to something related to them.

The heading entries in the Table of Contents are linked directly to that heading in the handbook. The "find" feature in the software can be used as an index to search for particular items that you wish to reference. You can also page through the handbook just as you would a printed copy. The handbook appears on the screen exactly as it would appear if printed.

## Organization

---

The first section (Chapters one through five) of the Handbook for County Treasurers of Oklahoma covers county government in Oklahoma. The five chapters in Section I apply to all county offices and employees. This section is intended to provide general information about how county governments operate in Oklahoma and to help members of the County Assessors' offices understand how they affect and are effected by other county entities and procedures.

Section II (Chapters six through 18) contains chapters that describe the various duties and responsibilities for the County Assessors' office.

Appendix A is a guide to using the statutes.

Appendix B contains a list of related sources and their addresses and phone numbers. Throughout the handbook, we have referenced these sources and the materials and publications they provide, and in some cases, we have provided a link (in blue) to their websites. The data in Appendix B is provided for convenience for contacting any of these agencies.

## Statute and Other References

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Oklahoma Statute (O.S.) and Oklahoma Constitution references, Attorney General opinions, and other legal references that apply to material in the text of this handbook are printed in a column on the far right-hand side of the page in green. Each reference is situated so that it appears opposite the text to which it applies.

Clicking on one of these references in this interactive version will link directly to the complete text of that reference on [www.OSCN.net](http://www.OSCN.net) or other source.

This handbook is not intended to be a legal source to replace the Oklahoma State Statutes. In many cases, the text paraphrases the statutes or interprets them in simpler language. For exact and complete statutory information, County Assessors should refer to the actual statutes.

## Procedures

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This handbook includes some procedural information for accomplishing the duties of the County Assessors' office. Many times procedures will vary from one county to another. This handbook is not meant to mandate procedures, but could often prove useful by presenting how other counties perform certain tasks.

## Forms and Computerized Forms

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Since many forms are available on line, and because many counties now develop their own computerized forms, samples of most forms are not included in this version of the handbook. Each time a form is mentioned, its source, such as Office of the State Auditor and Inspector or other agency, is given. In some cases, a link (in blue) is provided to the form or to the appropriate agency to obtain a sample of the form or information about it.

## Questions and Comments

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Every attempt has been made to provide as complete and accurate a handbook as possible. For any questions, comments, or suggestions, please contact the Center for Local Government Technology at Oklahoma State University, 405-744-6049, email [clgt@okstate.edu](mailto:clgt@okstate.edu).

## Chapter One

# County Government in Oklahoma

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## The County Government System in Oklahoma

---

Oklahoma  
Constitution  
Article 17 § 8

The 77 counties in Oklahoma serve as extensions or subdivisions of the State of Oklahoma. All counties receive their administrative powers from the state. The Oklahoma Constitution and the Oklahoma Statutes mandate and define all of the duties and responsibilities of county offices.

Some county officers are elected and others are appointed. Unlike municipal governments, county governments do not make new laws or ordinances. The Oklahoma state legislature enacts the laws that govern county government and that county governments enforce.

This chapter briefly explains the county government system in Oklahoma and discusses the duties and responsibilities of all county officials, both elected and non-elected.

## Powers and Duties of County Government

---

Oklahoma  
Constitution  
Article 17 § 1

Oklahoma law states that “each organized county within the state shall be a body politic and corporate and shall be exercised by its Board of County Commissioners.” It shall also be empowered for the following purposes:

19 O.S. § 3

- To sue and be sued
- To purchase and hold real and personal estate for the use of the county and lands sold for taxes as provided by law
- To sell and convey any real or personal estate owned by the county, and to make an order respecting the same as may be deemed conducive to the interests of the inhabitants
- To execute leases of real property owned by the county to nonprofit corporations organized for the general purpose of historical preservation
- To make all contracts and do all other acts in relation to the property and concerns of the county necessary to the exercise of corporate or administrative power
- To exercise other and further powers as may be especially provided for by law

19 O.S. § 1

## Creation and Disillusion of Counties

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### *Creation of Counties*

Oklahoma  
Constitution  
Article 17 § 4

The Legislature shall provide by general laws for the creation of new counties, the altering or changing of lines, the equitable division of assets and of liabilities, and the original location of county seats in new counties according to the Oklahoma Constitution.

## *Disillusion of Counties*

Oklahoma  
Constitution  
Article 17 § 5

Under certain conditions outlined in the Oklahoma Constitution, the Board of County Commissions of a county shall submit to the qualified electors of that county, a ballot in the next ensuing election with the question, “Shall the county be an unorganized county?” “Yes” or “No.”

If a majority of the votes are in the affirmative, the county shall be unorganized, be attached to, and be a part of the adjoining county having the lowest valuation of taxable property. The unorganized county shall remain as a district in the adjoining county until such time as the qualified electors vote in favor of separate organized county existence, according to guidelines in the Oklahoma Constitution.

## *Duties of County Officers*

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### *Elected County Officers*

Oklahoma law stipulates that each county has six county offices plus the office of the District Attorney, who may serve more than one county. Each office is headed by an elected county officer. Five of these offices were established in the Oklahoma Constitution in 1907.

The following officers are elected by the eligible voters in the county at a general election:

- County Commissioners

Three in each county; one elected by the voters in each of the county’s three districts

Oklahoma  
Constitution  
Article 17 § 2

- County Clerk

- County Assessor

68 O.S. § 2814

Created by Oklahoma Statute in 1911, replacing town, city, and township

Assessors whose offices were abolished that same year

- County Treasurer

- County Court Clerk

- County Sheriff

- District Attorney

19 O.S. § 215.1

An Oklahoma Statute in 1965 created this office and 27 districts, replacing County Attorneys. Voters from one or more counties within a district select a District Attorney to represent that district.

Each elected officer serves a four-year term in office. The officers’ terms are staggered so that every two (even-numbered) years, the November general election includes ballots for only certain county officers.

19 O.S. § 131

- The District 1 and District 3 County Commissioners plus the County Treasurer,

- the County Assessor, and the District Attorney are elected in one election.
- The District 2 County Commissioner plus the County Clerk, the Court Clerk, and the County Sheriff are elected in one election.

## County Commissioners

19 O.S. § 321

One County Commissioner is elected from each of three districts within the county. These districts must, by law, be approximately equal in population. County Commissioners serve on the Board of County Commissioners and act as the principal administrators of the county. Their duties include the following activities:

- Selling or purchasing public land or buildings for the county
- Auditing the accounts of other county officers
- Approving the purchase of operating supplies, equipment, and services contracted for the county
- Supervising county road and bridge construction and maintenance
- Developing personnel policies and designating holidays
- Approving payment of the county payroll
- Auditing and approving tort claims against the county
- Receiving and approving bids for major purchases or construction projects
- Authorizing and maintaining an inventory of all county property, owned or leased, that is valued at more than \$500
- Preparing the county budget in conjunction with other county officers
- Monitoring the county solid waste program
- Calling county elections for various purposes
- Reapportioning commissioner districts in accordance with Census Bureau criteria
- Purchasing surety bonds (blanket bonds) to cover all county officers and employees

19 O.S. § 326

69 O.S. § 1101

19 O.S. § 1502

19 O.S. § 321B

19 O.S. § 167

19 O.S. § 622

19 O.S. § 326

The Board of County Commissioners holds a regular monthly meeting at the county seat. All meetings of this board are open to the public except for executive sessions, which can be closed sessions under certain circumstances as defined by Oklahoma Statutes.

25 O.S. § 307(E)

## County Clerk

19 O.S. § 250

The County Clerk is the principal record keeper of the county. All legal instruments, including plat maps, deeds, mortgages, oil and gas leases, liens, and military discharge papers that are filed with the county by private citizens, organizations, and public officials are preserved by the County Clerk. Other duties of the County Clerk include the following activities:

- Serving as secretary for the Board of County Commissioners and other county

19 O.S. § 284

- boards such as the County Excise Board 68 O.S. §§ 2861(E), 3005.1(A)
- Recording all appropriations and expenditures for each county office or department 19 O.S. § 244
- Preparing warrants or checks for paying county bills and payroll 19 O.S. § 245
- When serving as the county’s purchasing agent, purchasing or leasing and maintaining all county supplies and equipment 19 O.S. § 243
- Acting as the registrar of deeds 19 O.S. § 347
- Keeping a record of all meeting notices subject to the Open Meetings Laws 62 O.S. § 471
- 19 O.S. § 1501
- 19 O.S. § 287

## County Assessor

The County Assessor assesses all property for ad valorem taxation and submits the value of each property to the County Equalization Board and later to the State Board of Equalization for approval. 68 O.S. § 2814(1)

After receiving the certified millage rates from the County Excise Board each year, the County Assessor prepares the tax roll, which shows the taxes due on each county property and forwards the roll to the County Treasurer for tax collection. 68 O.S. § 2815

The County Assessor also performs the following duties: 68 O.S. § 2817

- Preparing and maintaining permanent records of all real and personal property including cadastral maps 68 O.S. § 2842(B)
- Implementing the four-year visual inspection program for all property 68 O.S. § 2869
- Auditing any property for which the estimated fair cash value differs from the value submitted by the taxpayer 68 O.S. § 2827
- Receiving and reviewing all applications for exemptions 68 O.S. § 2840
- Serving as a member of the Board of Tax Roll Corrections 68 O.S. § 2820
- 68 O.S. § 2823
- 68 O.S. § 2846
- 68 O.S. § 2836
- 68 O.S. § 2871

## County Treasurer

The County Treasurer is the chief financial officer for the county and administers all county monies. The County Treasurer receives, deposits, and maintains records for all county monies; redeems county warrants; apportions taxes to various accounts and to local public entities such as schools and cities; keeps records of all payments and expenditures made by the county; and presents county records and financial statements to the State Auditor and Inspector for audit. 19 O.S. § 624

The County Treasurer also receives the annual tax roll and tax roll warrant, prepares the ad valorem tax statements, and mails the statements to the property owners. The County Treasurer collects all county ad valorem taxes, issues delinquent personal and real property tax notices, and initiates and supervises tax sales on real property for nonpayment of taxes. 19 O.S. § 625

## County Court Clerk

12 O.S. § 22

12 O.S. § 24

12 O.S. § 29

The Court Clerk's primary responsibilities are to record, file, and maintain District Court proceedings and maintain books useful for locating past court proceedings. The Court Clerk keeps summaries of court actions in an appearance docket; maintains case files; collects fines, fees, forfeitures, and any other monies paid. The Court Clerk distributes or expends collected monies as provided by law. The Court Clerk also issues legal warrants, court orders, passports, and marriage, pool hall, and other county licenses.

12 O.S. § 35.1

12 O.S. § 27

12 O.S. § 28

28 O.S. § 31

## County Sheriff

19 O.S. § 513

19 O.S. § 514

19 O.S. § 516

19 O.S. § 545

The County Sheriff is the chief law officer responsible for preserving the peace and protecting life and property in the county. The County Sheriff apprehends persons charged with criminal activity; operates the county jail; serves warrants and process papers of the District Court and other lawful authorities; deals with various nuisances or dangers to the public; and handles safety matters.

19 O.S. § 516(B)

The County Sheriff also coordinates and administers courthouse security.

## County Budget Boards

19 O.S. § 1403

19 O.S. § 1407

Counties that have resolved to operate under the County Budget Act have Budget Boards composed of the eight elected county officers listed above. The Budget Board reviews the annual estimate of needs of each county department, revises these estimates if needed, proposes a budget, conducts public hearings, and adopts a budget. The Budget Board also authorizes transfers of certain funds from one county budget account to another and may make supplemental appropriations to the budget.

## District Attorney

19 O.S. § 215.1

19 O.S. § 215.4

The District Attorney is the chief prosecutor within each of the 27 districts in Oklahoma. Most District Attorneys serve more than one county. The District Attorney performs the following duties and may be assisted by one or more Assistant District Attorneys:

- Serves as criminal prosecutor in district court
- Assists a grand jury with legal advice, witness examination, and indictments
- Provides witness and victim assistance
- Represents the county in all civil actions or proceedings in which the county is a party
- Serves as the principal legal counsel for county government to give opinions and advice to the Board of County Commissioners and other civil officers of the county, when requested, on all matters in which the county is interested, or relating to the duties of the officers or boards in the county

19 O.S. § 215.5

## Outside Counsel

19 O.S. § 527

The County Sheriff, County Treasurer, or County Assessor has the authority to employ a general counsel, either in-house as a staff attorney or through an outside law firm, to advise or represent that officer and office in performing the official duties of that office. The Board of County Commissioners must approve all contracts for outside counsel. Any general counsel employed must be compensated from the funds of the employing county office.

19 O.S. § 215.25(H)

In any proceeding in which a county officer brings an action against another county officer, the District Attorney shall not represent either county officer in the action.

19 O.S. 215.37M(B)

If the District Attorney and the Board of County Commissioners agree, the county may hire outside counsel at the expense of the county.

## *Non-Elected County Officers and Boards*

County governments in Oklahoma are managed by both elected and non-elected officers. The following list includes officers that might serve the county by appointment and board members, both appointed and elected:

- County Engineer
- County Extension Office professionals
- County Board of Health/Superintendent of Health
- County Medical Examiner
- Emergency Medical Service District Board of Trustees
- County Safety Director
- Safety Coordinators
- County Board of Equalization members
- County Excise Board members
- Board of Tax Roll Corrections members
- County Emergency Management Director  
(Formerly the County Civil Defense Director)
- County Board of Public Welfare members
- County Election Board members
- County Free Fair Association Board members

## County Engineer

69 O.S. § 624

69 O.S. § 625

69 O.S. § 626

The County Engineer oversees county highway programs and may assist with maintenance and construction projects. The County Engineer also keeps records of county roadwork costs.

Counties may hire either a full-time or part-time engineer or may enter into a contract with an engineering consultant. Several counties may share the services of one engineer. In some cases, the State Department of Transportation may provide engineering services.

69 O.S. § 687.1

Counties within the eight Circuit Engineering Districts (CED) that have been created in Oklahoma may share an engineer hired by, or under contract to, a district. (See Chapter Thirteen, “Duties of the County Commissioner: Circuit Engineering Districts” in the Handbook for County Commissioners of Oklahoma.)

## **County Extension Office Personnel**

70 O.S. § 3418

The *Oklahoma Cooperative Extension Service (OCES)* maintains the County Extension Office and hires, with input from the Board of County Commissioners, the County Extension Office Director. OCES represents a federal, state, and county partnership that serves as a link between the state’s land-grant university (Oklahoma State University) and the people of Oklahoma. It provides non-biased, research-based information on a variety of topics.

Through the County Extension Office staff, OCES provides educational resources and programs organized into four major areas:

- Agriculture
- Family Life, Nutrition, and Health
- 4-H and Youth Development
- Rural Development

## **County Board of Health/Superintendent of Health**

63 O.S. §§ 1-201-1-210

The County Board of Health consists of five members, two appointed by the State Commissioner of Health, two by the County Commissioners, and one by the District Court. This board establishes and maintains a county health department, a district health department, or a cooperative health department.

Two or more boards of health may form a District Health Department. County boards of health and/or health districts may join cities, towns, and schools to form cooperative departments of health. Primary purposes include prevention and control of disease and other health dangers, educating the public, providing preventive services, keeping vital records, and assisting the State Commissioner of Health. Financing is achieved by a county mill levy, state funds, user fees, and sometimes an earmarked sales tax.

For any county without a health department and which does not participate in a district health department, the State Commissioner of Health appoints a County Superintendent of Health.

## **Emergency Medical Service Districts Board of Trustees**

Oklahoma  
Constitution  
Article 10 § 9C

Emergency Medical Service Districts (ambulance service districts) may be formed by a vote of the people in the area affected. If the service is formed, each district shall have a Board of Trustees of not less than five members, chosen by the Board or Boards of Commissioners in the counties included in the districts. The Board of Trustees shall have no less than one member from each county or part of a county included in the district.

19 O.S. § 1702

19 O.S. § 1715

## County Medical Examiner

63 O.S. § 937

63 O.S. § 938

63 O.S. § 939

The Oklahoma Chief Medical Examiner appoints medical examiners for each county to investigate the cause and manner of deaths within the county and to make written reports.

## County Safety Director

40 O.S. § 403(E)

The Board of County Commissioners must appoint a County Safety Director to coordinate all county safety programs. This individual must ensure that safety classes on subjects related to that office are provided at least quarterly for all county employees. (Reference Administrative Rule 380:1-22, Oklahoma Department of Labor, Public Employee Occupational Safety and Health (PEOSH) Division.)

## Safety Coordinators

Each county officer may also appoint a Safety Coordinator to coordinate safety programs for employees in that office. The Safety Coordinators report to the County Safety Director.

The Association of County Commissioners of Oklahoma (ACCO) publishes the *ACCO Fire and Safety Manual*, which contains additional information about safety in county offices.

## County Board of Equalization Members

68 O.S. § 2861

68 O.S. § 2862

68 O.S. § 2863

The primary duty of the three members of the County Board of Equalization is to ensure equalization of property taxes. The County Board of Equalization hears protests, reviews property tax assessment records, reviews homestead exemption applications, and corrects errors. The board members may raise or lower appraised values of properties, add omitted property to the tax roll, declare certain property non-taxable, and make other tax-related decisions.

Members of the County Board of Equalization also serve on the County Excise Board. The Board of County Commissioners, the Commissioners of the Oklahoma Tax Commission, and a district judge, or a majority of district judges, each appoint one member to the County Board of Equalization. The County Clerk serves as secretary to this board.

68 O.S. § 3005.1

### *Course of Instruction Required*

68 O.S. § 2862

Each member of the County Board of Equalization is required, within 18 months of appointment, to attend and successfully complete a course of instruction for the purposes of instructing the members about the duties imposed on the board by law. The course shall be developed by the Oklahoma State University Center for Local Government Technology and shall include subjects similar to those prescribed by law for certification of County Assessors and their deputies.

Each member is then required to successfully complete this course within 18 months after the completion of the initial four-year term or within 18 months of the beginning of any succeeding four-year term. Failure of a County Board of Equalization member to successfully complete these courses results in forfeiture of the office. The vacancy shall be filled in the manner provided by law.

## County Excise Board Members

68 O.S. § 3005.1  
68 O.S. § 3006  
68 O.S. § 3007

The County Excise Board, composed of the members of the County Board of Equalization, oversees and reviews all county, school district, and some city budgets to determine if they are legally and adequately funded within the revenues available.

In its functions, the County Excise Board is considered an agency of the state, as a part of the system of checks and balances required by the Oklahoma Constitution. The board is empowered to require adequate and accurate reporting of finances and expenditures for all budget and supplemental purposes. It is also charged with the duty of requiring adequate provision for performance of mandatory constitutional and statutory governmental functions within the means available. However, it shall have no authority to deny any appropriation for a lawful purpose if sufficient income and revenue is provided. This board also performs the following functions:

- Reviews and approves the county budget
- Fixes the tax levy or millage rate
- Gives public notice that the budget and tax levies are open to public discussion

The County Excise Board meets at the county seat on the first Monday of July each year to organize, elect a chairman and vice-chairman, and prepare to perform excise duties for that fiscal year. The County Excise Board may meet from day-to-day or adjourn from day-to-day and time-to-time to complete its business. The County Clerk serves as secretary to the County Excise Board.

### *Course of Instruction Required*

68 O.S. 3006(C)

Within the first 18 months of appointment, each member of the County Excise Board is required to attend and successfully complete a course of instruction that consists of at least six hours. After the first four years of service on the board, each member must complete three hours of instruction and three hours thereafter for every four years of service after the expiration of the initial four-year period.

The course of instruction shall include the duties and responsibilities of the County Excise Board, including those related to authorized millage rates imposed by local taxing jurisdictions. The course shall be offered by or approved by the Oklahoma State University Cooperative Extension Service.

## Board of Tax Roll Corrections Members

68 O.S. § 2871

Members of the Board of Tax Roll Corrections include the Chairman of the Board of County Commissioners as chairman, the Chairman of the Equalization Board as vice-chairman, and the County Assessor as a member. The County Clerk serves as secretary, but is a non-voting member.

This board investigates reports of errors in the certified tax rolls and corrects these errors when warranted. Such corrections might include mathematical errors or missing information such as a homestead exemption.

## **County Emergency Management Director**

The County Emergency Management Director, formerly called the County Civil Defense Director, manages the County Emergency Management Program, which is a coordinated effort of local, state, and federal governments to maintain procedures and resources sufficient to meet emergency situations ranging from natural disasters to enemy attacks.

The County Emergency Management Director also works with the county's Local Emergency Planning Committee (LEPC). These committees are responsible for helping to facilitate communications between facilities that handle hazardous materials and their respective communities. This activity is mandated by the Risk Management Program (RMP) provisions of the federal Clean Air Act Amendments of 1990.

56 O.S. § 163

## **The County Board of Public Welfare Members**

The State Welfare Commission appoints members to the County Board of Public Welfare, which administers state and federal assistance programs for needy persons such as disabled or handicapped adults and children and dependent children.

## **County Election Board Members and County Election Board Secretary**

26 O.S. § 2-110  
26 O.S. § 2-111

The State Election Board appoints two members and two alternates to the County Election Board. The State Election Board also appoints a third member and a third alternate from lists provided by the county central committees of the two political parties with the largest number of registered voters in the state, following the guidelines in the Oklahoma Statutes. The County Election Board members and alternates serve four-year terms each.

These members are responsible for ensuring that all of the steps necessary to organize, administer, and hold official elections are performed correctly. These steps include printing, distributing, collecting, and counting ballots; delivering them to the State Election Board; and certifying election results.

26 O.S. § 2-112

26 O.S. § 2-117

The State Election Board appoints the County Election Board secretary for a term of four years. The County Election Board secretary is the administrative officer of the County Election Board and has general supervisory authority over all precinct officials and absentee voting board members within the county.

26 O.S. § 2-123

26 O.S. § 2-124

26 O.S. § 2-125

The secretary of the County Election Board employs an assistant secretary and other employees necessary to perform the duties of the County Election Board. The secretary also appoints the inspector, judge, and clerk of each precinct, to serve terms of four years each, per guidelines in the Oklahoma Statutes.

2 O.S. § 15-68

## **County Free Fair Association Board Members**

The board of directors of a County Free Fair Association is composed of nine members (directors), who are elected for a term of three years. Three members shall be elected annually from each County Commissioner's district. These members manage the fairground facilities and conduct the county free fair, junior livestock show, and other events.

Refer to “County Free Fair Association Board” in Chapter Sixteen, “Duties of the County Commissioner: County Officers, Boards, and Departments” in the Handbook for County Commissioners of Oklahoma.

Also refer to the *County Free Fair Manual* on the Oklahoma State Auditors and Inspector’s web site under “Publications and Forms”: “Publications.”

### **Other Non-Elected Officers**

Other non-elected county officers may serve with other county organizations, which might include the following groups:

- County Law Library Board of Trustees 20 O.S. § 1204  
20 O. S. § 1205  
20 O.S. § 1208
- City-County Park and Recreation Commission 19 O.S. § 1002  
19 O.S. § 1004  
19 O.S. § 865.51
- Land Use Planning Commission 19 O.S. § 863.1  
19 O.S. § 866.1
- County Hospital Board of Control 19 O.S. § 789  
19 O.S. § 790.1

## Chapter Two

# Sources of County Revenue

*This chapter explains the sources of revenue for counties in Oklahoma and discusses the various revenue funds that counties can operate.*

## County Funds

### *The County General Fund*

Oklahoma  
Constitution  
Article 9 § 10

The Oklahoma Constitution and the Oklahoma Statutes authorize counties to create a County General Fund, which is the county's primary source of operating revenue.

The County General Fund is typically used to pay most county employees' salaries plus many expenses for county maintenance and operation. It also provides revenue for various budget accounts and accounts that support special services and programs. Table 2.1 shows some options for revenue amounts that could be apportioned to budget accounts that support special services as established by the Oklahoma Statutes.

62 O.S. § 331  
68 O.S. § 3009  
68 O.S. § 3011

The Board of County Commissioners must review and approve all expenditures made from the County General Fund.

The primary revenue source for the County General Fund is usually the county's ad valorem tax collected on real, personal household (if applicable), business personal, and public service property. Smaller amounts of revenue can come from other sources.

62 O.S. § 331

**Table 2.1 County General Fund Budget  
Accounts and Regulations for Special Services**

<b>Budget Account</b>	<b>Regulated Amount of Deposit</b>
<i>Crippled Children</i>	<i>Oklahoma Supreme Court - State v. Malibuie 1981 OK 18 630 P. 2d 310 - declared unconstitutional</i>
<i>County Audit</i>	<i>Mandatory to provide one-tenth mill</i>
<i>Governmental</i>	<i>Optional with the Board of County Commissioners</i>
<i>Tick Eradication</i>	<i>Optional with the Board of County Commissioners</i>
<i>Highway Levy for road &amp; bridge construction and maintenance</i>	<i>Optional with the Board of County Commissioners</i>
<i>Free Fair</i>	<i>Optional within the limit of the applicable statute under which the free fair is organized</i>
<i>Free Fair Improvement</i>	<i>Optional within the net proceeds of one mill</i>
<i>Free Fair Additional Improvement</i>	<i>Optional within the net proceeds of one mill</i>
<i>Library</i>	<i>Optional within the net proceeds of one-half mill</i>

<i>Public Health</i>	<i>Optional within the net proceeds of one mill (when coordinated by the State Department of Public Health)</i>
<i>Bovine T. B.</i>	<i>Optional within the limit of \$5,000</i>
<i>Farm and Home Demonstration</i>	<i>Variable with the size of the county (optional statutory limitations)</i>

In Figure 2-1, a graph shows revenue sources for all county government funds for FY 2017. This graph depicts the average general fund sources for all 77 counties in Oklahoma. Not all counties receive revenue from all of the items included in the graph. For example, not all counties have a county sales tax.

## **Ad Valorem Tax Collections**

Ad valorem means “according to value” or “in proportion to value.” Most people use the terms ad valorem and property tax interchangeably. Property tax is an ad valorem tax because the amount of tax is directly proportional to the taxable value of the property.

Ad valorem taxes are collected on two types of property: real property and personal property.

Property taxes are measured in mills. A mill is one-thousandth or \$1 tax for every \$1,000 of taxable value. Taxable value (assessed value) is equal to the fair cash value multiplied by the assessment percentage or ratio.

The County Excise Board can lawfully set the levy not to exceed fifteen mills (five of which are apportioned for school district purposes). They can then apportion the anticipated revenue among the county, cities, towns, and school districts.

Table 2.2 shows the ad valorem taxation process and the responsibilities of the various county offices in that process.

The Oklahoma Constitution limits the real property applied assessment percentage to between 11 and 13.5% of fair cash value and the personal property applied assessment percentage to between 10 and 15% Oklahoma Ad Valorem Mill Levies, Fiscal Year 2018, published by the Oklahoma Cooperative Extension Service at OSU, contains of fair cash value. These amounts can be changed by a county-wide vote of the people.

The statewide, comprehensive listing, by county, of statewide local government millages is available at <http://www.agecon.okstate.edu/ctp> under “Related Publications.”

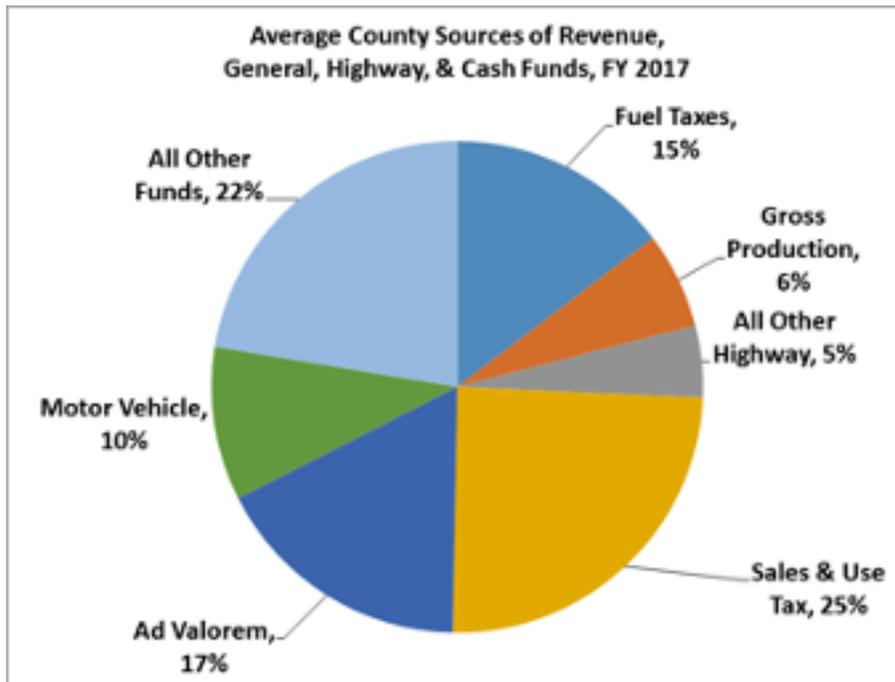
68 O.S. § 2806  
68 O.S. § 2807

Oklahoma  
Constitution  
Article 9 § 10

Oklahoma  
Constitution  
Article 10 § 8

Figure 2-1. Revenue Sources, All County Government Funds, FY 2017

### Revenue Sources, All County Government Funds, FY 2017



Sources of revenue include all revenues to General, County Highway, and Special Revenue funds. The percentage of revenue by source was calculated for each of the 77 counties. Then the average of the 77 counties was computed based on the statistics of the individual counties.

Source: The data for this graph comes from the Abstract of the General Fund for Counties in Oklahoma, Fiscal Year 2016-2017 published by the Oklahoma Cooperative Extension Service at Oklahoma State University, available at <http://www.agecon.okstate.edu/ctp> under "Related Publications."

This graph shows a general average of all 77 counties in Oklahoma. Not all counties receive revenue from all of the sources shown. For example, not all counties have a sales tax.

**Table 2.2 County Ad Valorem Taxation Process**

<b>Office or Board</b>	<b>Activity</b>
County Assessor	Appraises real property & accepts renditions on personal property. Appraised value = fair cash value in according to use
	Applies assessment ratio to appraised value. Appraised value x assessment ratio = gross assessed valuation
	Applies applicable exemptions to determine net assessed valuation. Gross assessed valuation - exemptions = net assessed (or taxable) valuation
	Prepares a summary of the assessment rolls (an abstract of all valuations of taxable property in the county)
	Certifies & presents this summary to the County Excise/Equalization Board & the Oklahoma Tax Commission
County Excise Board	Receives & reviews the County Assessor's summary, which shows the county's tax base Later receives certified values from State Board of Equalization (county's total taxable valuation)
	Receives & reviews estimates of needs from each department of county government
	Determines exact tax levy & certifies the levies to the County Assessor levy (up to constitutional limitation) = $\frac{\text{tax revenues needed}}{\text{taxable valuation}} \times 100$
County Assessor	Applies levy to each entry on the assessment rolls $\text{mill rate} \times \text{taxable valuation} = \text{tax } 1000$
	Prepares the tax rolls
	Certifies the tax rolls to the County Treasurer
County Treasurer	Prepares & mails tax statements
	Receives tax payments
	Issues delinquent tax notices & warrants on personal property
	Initiates & supervises tax sales on real property for nonpayment of taxes

Table 2.3 shows a hypothetical computation of the property tax due on an \$80,000 house in a county where the assessment ratio is 12% and the levy is 80 mills.

**Table 2.3 Property Tax Calculation**

Fair cash value of a home	\$80,000.00
Times the assessment ratio	X .12
Equals assessed value	\$9,600.00
Less homestead exemption	<1,000.00>
Equals net assessed value	\$8,600.00
Times the tax rate (80 mills) or 80/1000 = 0.080	X 0.080
Equals tax due	\$688.00

## *Real Property*

68 O.S. § 2806

Real property consists of land or a combination of land and building improvements. The County Assessor determines the fair cash value according to how this real estate is being used. Any change in the property during the year, such as new construction or the removal of a building, results in a reassessment. The assessor must reassess each piece of real property at least every four years.

## *Personal Property*

68 O.S. § 2807

Personal property includes individual personal property and business personal property.

Individual personal property includes such things as clothing, furniture, tools, jewelry, silverware, sporting equipment, pianos, grain loaders, saddles, and other items.

Business personal property includes commercial, business, and professional equipment such as furniture, machinery, merchandise inventories, merchandise on consignment, and merchandise on leased land.

Counties can elect to abolish household personal property taxes.

For counties that have passed the county option to abolish household personal property and livestock in support of the family, the constitutional 10-mill limitation is increased to compensate for the loss in the tax base and make the tax base revenue neutral in tax collections in the year in which it was passed by a vote of the people.

Oklahoma  
Constitution  
Article 10, § 8A

## *Other Ad Valorem Funded Budgets*

The proceeds of specific revenue sources that can be expended only for specified purposes as restricted by the Oklahoma Statutes are held in special revenue funds. The following funds are examples of special revenue funds that derive revenue from ad valorem tax levies:

- County Health Department
- County Building
- Emergency Medical Services
- Solid Waste Management District - 3 mills
- County Industrial Development Fund - 5 mills
- Cooperative Library – 1 - 4 mills
- County Sinking Fund

Oklahoma Constitution  
Article 10, § 9A  
63 O.S. § 1- 223  
Oklahoma Constitution  
Article 10 § 10  
Oklahoma Constitution  
Article 10 § 9C(a)  
Oklahoma Constitution  
Article 10 § 35  
Oklahoma Constitution  
Article 10 § 10A  
Oklahoma Constitution  
Article 10 § 26

**Refer to Chapter Nine, “General Description of Ad Valorem Taxation,** in the Handbook for County Assessors of Oklahoma for a list of all levies with their legal citations. **Refer to OSU Extension Facts AGEC-795, “Ad Valorem Taxes”** for additional information.

## *Exemptions to Ad Valorem Taxation*

68 O.S. § 2887

The Oklahoma Statutes provide for tax exemptions for governmental, educational, religious, and charitable institutions.

They also provide for other exemptions such as the homestead exemption.

### **Homestead Exemption**

68 O.S. § 2888

Persons who own homes in the county are eligible for a homestead exemption provided the home is their actual permanent residence, and they are citizens of Oklahoma.

68 O.S. § 2889

A homestead is exempt from ad valorem taxation up to \$1,000 of the assessed value. (The property's taxable valuation is less \$1,000).

Persons who purchased homes during the past year are eligible for a homestead exemption if the following two criteria apply:

1. The persons were actually living on the property on January 1 of the current taxable year.
2. The deed or other evidence of ownership has been or will be filed for record in the County Clerk's office prior to February 1 in the year in which the owner first applies for the homestead exemption.

Property owners are not entitled to a homestead exemption if any of the following criteria apply:

- The owner is not actually residing on the property on January 1 of the taxable year.
- The property is rented.
- The deed or other conveyance of title is not on record in the County Clerk's office prior to February 1 of the year in which the owner first applies for the homestead exemption.
- The title to the property is in probate (except for the surviving spouse or minor children living on the property).

### **Additional Homestead Exemption**

68 O.S. § 2890

An additional homestead exemption is an additional exemption allowed to any homeowner who meets the following conditions:

- The homeowner is eligible for a homestead exemption.
- Application for additional homestead must be made annually on or before March 15.
- The homeowner's gross household income is \$20,000 or less for the preceding year.

## *Ad Valorem Tax Refunds or Credits*

A head of household can qualify for a refund or credit of ad valorem tax payments if the following conditions apply:

68 O.S. § 2906

- The person is totally disabled or is 65 years of age or older.
- The person's gross household income is \$12,000 or less.
- The person has been living in the state during the entire preceding year.

A head of household can also qualify for a refund or credit of ad valorem tax payments if the following condition applies:

- The person has been honorably discharged from active service in any branch of the Armed Forces of the United States or Oklahoma National Guard, and has been certified by the United States Department of Veterans Affairs, or its successor, to have a 100% permanent disability sustained through military action or accident, or resulting from disease contracted while in such active service, or is the surviving spouse of the person.

Oklahoma  
Constitution  
Article 10 § 8E

The remainder of this chapter will focus on other sources of county revenue.

## **Fees and Collections**

Fees and collections are another source of revenue for the County General Fund. They are revenue sources generated by a political subdivision. Fees are charged for services provided. The majority of the services and accompanying fees are established by the legislature, municipal ordinance, or an administrative action by a governing board. Collections are the revenues obtained from the fees.

28 O.S. § 43

For example, the County Clerk collects a fee for recording deeds and other legal documents, and the County Treasurer collects fees associated with collecting delinquent taxes.

28 O.S. § 32

## **County Sales Tax**

County sales tax revenues can also be placed in the County General Fund. Any county with a population of 300,000 or less may levy up to a two percent county sales tax. Counties with populations larger than 300,000 may levy a restricted tax of one-half of one percent or one percent to finance certain facilities.

68 O.S. § 1370

68 O.S. § 1370.2

68 O.S. § 1370.4

County sales tax revenues can also be kept in a separate revolving fund that has been specifically set up for that purpose.

To institute a county sales tax, the Board of County Commissioners must call an election or an initiative petition must be completed. In either case, an election is held to perform the following activities:

- Implement the tax

- Set the tax levy
- Set the duration of the tax which may be for a specific or indefinite time period
- Set the use(s) for which the sales tax collections will be used

A simple majority of the eligible voters in the county is required to pass the sales tax.

Sales tax revenues may be used for general operations, capital improvements, county roads, or other necessary uses as designated. Such uses must promote the safety, security, and the general well-being of the people of the county.

68 O.S. § 1370

Incorporated cities and towns are allowed to levy a sales tax. Any municipal sales tax would be in addition to the 4.5 percent levied by the state and the maximum two percent allowed for county government. The amount of a municipal sales tax must be approved by a majority vote of the registered voters at a general or special election.

68 O.S. § 1354

68 O.S. § 2701

68 O.S. § 2705

## County Use Tax

The Board of County Commissioners of a county with a county sales tax in place may levy an additional excise (use) tax, at a rate that equals the county sales tax rate. This use tax shall be paid by every person storing, using, or otherwise consuming, within the county, tangible personal property purchased or brought into the county. These purchases include mail and phone orders and internet purchases from merchants who have no physical presence in Oklahoma. The Board of County Commissioners also sets the purpose(s) for which the use tax is spent.

68 O.S. § 1411

68 O.S. § 2705

Refer to OSU Extension Facts [AGEC-765](#), “Use Tax for County Government” for additional information on use tax.

## State Transfer Payments

The State of Oklahoma makes transfer payments to counties, cities, towns, and school districts, some of which are deposited into the County General Fund. Some state transfer payments may be deposited into various cash funds, which are discussed later in this chapter. State transfer payments are generated primarily from the following sources:

- Motor fuel excise taxes, including gasoline, compressed/liquefied natural gas, and diesel
- Special fuel taxes
- Collections
- Forfeiture taxes
- Motor vehicle license and registration fees
- Gross production tax

68 O.S. § 500.7

47 O.S. § 1104

In addition, school districts receive funds from the state rural electric co-op tax according to the number of miles of power lines within each district. Cities and towns receive funds from the

68 O.S. § 1004

state alcoholic beverage tax based on total area and population. Counties and municipalities with racetracks also receive monies from admission fees.

The Oklahoma Tax Commission (OTC) makes transfer payments to the County Treasurer for cities and counties.

Table 2.4 shows the sources and uses of state monies that are transferred to counties.

Refer to the OTC website ([https://www.ok.gov/tax/Forms\\_&\\_Publications/Reports\\_&\\_Statistics/](https://www.ok.gov/tax/Forms_&_Publications/Reports_&_Statistics/)),

which contains several reports such as “Revenue Taxes and Licenses Distributed to County Roads.”

### In-Lieu Taxes

In-lieu taxes, which are deposited into the County General Fund, are taxes that substitute for, or take the place of, ad valorem taxes. In-lieu taxes come from the following sources:

- Auto Tax Stamps
- Registration fees and taxes on aircraft
- Registration and licenses for vessels and motors
- Textile taxes
- Farm tractors and equipment

68 O.S. § 5301  
 68 O.S. § 5302  
 47 O.S. § 1137.1  
 3 O.S. § 256  
 63 O.S. § 4003  
 A(2) B(2)  
 63 O.S. § 4023  
 68 O.S. § 2001  
 68 O.S. § 5401  
 68 O.S. § 5402  
 68 O.S. § 5403  
 68 O.S. § 5404

**Table 2.4 State Transfer Payments to Counties Sources and Uses**

Revenue Source/Tax Rate	Use	
	County Roads	County Government
Gasoline Excise Tax (\$.16/gallon)	~33%	
Diesel Excise Tax (\$.13/gallon)	~34%	
Special Fuel (\$.16/gallon) (7%, 5%, 4%, 2% or 1%)	30.9961%	
Gross Production Tax on oil (7%, 5%, 4%, 2% or 1%)	Varies by tax rate*	
Gross Production Tax on natural gas	Varies by tax rate*	
Motor Vehicle License & Excise Tax	33%*	0.83%
Counties with Racetracks: Admission Fee Tax		50% or 100%

Gross Production Tax (asphalt or ores) <sup>3/4</sup> of 1% of value	7.14%	
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\* Percentage to County Highway Fund is basically 0.5% of the value of production. County Bridge and Road Improvement Fund receives additional allocations.

\*\* Several of the motor vehicle items are capped at the amount received in FY 15.

**Reimbursements**

Counties may receive reimbursement revenues such as the following examples, which also go into the County General Fund.

- Visual Inspection: All local jurisdictions (such as school districts or road districts) that benefit from ad valorem assessment pay a pro-rated share of the total visual inspection budget for the County Assessor’s program of visual inspection where county properties are visually inspected at least once every four years and revalued annually. This cost is included in the county budget, and the local jurisdictions reimburse their shares of the cost to the county.

68 O.S. § 2817  
68 O.S. § 2820  
68 O.S. § 2822  
68 O.S. § 2823
- District Attorney: The county initially pays for certain expenses for the District Attorney, but the state, through the District Attorneys Council, reimburses the county for certain expenses that the county is not required to provide, such as maintenance, operation, and capital outlay. Counties must provide the District Attorney with office space, including heating, cooling, and maintenance of that space; a law library and necessary legal subscriptions; and funds for investigation, prosecution, or defense of any action where the county is a party.

19 O.S. § 215.36  
19 O.S. § 215.37B  
19 O.S. § 215.38
- Election Board Secretary: The county initially pays salaries and fringe benefits for each election board secretary, but the state, through funds appropriated by the state legislature, reimburses the county at a rate not to exceed 135% of the specified salaries. The county files claims for this reimbursement with the Secretary of the State Election Board. The county must supply the election board with appropriate office space.

26 O.S. § 2-118  
26 O.S. § 2-119  
26 O.S. § 2-121
- Ad Valorem Exemptions: The county may receive reimbursements for ad valorem exemptions such as additional homestead exemptions; exemptions granted for new or expanded manufacturing or research and development facilities; and state owned agricultural land for which no state agency is making an in-lieu ad valorem payment.

62 O.S. § 193  
62 O.S. § 194

**Cash Funds**

Special revenue funds, or cash funds, are created by statute and must be accounted for separately. Accounts within a cash fund are not subject to fiscal year limitations, which means that any cash surplus in an account at the end of a fiscal year remains with that account at the beginning of the new fiscal year. The Oklahoma Statutes may reference cash funds as revolving funds. Cash fund revenues come from many sources including the following sources:

1. Excise taxes that the State of Oklahoma collects and distributes to counties

2. State of Oklahoma contributions from its General Revenue Fund

3. Local collections of monies

Cash funds differ from the County General Fund in one important way. County General Funds can be apportioned by the County Excise Board according to anticipated receipts. Revenue in cash funds must be actually collected before it can be disbursed. The following are some examples of county cash funds:

- County Sales Tax Fund 68 O.S. § 1370(E)
- County Assessor's Fee Revolving Fund 68 O.S. § 2829.1
- Emergency Management Fund 63 O.S. § 683.17
- County Community Service Sentencing Program (CSSP) Fund 22 O.S. § 991a4.1
- County Commissioners' Litter Reward Fund 22 O.S. § 1334
- County Highway Fund 69 O.S. § 1503
- County Clerk's Lien Fee Fund 19 O.S. § 265
- County Fair Board Free Fair Fund 2 O.S. § 15-59
- Court Clerk's Child Abuse Prevention Fund (Multidisciplinary Report: DHS Assessments) 28 O.S. § 153(G)  
63 O.S. § 1-227
- Court Clerk's Records Management and Preservation Fee Fund 28 O.S. § 152(G)
- District Attorney's Bogus Check Restitution Fund 22 O.S. §  
991f-1.1(E)
- County Sheriff's Service Fee Fund 19 O.S. § 514.1
- County Treasurer's Resale Property Fund 68 O.S. § 3137
- County Sheriff's Trash Dumping Fund (Sheriff's Environmental Reward Fund) 21 O.S. § 176.1
- County Treasurer's Mortgage Certification Fee Fund (A-H) 68 O.S. § 1904
- Preservation Fee Fund (Effective July 1, 2001) 28 O.S. § 32
- County Lodging Tax Revolving Fund 68 O.S. § 1370.9

Some special cash funds are established periodically as the need arises for federal and state grant programs such as the following examples:

- Home rehabilitation grant fund
- Rural water district fund
- Fire district fund
- Special road/bridge repair fund

These special funds are usually set up for the life of the grant program or the special construction project. At the end of the project, the fund is closed.

## *Cash Fund Appropriations*

Revenue for cash fund accounts are deposited with the County Treasurer upon receipt. Some funds are deposited electronically, directly into the county bank account. The County Treasurer creates a miscellaneous receipt upon deposit of any funds.

The revenue deposited with the County Treasurer is NOT available for expenditures until the appropriation of funds is made by the Board of County Commissioners and the County Excise Board or the Budget Board.

At the end of the month, the County Treasurer apportions the received revenue into the proper cash funds. Upon completing the apportionment of funds, the cash appropriation process can begin by completing [SA&I Form No. 308, "Cash Fund Estimate of Needs and Request for Apportionment."](#)

- Part One, Certification of Funds Available, is completed by the County Treasurer.
- Part Two creates the Estimate of Needs that shows the appropriation account in which the revenue is to be apportioned. This part is completed by the county officer, the Board of County Commissioners, or the County Clerk.
- Part Three involves the County Excise Board (or the Budget Board in counties that have adopted the County Budget Act) reviewing the request to determine that the funds are available and that the funds are allocated according to law.

Upon approval, the form is returned to the County Clerk. Upon receipt of SA&I Form 308, the County Clerk will post to the appropriation ledger. The revenue is now available for the county officer that governs the cash fund to use the funds.

## *Capital Projects Funds*

Money used to acquire or construct major capital facilities is maintained in a capital project fund. For example, money from a road bond issue is recorded in a capital project fund along with expenditures for the road improvement project.

## **Debt Service Funds**

To ensure the adequate accumulation of principal and interest to retire a debt, accounting is maintained through a debt service fund called a sinking fund. Debt issues are typically designed so that the size of the debt service payments (both principal and interest) is very similar from one year to the next. Therefore, the ad valorem tax levy collected and placed in the sinking fund is about the same from year to year. The exact mill levy each year depends on the debt service payment and the taxable valuation.

## **Special Assessment Funds**

Sometimes public improvement districts are established in which the property owners who receive a direct benefit from the improvement pay a proportional share of the expense. The money

paid to finance such projects is recorded in a special assessment fund.

## ***Audit Structure***

Each county in Oklahoma shall, every two years, have an audit made by the State Auditor and Inspector. The audit shall be a financial or performance audit to be determined by the State Auditor and Inspector.

19 O.S. § 171

The county has the option to prepare financials on a fund-basis format or as prescribed by the Governmental Accounting Standards Board (GASB). When using GASB standards, county funds would be categorized and reported using the General Accepting Accounting Principles (GAAP) fund types and classification.

## **Governmental Funds**

- General Fund - chief operating fund of the county
- Special Revenue funds - used for specific revenues and purpose, for example, cash funds
- Debt Service Funds - resources to meet current and future debt service, for example, sinking funds
- Capital Projects Funds - focused on construction and acquisition

## **Proprietary Funds**

- Enterprise Funds - used to report an activity for which a fee is charged to external users for goods or services, for example, a parking garage, fair rentals
- Internal Service funds - used to centralize certain services and then allocate the cost of those services or a cost-reimbursement basis, for example, a county owned pool of cars

## **Fiduciary Funds**

- Trust and Agency Funds - accounting for revenues collected in a purely custodial capacity for others and not used for the government's own programs, for example, schools, cities, and other programs

## **Other Sources of County Revenue**

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### ***Funds for County Road, Bridge Construction and Maintenance***

Both the federal government and the state provide funds to counties to assist in county road and bridge construction and maintenance.

69 O.S. § 657 et seq.

69 O.S. § 659-666

#### **County Bridge and Road Improvement Fund**

The County Bridge and Road Improvement (CBRI) Fund receives a portion of the gasoline and diesel excise tax and gross production tax. The Oklahoma Tax Commission (OTC) apportions the monies monthly among all of the counties based on the County Road, CR Factor, which is updated annually by the Oklahoma Department of Transportation (ODOT). This formula takes into account average vehicle miles traveled in the county, county collector miles, and county terrain.

CBRI funds can only be used by the county that receives the funds. Any cash balances in the account at the end of the year are carried over to the next year. Possible uses are defined in the Oklahoma Statutes.

#### **Other Funds**

Other funds for road and bridge construction and maintenance include federal Surface Transportation Program (STP) funds and County Improvements for Roads and Bridges (CIRB) funds. For more information, refer to “Financing for Bridge and Road Construction and Maintenance” in Chapter Fourteen, “Duties of the County Commissioner: Roads and Bridges, in the Handbook for County Commissioners of Oklahoma.

## Chapter Three

# The County Budget process

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## Budget Preparation

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*County Officers, the County Excise Board, and County Budget Boards (in County Budget Act counties) are required by law to perform several very important functions in the process of budget preparation and review.*

This chapter discusses the purpose of budgets in general, the elected officials' roles in the annual budget process, and the County Excise Boards' and the Board of County Commissioners' or County Budget Boards' responsibilities and authorities in budget review and approval. It addresses, in particular, the County General Fund budget process. Other funds, such as the Highway Fund, are budgeted and appropriated monthly, rather than annually.

To ensure fiscal responsibility and accountability of public officials to the law and the people that they serve, Oklahoma state law requires all units of local government to prepare an annual financial statement and estimate of needs for certain funds, especially the General Fund. These documents must be available for inspection by state and county review boards and the general public. The county fiscal year in Oklahoma is July 1 through June 30.

68 O.S. § 3002

68 O.S. § 3004

The governing board is responsible for ensuring that each county officer and department files a financial statement (annual report form, Office of the State Auditor and Inspector (*SA&I Form No. 1161 or SA&I Form No. 1162*, as appropriate) that shows revenues and expenses for the past year and an estimate of expenditures for the next fiscal year. This information is used on *SA&I Form No. 2631R97*, "Estimate of Needs and Financial Statement." The Board then uses that information to report an itemized statement of estimated needs to the County Excise Board. In counties with a Budget Board, the key difference is that the Budget Board submits the proposed budget to the County Excise Board.

To access *SA&I Form 2631R97*, click on the link for this form in this chapter. When the web page appears, click on "County" in the "Form Name" list. You will be prompted to open an Excel file.

## *The Purpose of a Budget*

Preparing a well-researched and carefully planned budget should help the money manager perform two important tasks:

1. Reviewing the source and expenditure of funds during the past fiscal year.

This step reveals how effectively money has been spent and how efficiently

programs and projects have been administered.

2. Proposing expenditures on the basis of revenues anticipated during the coming year.

This step shows how to efficiently continue or increase past expenditures, and how to prioritize spending for the next fiscal year.

68 O.S. § 3002

68 O.S. § 3004

## ***Forms Related to the Budget Process***

The County Clerk, as secretary to the Board of County Commissioners or the Budget Board, acquires all forms related to the county budget process. The County Clerk normally distributes these forms to the county offices.

The following forms are the primary forms used in the county budget process:

- County officers annual report forms, [SA&I Form No. 1161](#) and [SA&I Form No. 1162](#)
- Cash Fund Estimate of Needs and Request for Appropriation, [SA&I Form No. 308](#) (used monthly only for cash funds)
- Certificate of Levy, [SA&I Form No. 2633](#)
- Estimate of Needs and Financial Statement, [SA&I Form No. 2631R97](#)
- Officer's Request for Supplemental Appropriation, [SA&I Form No. 388](#)
- Supplemental Estimate, [SA&I Form No. 150](#)
- Transfer of Appropriations, [SA&I Form No. 237](#)

## ***Budget Submissions***

The County Excise Board is responsible for approving the budget and appropriations. The County Excise Board revises the budget, if needed, and appropriates the funds. They may collaborate with the Board of County Commissioners. Some counties, however, have elected to have a County Budget Board, which is largely responsible for budget revisions if the County Excise Board determines that changes are needed.

Table 3.1 summarizes the differences between the two county budget systems.

68 O.S. § 3002

## **County Budgets in Counties With the Commissioner/ Excise Board Budget Method**

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Most counties use the Commissioner/Excise Board Budget Method. The Board of County Commissioners prepares and submits Estimates of Needs for the county to the County Excise Board. The County Assessor must also submit an Estimate of Needs for the visual inspection program to the County Excise Board. Table 3.2 shows the fiscal timetable for counties that use the Commissioner/Excise Board Budget Method.

**Table 3.1 Differences Between the Two County Budget Systems:  
Commissioner/Excise Board System and Budget Board System**

<b>Activity</b>	<b>Commissioner / Excise Board</b>	<b>Budget Board</b>
<i>Estimates available funds and needs for county</i>	<i>County Excise Board by July 1</i>	<i>County Excise Board by a date set by the Budget Board</i>
<i>Holds budget conference</i>	<i>County Excise Board</i>	<i>Budget Board</i>
<i>Submits budget</i>	<i>Board of County Commissioners to County Excise Board by August 17</i>	<i>Budget Board to County Excise board by July 1</i>
<i>Make temporary appropriations</i>	<i>County Excise Board</i>	<i>Not necessary</i>
<i>Handles inadequate provisions for mandatory functions</i>	<i>County Excise Board provides an estimate of needs if the officer in charge does not</i>	<i>County Excise Board returns the budget to the Budget Board, which must respond in 15 days</i>
<i>Trims requests: Reduced amounts that exceed lawful amount Apportions revenues that exceed appropriation amounts</i>	<i>County Excise Board or County Excise Board/Board of County Commissioners jointly</i>	<i>County Excise Board, in limited cases or County Excise Board returns budget to the Budget Board, which must respond within 15 days</i>
<i>Approves balanced, lawful budget</i>	<i>County Excise Board</i>	<i>County Excise Board</i>
<i>Amends budget and supplements</i>	<i>Authorized by the County Excise Board</i>	<i>Authorized by the Budget Board</i>
<i>Approves budget transfers</i>	<i>Board of County Commissioners, which also notifies the County Excise Board</i>	<i>Budget Board</i>

**Table 3.2 Fiscal Timetable for Counties Using  
The Commissioner/Excise Board Budget Method**

<b>Date</b>	<b>Activity</b>	<b>Statute Reference</b>
<i>January 1</i>	<i>The County Assessor lists, appraises &amp; assesses all property for ad valorem taxation, based on the estimated fair cash value on January 1</i>	<a href="#">68 O.S. § 2831</a>
<i>January 1 to March 15</i>	<i>The County Assessor accepts personal property renditions from individuals and businesses, homestead exemption applications and manufacturer's exemption applications. <b>NOTE: Homestead exemption applications are accepted all year. They must be filed by March 15 to apply to the current year.</b></i>	<a href="#">68 O.S. § 2832</a> <a href="#">68 O.S. § 2892</a>
<i>January 1 to the 4th Monday in April</i>	<i>The County Assessor sends notices to those whose exemptions are denied and to anyone whose property value is being increased from the previous year.</i>	<a href="#">68 O.S. § 2876</a>
<i>While the Board of equalization is in session</i>	<i>The County Assessor begins preparing the assessment role: the taxable value of property is recorded, the assessment ratio is applied to derive the assessed value and exemptions are deducted from the assessed value to compute the net taxable value.</i>	<a href="#">68 O.S. § 2842</a>

Before April 30	The County Assessor prepares an exemption reimbursement form to be signed by the Board of County Commissioners and sent to the Oklahoma Tax Commission. The exemption reimbursement form shows the amounts of additional homestead and manufacturer's exemption that were granted during the previous assessment year. If the OTC approves these exemptions, the state reimburses all or a portion of the taxes lost due to these exemptions.  The claims must be approved or disapproved by June 15 each year.	62 O.S. § 193
Within 30 days of notice of increase of valuation	Taxpayers must file any complaints regarding assessed value or denial of exemption. The County Assessor holds an informal hearing with the taxpayer and makes a decision within seven days. If the taxpayer is still dissatisfied, the taxpayer must file an appeal with the County Board of Equalization within 15 days of the date the notice is mailed or delivered.	68 O.S. § 2876
April 1 to May 31	The County Board of Equalization in counties with total assessed valuations of less than one billion dollars hear taxpayers' protest and make their decisions	68 O.S. § 2863
Within 30 days after decision of the County Board of Equalization is mailed	If desired, the County Assessor or the taxpayer may appeal any decision of the County Board of Equalization in District Court.	68 O.S. § 2880.1 68 O.S. § 2902
June 15	The County Assessor must file the annual abstract of assessment with the OTC.	68 O.S. § 2867
Within 10 days of receiving certification	The County Assessor files an abstract of assessment (Report to Excise Board) with the County Excise Board.	68 O.S. § 2867
On or before the first Monday in July	Each county and local governmental entity files a record of earnings and costs for the past year and an estimate of needs for the new fiscal year with the Board of County Commissioners or their governing board. The report shows amounts for personnel (including travel), maintenance and operation, capital outlay and other appropriate items.  The County Assessor shall make adequate provisions for the Visual Inspection Program, which each jurisdiction receives. The County Excise Board or the Budget Board shall notify all jurisdictions of any meeting at which discussion or action will take place.	68 O.S. § 3004  68 O.S. § 2822
First Monday in July or earlier	The County Excise Board meets to organize, elect officers, set dates for the budget hearings and other public meetings.	68 O.S. § 3006 68 O.S. § 3013 68 O.S. § 3014
By July 1	The County Excise Board holds a budget planning conference with each county officer to discuss personnel needs and to provide the officer with a tentative estimate of available revenues for the new fiscal year.	19 O.S. § 180.65
After beginning of fiscal year	The County Excise Board approves temporary appropriations for the new fiscal year.	68 O.S. § 3020
On or prior to July 25	The County Excise Board apportions the mileage as authorized by the Oklahoma Constitution.	Oklahoma Constitution Article 10 § 9 68 O.S. § 3015
On or prior to July 31	The State Board of Equalization shall cause the assessed valuations of any railroad, air carrier, or public service corporation to be certified by the State Auditor and inspector to the County Assessors of each county in which any portion of property may be located.	68 O.S. § 2860

**Table 3.2 Fiscal Timetable for Counties Using  
The Commissioner/Excise Board Budget Method (Continued)**

<b>Date</b>	<b>Activity</b>	<b>Statute Reference</b>
By August 17	The Board of County Commissioners files the budget document with the County Excise Board.	68 O.S. § 3002
On date set by County Excise Board	Up to ten days of public hearings	68 O.S. §3012 68 O.S. §3013
Within 15 days after the budget document is filed	The County Excise Board fixes levies and makes budget appropriations. If property valuations have not been certified, the County Excise Board has 30 days from the time the values are certified to fix levies and make budget appropriations.  The County Clerk publishes a notice that budgets and levies are on file for inspection.	68 O.S. § 3014  68 O.S. § 3022
On or before October 1	The County Assessor delivers the tax roll to the County Treasurer and delivers the tax roll abstract to the County Clerk	68 O.S. § 2869 68 O.S. § 3014
November 1	The County Treasurer mails tax statements (30 days after receiving the tax roll) to property owners.	68 O.S. § 2869 68 O.S. § 3014 68 O.S. § 2915
Before January 1	Taxpayers must pay at least one-half of each property's ad valorem tax levy	68 O.S. § 2913
Before April 1	Taxpayers must pay the second half of each property's ad valorem tax levy	68 O.S. § 2913

### *The County Excise Board*

68 O.S. § 2861  
68 O.S. § 3005.1

Each county has one County Excise Board, which is an agency of the state, created by law, as part of a system of checks and balances required by the Oklahoma Constitution. This board is composed of the members of the County Board of Equalization. These members are appointed in the following manner:

- One member by the Oklahoma Tax Commission  
As a matter of practice, the Oklahoma Tax Commission typically seeks the advice of the county's state senator.
- One member by the Board of County Commissioners
- One member by the District Judge or a majority of the District Judges in all judicial districts with more than one District Judge

The County Clerk serves as secretary to the County Excise Board.

The tenure of the County Excise Board must be coterminous with that of the County Commissioners in Districts 1 and 3, and must follow other requirements set forth in the Oklahoma Statutes. The County Excise Board must perform the following functions:

68 O.S. § 2861  
68 O.S. § 3005.1(A)

- Require adequate and accurate reporting of finances and expenditures for all budget and supplemental purposes from all county entities
- Provide each county officer with adequate funds for the performance of mandatory constitutional and statutory governmental functions within the financial means available
- Other duties as defined in the Oklahoma Statutes

68 O.S. § 3007

68 O.S. § 3014

68 O.S. § 3006

The County Excise Board meets at the county seat on the first Monday in July each year, or on a date determined by County Excise Board members. The board organizes and elects, for the upcoming fiscal year, one of its members as chairman and another member as vice-chairman to perform certain duties as required by law.

### ***Abstract of Assessed Valuations***

Within 10 days after receiving the certificates of assessment of centrally assessed properties (all the railroads, air carriers, and public service corporations), and the equalized value of real and personal property of the county, the County Assessor prepares and files an Abstract of Assessed Valuations for the county and each municipal subdivision within the county with the County Excise Board. These values are used in preparing the county budgets.

### ***Who Submits Budgets***

68 O.S. § 2867

68 O.S. § 3002

The following entities should prepare and submit budgets to the County Excise Board on SA&I-prescribed forms:

- The Board of County Commissioners (except in counties with budget boards)
- The governing body of each city and town (except Municipal Budget Act cities)
- The board of education of each school district and technology center
- Any taxing entity that requires a levy, such as a library, health organization, EMS, or other entity

11 O.S. § 17-209

### ***Budget Planning Conference***

19 O.S. § 180.65(E)

The County Excise Board holds a budget planning conference with each principal officer and department head before July 1 to discuss personnel needs for the next fiscal year. Prior to this meeting, the board provides the principal officers with an estimate of probable revenues for the next fiscal year.

### ***County Officers Annual Report***

19 O.S. § 345

Following the budget planning conference, each county officer prepares the county officer's annual report on [SA&I Form No. 1161](#) or [SA&I Form No. 1162](#), the county officers' annual report forms, which are provided by the County Clerk. This report is actually two reports: a financial report of earnings and expenditures and an estimate of needs. This report must be

submitted to the Board of County Commissioners (through the County Clerk acting as the secretary to the Board) by the first Monday in July and consists of the following information:

- An estimate of earnings for the past year
- A report of expenditures for the past year
- An estimate of needs for the coming year

68 O.S. § 3004

The estimate of earnings and the report of prior expenditures show the income received along with the costs of operating the office in the outgoing fiscal year. The estimate of needs is an itemized statement of the funding needed to operate the office during the upcoming fiscal year.

## *Role of Board of County Commissioners*

On the first Monday in July, the Board of County Commissioners is required by law to meet to begin the following processes:

- Review the county officers' annual reports
- Prepare the county's financial statement for the fiscal year ended June 30
- Prepare the county's annual estimate of needs for the next fiscal year ending June 30

19 O.S. § 345  
68 O.S. § 3002  
68 O.S. § 3003  
68 O.S. § 3004

## **County's Annual Budget Report**

The county's annual financial statement and annual estimate of needs prepared on SA&I Form No. 2631R97 by the Board of County Commissioners constitute the county's annual budget report (except in counties with budget boards.) Although not designed to meet the statutory requirements of the County Budget Act applicable to budget board counties, some budget board counties have found this form to be useful and do use it.

68 O.S. § 3002  
68 O.S. § 3004  
68 O.S. § 3005.1

The financial statement should show an accounting of county monies received and disbursed during the previous fiscal year.

The itemized estimated budget for the next fiscal year should include the following information:

- The probable expenses of all elected officers and their departments for the coming year
- The amount required by law for any sinking fund
- Probable income from ad valorem taxes and sources other than ad valorem taxes

**NOTE: The Oklahoma Statutes do specifically prohibit the Board of County Commissioners from including any revenue from nonrecurring sources in this income estimate.**

68 O.S. § 3003

## Publication of Financial Statement and Budget

When it is completed, the Board of County Commissioners must have printed a full and accurate statement of the assessments, receipts, and expenditures of the preceding year. This is a financial statement.

68 O.S. § 3002

19 O.S. § 345

Each financial statement and estimate of needs must be published in one issue in some legally qualified newspaper. The publication format is prescribed by the State Auditor and Inspector as shown in Exhibit Z of SA&I Form 2631R97. An affidavit showing the publication must be attached when the financial statements and estimates of need are filed with the County Excise Board.

68 O.S. § 3002

## Presentation of Financial Statement and Budget to the County Excise Board

Before August 17, the Board of County Commissioners must submit the completed financial statement and estimated budget to the County Excise Board, and sign the statement of certification, which certifies that the documents are filed in the County Clerk's office. Usually the County Clerk, serving as secretary to the County Excise Board, files the documents in the County Clerk's office and signs the certificate.

68 O.S. § 3002

## Review and Approval of the County Budget

In approving the county budget, the County Excise Board should follow certain procedures:

68 O.S. § 3007

- Examine the financial statements of the county officers to determine the true fiscal condition of each fund and the accounts within each fund as of June 30 and request additional information when necessary
- Examine the estimates of need for the following criteria:
  1. Determine if a request is lawful and adequate
  2. Provide for mandatory items that are not included
- Compute the total revenues available to each fund
- Revise the budget in whole or part through the following steps when the total estimate of needs exceeds the total revenues available:
  1. Reduce items for functions authorized but not required by constitutional law or statutory law
  2. If necessary, reduce items for functions required by statutory law
  3. If necessary, reduce items for functions required by constitutional law

The County Excise Board does not have the authority to deny an appropriation for a lawful purpose if the revenue and income are available.

Neel v Board of County  
Commissioners of  
Cherokee County, OK,  
617-P2d 201 (1980)

**The County Clerk files all budgets with the Office of the State Auditor and Inspector.**

The County Excise Board shall fix the time and place for public hearings regarding budgets. The notice of these hearings shall be provided in one publication of general circulation. Any taxpayer

may appear for or against any part of the statements of estimated needs for the current fiscal year. The County Excise Board shall have the power to call in the county official or person in charge for examination concerning estimated needs. Budget hearings may last up to 10 days.

68 O.S. § 3012

68 O.S. § 3013

## Publication of Approved Budget

The County Clerk must publish a one-time notice in a newspaper of general circulation in the county stating that the approved budget is completed and is on file, for inspection by any citizen, at the County Clerk's office.

68 O.S. § 3022

## Transfer of Appropriations

The County Clerk receives requests for transfers of appropriations as secretary to the governing board. If the governing board makes any transfers of appropriations, the County Clerk makes the proper entries in the appropriation ledger and then notifies the County Excise Board in writing.

62 O.S. § 461

A transfer of appropriations occurs when monies are transferred within a fund from an account with a surplus to another account that needs additional revenues. Monies can be transferred within a fund, but cannot be transferred from one fund to another fund, except in Budget Board counties under limited circumstances. Thus, a transfer of appropriations neither increases nor decreases the fund's balance.

In Budget Board counties, if at any time during the budget year it appears probable that revenues available will be insufficient to meet the amount appropriated, or that due to unforeseen emergencies there is temporarily insufficient money in a particular fund to meet the requirements of appropriation in the fund, the County Budget Board shall take such action as it deems necessary. For that purpose, it may amend the budget to reduce one or more appropriations or it may amend the budget to transfer money from one fund to another fund, but no appropriation for debt service may be reduced and no appropriation may be reduced by more than the amount of the unexpended and unencumbered balance. No transfer shall be made from the debt service fund to any other fund except as may be permitted by the terms of the bond issue or applicable law.

19 O.S. § 1420

A transfer of appropriations may occur between budget accounts in the County General Fund. For example, a transfer of appropriations within the County General Fund may be made from the unexpended and unencumbered balance of the appropriation of a county office with less urgent needs to the account of a county office with immediate urgent needs.

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County officers make requests to the governing board for a transfer of appropriation on [SA&I Form No. 237](#) entitled *Transfer of Appropriations*. The following information must be provided when requesting a transfer of appropriation:

- The additional needs that require a transfer of appropriation
- The reason for the additional needs
- A detailed list of items
- A detailed list of items proposed to be canceled in the account from which the transfer is made
- The written consent of the county officer in charge of the account from which the

transfer is made

A transfer of appropriations requires the approval of the governing board, which permits both the transfer and the cancellation or reduction of the appropriation in the original account.

**A General Fund appropriations account must have at least \$1.00 in it before any monies can be transferred into it. Monies cannot be transferred into a zero-balance account.**

**In budget board counties, the Office of the SA&I recommends that transfers of funds between funds occur only under limited special circumstances. Restricted funds cannot be transferred to another fund.**

## Transfers for Error Correction

Transfers to correct errors are sometimes necessary. However, these transfers need to be noted as error corrections so that they are not included in the fiscal year-end financial statement. Since the purpose is to correct an error of an item accidentally paid from the wrong account or accidentally deposited into the wrong account, the transfer should be netted out of either revenue or expenditures. If the error is from a previous fiscal year, then it should be netted out of the beginning balance.

## Transfers for Emergency and Transportation Revolving (ETR) Loans

When the county receives an Emergency and Transportation Revolving (ETR) loan, those proceeds are to be deposited into a trust and agency account, because ETR loans are not technically county funds. The funds needed for the road project should then be transferred into the appropriate highway fund. When the highway fund has enough revenue available to repay the loan, the funds would be transferred back to the ETR. The county then issues a voucher to the Circuit Engineering District to repay the ETR loan. By using this method, the revenue and expenditures will not be over stated on the county's financial statements.

## Supplemental and Additional Appropriations

All requests for supplemental or additional appropriations are filed with the County Clerk as secretary to the County Excise Board and the County Budget Board. Requests are made on [SA&I Form No. 388, \*Officer's Request for Supplemental Appropriations\*](#). These requests must include specific information: The Board of County Commissioners would have completed [SA&I Form No. 150, \*Supplemental Estimate\*](#), or the County Budget Board would have completed a similar document.

68 O.S. § 3007

68 O.S § 3021

The requests must include specific information:

- Date of request
- Statement of amount and purpose
- A financial statement, as of the close of the preceding month, which indicates the following items:
  - Current expense

- Amount of cash unexpended
- Amount of taxes in process of collection
- Amount of uncollected portion of estimated income other than ad valorem tax for current fiscal year
- Amount of warrants outstanding and interest earned and accruing
- Amount of expended balance of fund
- Surplus or deficit in revenue, if any

If sufficient “surplus” revenue is shown, the County Excise Board may approve the supplemental and additional appropriation. If the revenue is insufficient, the County Excise Board may revoke or cancel any previous appropriation and replace it with a supplemental and additional appropriation required for the good of the public.

### ***Inter-fund Loans (Temporary Transfers)***

If at any time during the budget year it appears to the County Treasurer that a particular fund temporarily has insufficient monies to meet the appropriation requirements of that fund, the County Excise Board, at the request of the County Treasurer and upon notification to the Board of County Commissioners, may temporarily transfer money from one fund to any other fund, with the permission of the county officers in charge of the fund that the money will be temporarily transferred from. No transfer shall be made from the debt service fund to any other fund except as may be permitted by the terms of the bond issue or applicable law.

68 O.S § 3021

**Any funds temporarily transferred shall be repaid to the original fund from which they were transferred within the fiscal year that the funds were transferred.**

### **Temporary Appropriations (Commissioner/Excise Board Budget Counties)**

From July 1 each year until the time the various county budgets are approved, County Excise Boards can appropriate the amount of available funds estimated for the fiscal year for temporary appropriations.

68 O.S. § 3020

If the County Excise Board approves a temporary appropriation, that appropriation must be merged into the annual appropriation, and any warrants drawn against the temporary appropriation must be charged against the final approved annual appropriation for the current fiscal year, including capital outlay items.

## **City or Town Budgets in Counties where County Excise Boards are responsible for the Budget**

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68 O.S. § 3002

The governing body of each city and town must prepare a financial statement that shows the true fiscal condition of all its accounts and funds as of June 30. This body should also prepare an itemized statement of estimated needs and probable income from sources other than ad valorem taxes for the new fiscal year. The financial statement and estimate of needs must be supported by schedules or exhibits that show, by categories, the amount of all receipts and disbursements.

### ***Statement of Estimate of Needs***

The statement of estimate of needs must be itemized to show, by classes, the following information:

- The amounts necessary for the current expenses of the city or town for each officer and department
- The amount required by law to be provided for any sinking funds (debt purposes)
- The probable income that will be received from all sources other than ad valorem taxes

The financial statement and estimate of needs must be published in a legally qualified newspaper within the county. Financial statements and estimates of need for towns must be filed with the County Excise Board on or before August 22. Statements and estimates for cities must be filed with the board on or before August 27.

Revenue received during the past fiscal year from any nonrecurring source, such as the sale of land, gifts, windfalls, forfeitures, and federal aid allotments are not to be included in the estimate of probable income.

68 O.S. § 3003

## **School District Budgets in Counties where County Excise Boards are responsible for the Budget**

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The Board of Education of each independent school district must meet on the first Monday in July of each year, and the Board of Education of each dependent school district must meet on the second Tuesday in July of each year to prepare a financial statement for the previous year ending June 30.

The financial statement shows a list of monies received and disbursed during the previous fiscal year. In addition to the financial statement, an estimate of needs should be prepared that includes the following information:

- The current expenses of the school system
- The amount required by law for any sinking fund
- Probable income from sources other than ad valorem taxes (Revenue from non-recurrent sources are not included.)

The financial statement and estimates of all school boards, on SA&I Form No. 2662R06, must be filed with the County Excise Board (or the County Clerk) on or before October 1 of each year.

68 O.S. § 3002

## **County Budgets in Counties with County Budget Boards**

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Table 3.3 shows the fiscal timetable for counties with Budget Boards. The initial activities by the County Assessor in preparing the abstract of valuations are the same as in counties that use the Commissioner/Excise Board budget method. The primary difference between the two methods is that the Budget Board, not the Board of County Commissioners, considers the estimates of needs and prepares the proposed budget to present to the County Excise Board. The budget is also completed and approved much earlier in a Budget Board county.

### ***The County Budget Board***

19 O.S. § 1401

19 O.S. § 1421

A County Budget Board is established once the Board of County Commissioners votes to have the budget procedures come under the County Budget Act. The Budget Board consists of eight elected county officers and should be structured in the following manner:

- The chairman is the chairman of the Board of County Commissioners.
- The vice-chairman is elected by the County Budget Board members and serves in the chairman's absence.
- The secretary is the County Clerk.

If a vacancy occurs, the county officer's Chief Deputy may fulfill the Budget Board position until such time a new county officer is appointed or elected.

19 O.S. § 180.81

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96-15

### ***The County Budget Act***

The County Budget Act allows the eight elected county officials to work as a unit in preparing the county budget. The County Budget Act is structured to accomplish the following responsibilities:

19 O.S. § 1401

19 O.S. § 1421

- Establish a budget procedure for county governments
- Establish uniform fiscal procedures for the preparation, adoption, execution, and control of budgets
- Enable a county to make financial plans for both current and capital expenditures
- Make the financial condition and needs of the county available to the public and to investors
- Assist a county with governmental accounting, auditing and financial reporting standards

19 O.S. § 1403

**Table 3.3 Fiscal Timetable for Counties Using  
The Budget Board Budget Method**

<b>Date</b>	<b>Activity</b>	<b>Statute Reference</b>
January 1	The County Assessor lists, appraises and assesses all property for ad valorem taxation, based on the estimated fair cash value on January 1	68 O.S. § 2831
January 1 to March 15	The County Assessor accepts personal property renditions from individuals and businesses, homestead exemption applications, and manufacturer's exemption applications. <b>NOTE: Homestead exemption applications are accepted all year. They must be filed by March 15 to apply to the current year.</b>	68 O.S. § 2832 68 O.S. § 2892 68 O.S. § 2902
January 1 to the 4th Monday in April	The County Assessor sends notices to those whose exemptions are denied and to anyone whose property value is being increased from the previous year.	68 O.S. § 2876
While the Board of Equalization is in session	The County Assessor begins preparing the assessment roll: the taxable value of property is recorded, the assessment ration is applied to derive the assessed value, and exemptions are deducted from the assessed value to compute the net taxable value. The County Assessor delivers the assessment roll to the County Board of Equalization.	68 O.S. § 2842
Before April 30	The County Assessor prepares exemption reimbursement forms to be signed by the Board of County Commissioners and sent to the Oklahoma Tax Commission. The exemption reimbursement forms show the amounts of additional homestead and manufacturer's exemptions that were granted during the previous assessment year. If the OTC approves these exemptions, the State reimburses all or a portion of the taxes lost due to these exemptions. NOTE: The claims must be approved or disapproved by June 15 each year.	62 O.S. § 193
Within 30 days of notice of increase in valuation	Taxpayers must file any complaints regarding assessed value or denial of exemption. The County Assessor holds an informal hearing with the taxpayer and makes a decision within seven days. If the taxpayer is still dissatisfied, the taxpayer must file an appeal with the County Board of Equalization within 15 days.	68 O.S. § 2876
April 1 to May 31	The County Board of Equalization in counties with total assessed valuation less than one billion dollars hears taxpayers' protests and makes its decisions. In counties with a valuation greater than one billion dollars, sessions begin the 4th Monday in January and, if necessary, may extend beyond May 31.	68 O.S. 2863
Within 30 days after decision of the County Board of Equalization was mailed	If desired, the County Assessor or the taxpayer may appeal any decision of the County Board of Equalization in district court.	68 O.S. § 2880.1
On or before a date set by the Budget Board	The County Excise Board provides a tentative estimate of anticipated revenues, from all sources, classified by funds.	19 O.S. § 1411
On or before a date set by the Budget Board	Each county officer and department head prepares a record of earnings and costs for the past year and an estimate of needs for the new fiscal year and meets with the Budget Board. The report shows amounts for personnel, maintenance and operation, capital outlay, and other appropriate items.  The County Assessor prepares the Estimate of Needs for Visual Inspection. The Budget Board must notify taxing entities.	68 O.S. § 3004 19 O.S. § 1411  68 O.S. § 2822
By June 1	The Budget Board completes a budget for each fund.	19 O.S. § 1410, 1417

**Table 3.3 Fiscal Timetable for Counties Using  
The Budget Board Budget Method (Continued)**

<b>Date</b>	<b>Activity</b>	<b>Statute Reference</b>
<i>By June 10</i>	<i>The Budget Board must give public notice of a budget hearing.</i>	19 O.S. § 1412
<i>By June 15</i>	<i>The Budget Board must hold a public hearing on the proposed budget.</i>	19 O.S. § 1412
<i>June 15</i>	<i>The County Assessor must file the annual abstract of assessment with the OTC.</i>	68 O.S. § 2867
<i>By June 23</i>	<i>The Budget Board adopts the budget.</i>	19 O.S. § 1413
<i>By July 1</i>	<i>The Budget Board files the approved budget with the County Excise Board, the County Clerk, and the Office of the SA&amp;I.</i>	19 O.S. § 1413 19 O.S. § 1414
<i>Varies</i>	<i>If the County Excise Board finds that revisions are needed to the budget, the Budget Board must submit a corrected budget within 15 days.</i>	19 O.S. § 1414(A.2,3,4)
<i>Within 15 days</i>	<i>The County Excise Board computes appropriations and levies taxes The County Clerk, as secretary to the County Excise Board, certifies the approved budget to the Budget Board, the County Treasurer, and the Office of the SA&amp;I. After filing the budget with the Office of the SA&amp;I, any taxpayer may file protests against any alleged illegality of the budget.</i>	19 O.S. § 1414  19 O.S. § 1415
<i>Before July 31</i>	<i>The State Board of Equalization certifies the valuation of locally assessed property and the valuation of centrally assessed property to the County Assessor. After this time, the Board may amend the initial budget and approve the final budget.</i>	68 O.S. § 2860 19 O.S. § 1420
<i>On or before October 1</i>	<i>The County Assessor delivers the tax roll to the County Treasurer and delivers the tax roll abstract to the County Clerk.</i>	68 O.S. § 2869 68 O.S. § 3014
<i>November 1</i>	<i>The County Treasurer mails tax statements to property owners 30 days after receiving the tax roll.</i>	68 O.S. § 2869 68 O.S. § 2915
<i>Before January 1</i>	<i>Taxpayers must pay at least one-half of each property's ad valorem tax levy.</i>	68 O.S. § 2913
<i>Before April 1</i>	<i>Taxpayers must pay the second half of each property's ad valorem tax levy.</i>	68 O.S. § 2913

Once a county elects to come under the County Budget Act, this act takes precedence over any other state laws applicable to the county budget. Any action of the Board of County Commissioners to implement or repeal the application of this act must be effective at the beginning or the end of a budget year.

## ***Meetings***

19 O.S. § 1407

The following rules apply to County Budget Board meetings:

- The County Budget Board must hold regular meetings on dates set by that board.
- The chairman or any two budget board members can call special meetings.
- A quorum comprises a majority of all members of the County Budget Board in office and is required to transact business.
- Any official action in adopting or revising the county budget requires a majority vote of all members of the County Budget Board.

## *Report of Estimated Revenues and Expenses*

19 O.S. § 1411(B)

Each county officer, department head, and commission must submit a report of estimated revenues and expenditures on a form provided by the County Budget Board. The information must be reported in the following manner:

1. Actual revenues and expenditures during the preceding fiscal year
2. Budget estimates for the current fiscal year
3. Actual revenues and expenditures for a period of six to nine months for the current fiscal year
4. Estimated actual revenues and expenditures for the current fiscal year
5. Estimated revenues and proposed expenditures for the new budget year

Prior to submitting this report, each county officer and department head must meet with the County Budget Board to discuss their needs.

## *Budget Preparation*

19 O.S. § 1410

The County Budget Board must prepare a budget for budgeted county funds 30 days prior to the beginning of the fiscal year. These budgets provide a complete financial plan for the upcoming budget year.

The Office of the SA&I prescribes the budget format, and it must include the following information:

- Revenues and expenditures for the preceding fiscal year
- Estimated revenues and expenditures for the current fiscal year
- Estimated revenues and expenditures for the new budget year

The following procedures must be followed when reporting the estimates of revenues and expenditures:

- The estimate of revenues must include the probable income, by source, that the county is empowered to collect or receive at the time the budget is adopted.
- The estimate of revenues must be based on past and anticipated receipts.
- Revenues from the ad valorem tax must be budgeted within the amount estimated by the County Excise Board as being available for appropriation.
- Expenditures must be budgeted within the estimated revenues for each fund.
- Miscellaneous expenditures cannot exceed 10 percent of the estimated revenues for a fund.

Three basic events occur before and during the budget preparation process:

1. Anticipated revenues, by source and fund, are provided by the County Excise Board. 19 O.S. § 1411(A)
2. The County Budget Board reviews budget requests of each county officer and department head. 19 O.S. § 1411(C)
3. The County Budget Board revises budget requests, when justifiable, and then finalizes the proposed budget.

The County Budget Board sets the date for receiving the County Excise Board's report of anticipated revenues.

## ***Classifying Revenues and Expenditures***

19 O.S. § 1417

Revenues must be classified by sources. Expenditures are reported by functions within each fund. The [Office of the SA&I](#) "Chart of Accounts/Standard Operating Procedure" prescribes the accounting system used to classify revenues and expenditures. Functions for reporting expenditures are classified according to the following categories:

- Personnel Services (1001-1999)
- Maintenance and Operations (2001-3999)
- Capital Outlay (4001-4999)
- Debt Service (5001-5999)
- Intergovernmental (6001-6999)
- Revenues (9000-9599)

The Chart of Accounts form is also located on the County Training Program website [agecon.ok-state.edu/ctp](http://agecon.ok-state.edu/ctp) under "Resources."

## ***Public Hearings and Protests***

19 O.S. § 1412

The County Budget Board must hold a public hearing on the proposed budget no later than 15 days before the new fiscal year. The date, time, and location of the hearing, plus the proposed budget summaries, must be published in a newspaper with a general circulation within the county at least five days before the hearing. Any person can present comments, questions, or criticisms at the public hearing.

19 O.S. § 1415

## ***Budget Adoption***

19 O.S. § 1413

After the public hearings and at least seven days before the new fiscal year, the County Budget Board must adopt a budget for each fund. When adopting a budget, the County Budget Board has the following responsibilities:

- To increase, delete, or decrease items in each budget if necessary
- To ensure that expenditures do not exceed the estimated revenues in any fund

Once a budget is adopted, it must be filed, along with the affidavit and proof of publication, with the County Excise Board and the County Clerk. After approval by the County Excise Board, it is certified to the Office of the SA&I on or before the first day of the budget year. When the adopted budget is filed, the following criteria take effect:

- The budget is in effect the first day of the new fiscal year.
- The budget constitutes an appropriation for each fund subject to the final approval of the County Excise Board.

From the day the adopted budget is certified to the Office of the SA&I, a taxpayer has 15 days to file a protest.

### *County Excise Board's Role*

19 O.S. § 1414

In counties under the County Budget Act, the County Excise Board has the following duties and powers:

- To provide estimates of anticipated revenues on or before the date set by the County Budget Board
- To examine the adopted budget
- To strike unlawful items from the adopted budget and reduce unlawful amounts to authorized levels
- To return the adopted budget to the County Budget Board if mandatory items or amounts are not provided, or if appropriations from ad valorem tax revenues exceed the revenues available.
- To approve the adopted budget if it is within the income and revenues available
- To compute levies
- To certify the approved budget to the County Budget Board, the County Treasurer, and the Office of the SA&I

The County Budget Board has 15 days from the return of a budget to revise and resubmit it to the County Excise Board.

## *Amended Budget*

19 O.S. § 1420

The County Budget Board can amend budgets to allow for the following items:

- Supplement or reduce appropriations
- Transfer appropriations
- Transfer special fund balances

19 O.S. § 1418

19 O.S. § 1419

Amendments for supplemental appropriations must be adopted by an official action of the County Budget Board. Copies of the supplemental appropriation must be filed with the County Clerk, the County Excise Board, and the Office of the SA&I.

## **Receiving Assistance and Audits**

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### *Office of the State Auditor and Inspector*

74 O.S. § 212.1

Personnel at the Office of the State Auditor and Inspector (SA&I) can advise county officers on procedural and technical matters that relate to accounting and budget procedures

The Office of the SA&I must perform an audit every two years of all of the books, records, and accounts of all of the officers of each county. The SA&I must file a copy of all audits with the Governor, the District Attorney, and the County Clerk.

19 O.S. § 171

19 O.S. § 174

The Office of the SA&I must transmit a copy of the letter of transmittal of each audit report to every legal newspaper published in the county where the audit report is filed with the County Clerk.

19 O.S. § 174.1

The Office of the SA&I may also require an audit of the books and records of any county official or custodian of any of the funds of the county after the death, resignation, or removal of office of any county official.

### *The District Attorney*

68 O.S. § 3008

The County Excise Board may require the district attorney to attend any of its sessions when passing upon the validity of items of appropriation. This board may also request the district attorney's opinion in writing.

## **Understanding County Finances**

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One extension fact sheet may be of interest to county officers regarding county finances. OSU Extension Facts AGEC-901 discusses "Financial Analysis for County Government." OSU Extension Facts AGEC-902 is titled "Comparison of County Government Finances" and compares assessed values in counties. (Both fact sheets currently under revision.)

Another publication of interest published by the [Oklahoma Cooperative Extension Service](#) at OSU is the "[Abstract of County Government General, Highway, and Special Revenue Funds in Oklahoma](#)," found under "Related Publications."

## Chapter Four

# The County Accounting System

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## Generally Accepted Accounting Principles

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Oklahoma follows the generally accepted accounting principles recommended by the National Council on Governmental Accounting (NCGA), which has developed a body of concepts and practices for accounting procedures for state and local governments. NCGA comprised of governmental accountants and finance officers and is affiliated with the [Governmental Finance Officers Association \(GFOA\)](#).

Statement 1 of the GFOA publication, Governmental Accounting, Auditing, and Financial Reporting, outlines these accounting principles and lists the following elements as the basic components of governmental financial reporting:

- Use of fund accounting
- Emphasis on financial flows
- Incoming revenues and outgoing expenditures with remaining cash balances
- Demonstration of compliance with legal requirements

This chapter briefly explains the county accounting system for counties in Oklahoma and discusses various funds and accounts that affect county office finances.

## *Fund Accounting*

The accounting systems in counties in Oklahoma are organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Each account within a fund records a more narrowly defined activity that fits within the broader goals of the fund. For example, the County General Fund includes accounts for the County Clerk, the Court Clerk, the County Sheriff, and other county offices' expenditures.

For accounting and financial management, each county has a combination of several distinctly different fiscal and accounting entities or funds. Each fund has a separate set of accounts and functions that are independent of other funds and accounts. The accounting process in Oklahoma counties uses three broad categories of funds.

- Governmental Funds

This category is the most frequently used fund category in county government. Governmental funds focus on the revenues, expenditures, and ending balances for

most county functions. An example is the [County General Fund](#), which is described in Chapter Two, “Sources of Revenue” in this handbook. Governmental fund revenues and expenditures are recognized on the modified accrual basis. Revenues are recognized in the accounting period in which they become available and measurable. Expenditures are recognized in the period in which the money is encumbered (obligated). However, in the case of unmatured interest on long-term debt, such expenses should be recognized when they are due.

- Proprietary Funds

Any activity that is operated similar to funds in the private sector is accounted for through a proprietary fund. The main purpose of these funds is to determine net income, financial position, and changes in financial position.

- Fiduciary Funds

Fiduciary funds account for assets held by the county in a trustee capacity for individuals, private organizations, other governmental units, or other funds. Examples of fiduciary funds are county employee pension funds and protest tax trust funds.

62 O.S. § 331  
68 O.S. § 3010  
68 O.S. § 3011

## **Budget Account**

A budget account is a category within the County General Fund and is made up of items of appropriation. A budget account is also called a governmental budget account or an appropriation account. Items of appropriation include salaries, travel, maintenance and operations, computer operations, and capital outlays.

Each county office has a budget account within the County General Fund, and monies are appropriated into each account for the purpose of carrying out the regular duties of that office.

## **Estimate of Probable Income**

An estimate of probable income is income for the County General Fund that is expected to be received in the new fiscal year from recurring sources. 19 O.S. § 180.65(E)

The County Excise Board provides the county officers with an estimate of probable income each year at, or prior to, the budget planning conference. This information helps county officers in preparing the estimate of needs for their respective offices.

62 O.S. § 461

## **Transfer of Appropriations**

A transfer of appropriations typically occurs when monies are transferred within a fund from an account with a surplus to another account that needs additional revenues. Monies can be transferred within a fund and sometimes are transferred from one fund to another fund. Thus, a transfer of appropriation within a fund neither increases nor decreases the fund’s balance. The Oklahoma Statutes allow Budget Board counties to transfer monies between funds in limited circumstances.

19 O.S. § 1410  
19 O.S. § 1418

Please refer to “[Transfer of Appropriations](#)” in Chapter Three, The County Budget Process, for a detailed explanation.

## Transfer of Special Fund Balance

19 O.S. § 1419  
62 O.S. § 333  
62 O.S. § 445

A transfer of special fund balance occurs when monies are transferred to the County General Fund from a special fund that is no longer needed. The laws that govern the special fund must be followed before the fund can be discontinued.

## Warrants

19 O.S. § 347  
62 O.S. § 471  
62 O.S. § 475

A warrant is a claim against an appropriation account for payment of salaries, an item purchased, a service provided, or basically any expense incurred by the county. The County Clerk prepares all warrants, which are then approved by the governing board and signed by the chairman of that board.

The County Clerk delivers a signed warrant to the County Treasurer for registration and then sends the warrant to the employee or vendor to whom the payment is due. Each warrant includes the department, fund, and account to be charged for the expenditure.

Banks that handle the county's monies notify the County Treasurer when a vendor has claimed a warrant. When money is available in a specific account, the County Treasurer redeems the warrant by writing a County Treasurer's Check to the bank. All warrants must be redeemed by a check signed by the County Treasurer.

Some counties now use checks. A warrant serves as a check.

62 O.S. § 471(B)

## County Bank Accounts

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All monies received in the County Treasurer's office must be deposited into accounts in banks designated as county depositories by the Board of County Commissioners. County depositories may include banks, trust companies, credit unions, and savings and loan associations within Oklahoma. The two basic checking accounts are the Official Depository Account and the General Account. Multiple banks are typically used.

19 O.S. § 121

### *Official Depository Account*

19 O.S. § 681  
19 O.S. § 682

The Official Depository Account is a trust or agency account maintained by the County Treasurer. All county officers must deposit with the County Treasurer all monies received by virtue of their offices. The County Treasurer is then responsible for depositing this money into the Official Depository Account and crediting each county officer's depository account for the amount deposited.

All withdrawals from the Official Depository Account must be made on the official voucher of the county officer who made the deposit.

### *The General Account*

19 O.S. § 684

Various monies collected by county officers and placed in the Official Depository Account must be transferred to the appropriate funds at the close of each month (on or before the second Monday following the close of the calendar month). This money is transferred using a county

officer's official voucher. Monies accruing to a fund maintained by the county are transferred to the county's General Account.

The General Account is the county's principal checking account and contains all funds other than those in the Official Depository Account.

**NOTE: The county General Account is not the same as the County General Fund described in Chapter Two, "Sources of Revenue." The County General Fund is one of several funds contained in the General Account.**

## Chapter Five

# Governmental Tort Claims Act

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## The Tort Claims Act in Oklahoma

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The original tort claim statute was passed in 1978 under the title, Political Subdivision Tort Claims Act, and numerous revisions have been made since. This discussion covers only the latest form of those Oklahoma Statutes and only those portions of the Oklahoma Statutes that apply to county government.

51 O.S. §§ 151, et.  
seq. -170  
19 O.S. § 4

The Governmental Tort Claims Act allows Oklahoma citizens to file claims and bring suits against state and county entities. In the Governmental Tort Claims Act, the State of Oklahoma waives its sovereign immunity and the sovereign immunity of political subdivisions of the state, including counties.

A tort is defined as a legal wrong, independent of contract that involves the violation of a duty that results in a loss to any person, association, or corporation caused by an act of public officials within the scope of their employment.

Tort claims are claims brought by citizens against the county for damages. For example, if a person breaks a leg because of county roadwork, that individual might bring a claim against the county.

Tort Claims are filed with the County Clerk, who then presents them to the Board of County Commissioners.

A tort claim is not a lawsuit. The Board of County Commissioners must listen to tort claims, and in cooperation with their insurance provider or adjuster, determine whether they are justified. They must then deny the claim or award damages to the claimant. If the claim is denied, the claimant has the option to file a lawsuit. In some counties, the safety committee considers claims.

Figure 5-1 shows the steps in the tort claims process.

## *Liability Insurance*

The county may secure liability insurance in any of the following ways:

51 O.S. § 169

- The county may insure itself against any and all liabilities it might incur for death, injury, or disability of any person or damage to property, real or personal.
- The county may insure any employee for liability from acts or omissions within the scope of their employment.
- The county may insure against the expense of defending a claim against the county.

The county may insure itself or its employees against any loss, damage, or liability as defined in the

Oklahoma Statutes. Any insurance secured by the county is considered a proper expenditure of county funds and may be provided in one or more of the following ways:

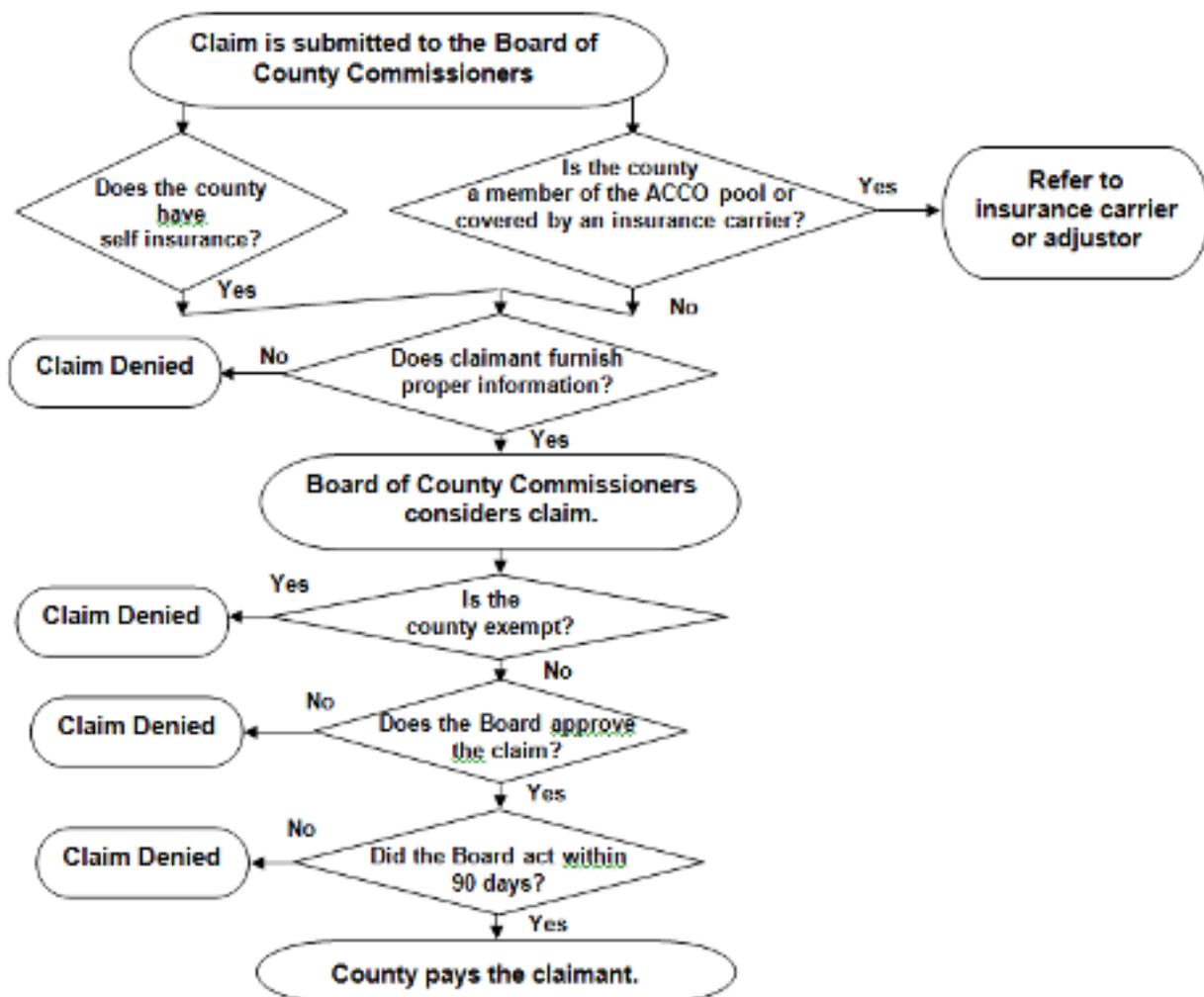
- Self-insurance
- Insurance from any authorized insurer
- Any other insurance secured in accordance with other methods provided by law

Two or more counties, by local agreement, may jointly secure insurance by any of the methods stated above.

## *Filing Claims*

All county officials should be aware that any person could file a claim against the county or its employees under the Governmental Tort Claims Act.

**Figure 5-1 Tort Claims Process**



## Definitions

The following definitions explain some of the terminology in the act:

- Action - a court proceeding in which one-party brings a suit against another party
- Agency - any board, commission, committee, department, or other entity designated to act for the county
- Claim - any written demand presented by a claimant, in accordance with the Governmental Tort Claims Act, to recover money from the county as compensation for an act or omission of the county or its employees that has caused damage to the claimant.
- Claimant - a person or authorized representative who files a claim under this act. Only the following may be claimants and all claims for one occurrence or accident must be aggregated as one claim:
  - \* Any person holding an interest in real or personal property who suffers a loss
  - \* The individual actually involved in the accident or occurrence
  - \* An administrator or personal representative in the case of death
- County - a political subdivision of the state
- Employee - any person authorized to act in behalf of the county whether acting on a temporary or permanent basis, with or without pay, or on a full or part-time basis. Independent contractors or employees of independent contractors while acting in the capacity of an independent contractor are not included.
- Loss - death or injury to the body or rights of a person; damage to real or personal property
- Scope of employment - performance by an employee acting in good faith within the duties of his office or tasks assigned by a competent authority but not including corruption or fraud

## Written Claim Procedures

51 O.S. § 156

51 O.S. § 157

Any person with a claim against the county must file a written claim with the County Clerk of the county in which the accident or occurrence happened within one year after the loss. If the person is incapacitated and unable to present the claim, the time is extended up to an additional 90 days. When the claim is for death resulting from the accident or occurrence, the personal representative may present notice within one year after the loss.

- Written notice of the claim must state the following information:
  - \* The date, time, and place of the accident or occurrence
  - \* The circumstances of the loss
  - \* The compensation sought for the loss

- \* The name, address, and phone number of the claimant or the authorized agent

Failure to supply any of this information will not invalidate the claim, however, unless the claimant refuses to furnish it.

## *Determining Liability*

### **Extent of Liability**

51 O.S. § 154

The following amounts are the county's total liability for a single accident or occurrence:

- Twenty-five thousand dollars for any claim, or any claimant with more than one claim for loss of property
- One hundred twenty-five thousand dollars for any claim for any other loss

**For counties with populations of 300,000 or more, the maximum liability is \$175,000.00.**

- One million dollars for any number of claims

### **Additional Claims**

51 O.S. § 154  
(C) (G)

The Oklahoma Statutes prevent claimants from filing for extra "punishment" damages. Claimants cannot file a claim or bring action that includes a request for punitive damages (additional payment to act as a punishment to the county or county employee), nor can they file a claim asking for exemplary damages (additional payment or judgment to warn others not to commit similar acts).

Sometimes claimants will file claims that bring action against other parties in addition to the county. In situations where the claim includes the county as one party in a claim against several parties, the Oklahoma Statutes provide that the county is only liable for that percentage of total damages that corresponds to its percentage of total negligence.

### **Exemptions from Liability**

51 O.S. § 155

The county is not liable for loss if a claim results from certain actions as described in the Oklahoma Statutes. The following situations are a partial list of exempted claim actions that apply to counties.

- Claims for loss resulting from legislative functions
- Claims for loss resulting from judicial, quasi-judicial, or prosecutorial functions
- Claims for loss resulting from execution or enforcement of a lawful court order
- Claims for loss resulting from adoption, or enforcement of, or failure to adopt or enforce a law
- Claims for loss resulting from performance or the failure to perform an act or service which is at the discretion of the county or its employees

- Claims for loss resulting from civil disobedience, riot, insurrection, or rebellion or the failure to provide law enforcement or fire protection
- Any claim based on the theory of attractive nuisance
- Claims for loss resulting from snow or ice conditions or temporary or natural conditions on any public way or place due to weather conditions, unless caused by negligence on the part of the county
- Claims for loss resulting from entry upon property where the entry is expressed or implied by law
- Claims for loss resulting from natural conditions of state, county, or other political subdivision property
- Claims for loss resulting from assessment or collection of taxes, special assessments, license or registration fees, or other fees imposed by law
- Claims for loss resulting from licensing powers or functions
- Claims for loss resulting from inspection powers or functions, including failure to make an inspection or making an inadequate inspection of any property, real or personal, to determine whether the property complies with the law or contains a hazard to health or safety
- Any claim covered by any worker's compensation act or any employer's liability act
- Claims for loss resulting from the absence, condition, location, or malfunction of a traffic sign or signal, unless it is not corrected by the county within a reasonable time after knowledge of the situation, or has existed long enough that the county should have knowledge

**The county is not liable if it initially fails to place a sign or signal if the decision to do so is a discretionary act by the county.**

- Claims that are limited or barred by other law
- Claims for loss resulting from misrepresentation, if unintentional
- Claims for loss resulting from an act of omission by an independent contractor or its employees, subcontractors or suppliers
- Claims for loss resulting from theft by a third person of money in the custody of a county employee, unless the employee was negligent or committed a wrongful act or omission
- Claims for loss resulting from interscholastic or other athletic contests sponsored or conducted by or on state or county property
- Claims for loss resulting from participation approved by a local board of education and held within a building or on the grounds of the school district before or after normal school hours or on weekends
- Claims for loss resulting from any court ordered or administratively approved work release program

- Claims for loss resulting from activities of the National Guard, the militia, or other military organization when on duty under the lawful orders of competent authority
- Claims for loss resulting from providing, equipping, operating, or maintaining a prison, jail, or correctional facility, including injuries resulting from parole or escape of a prisoner or by one prisoner to another prisoner
- Claims based on loss from providing, equipping, operating, or maintaining any juvenile detention facility, or injuries that result from a juvenile detainee's escape, or injury by a juvenile detainee to any other juvenile detainee
- Claims based on a manufacturer's product liability or warranty, either expressed or implied
- Claims or actions based on the theory of indemnification or subrogation
- Claims based on an act or omission of an employee in the placement of children
- Claims for loss resulting from acts or omissions done in conformance with current recognized standards
- Claims for loss resulting from maintenance of the state highway system unless the claimant proves negligence
- Claims for loss resulting from any confirmation of the existence or nonexistence of any effective financing statement on file in the Office of the Secretary of State made in good faith by an employee of that office
- Claims for loss resulting from any court-ordered community sentence

## *Settling Claims*

If the county is not exempt from liability, the Board of County Commissioners must hear the claim and decide whether to award the claimant any damages. If the county participates in a self insurance program or has coverage through an insurance carrier, the claim should be considered in cooperation with the insurance carrier or adjuster, and the settlement of the claim should be referred to the insurance carrier or adjuster.

## **Claim Denial**

A claim is considered to be denied by "operation of law" if the county fails to approve the entire claim within 90 days, unless the county denies the claim or reaches a settlement before 90 days.

51 O.S. § 157

If the claim is deemed denied in 90 days or less, the county must notify the claimant within five days of the claim denial.

When claimants' claims are denied, they have the option to file a lawsuit against the county. Claimants have 180 days after claim denial to take court action.

## **Claim Settlement**

The county, after conferring with authorized legal counsel, can settle or defend against a claim or

suit subject to prescribed procedural requirements. The county can also appropriate money to settle the claim.

51 O.S. § 158

## Employee Defense

In all suits or proceedings by or against a county, the name in which a county shall sue or be sued shall be, “Board of County Commissioners of the County of \_\_\_\_\_,” but this provision shall not prevent county officers, where authorized by law, from suing in their official name for the benefit of the county.

19 O.S. § 4

Suit may be brought against a county by naming a county officer as identified in the Oklahoma Statutes when it is alleged that the officer, in their official capacity, is directly or indirectly liable to the plaintiff in an action not arising out of contract. Otherwise, a suit may be brought against a county by naming the Board of County Commissioners of the County of \_\_\_\_\_; in actions against the Board not arising out of contract. Upon motion, the Court may substitute a county officer identified in the Oklahoma Statutes in their official capacity for the Board upon showing that the county officer is better suited to represent and defend the county under the particular facts of the case.

19 O.S. § 161

Additional amendments further require the county to defend employees when liability is sought for any violation of property rights or any rights, privileges, or immunities secured by the Constitution or laws of the United States as long as the employee was acting within the scope of their employment.

51 O.S. § 162

51 O.S. § 163(C)

When a judgment or settlement is entered in any court of the United States, the State of Oklahoma, or any other state for violation of property rights or any rights, privileges, or immunities secured by the constitution or laws of the United States, payment must be made by the county up to the limits set by the law.

## County’s Right to Recover Monies

The county has the right to recover from the employee the amount spent by the county in the defense, settlement, or judgment if it is shown that the employee’s conduct that caused the action was fraudulent or corrupt or if the employee fails to cooperate in the action.

51 O.S. § 162(C)

## Settlement and Payment

The county may, after conferring with authorized legal counsel, either settle the claim or defend against any suit that might be brought. In the event a settlement is reached which exceeds \$10,000 and an applicable contract or insurance policy will not pay the payment required, the settlement must be approved by the District Court and entered as a judgment. If the county is covered by a contract or insurance policy, the terms of the contract or policy will govern the rights and obligations of the county concerning investigation, settlement, payment, and defense of the claims or suit. The insurer, however, cannot enter into a settlement that exceeds the amount of the insurance without approval of the county.

51 O.S. § 158

## Payment Limitations

The county is not responsible, under any circumstances, neither to pay nor indemnify any county

employee for any punitive or exemplary damages, nor to pay for any defense, judgment, settlement, costs, or fees that are paid or covered by any applicable policy or contract of insurance.

In any civil rights judgment, the county can only pay or indemnify the percentage of fees and costs in the total award that the percentage of the award of actual damages bears to the total judgment awarded. The county can only indemnify its employees for actual damages, fees, and costs.

51 O.S. § 162(D)

**CAUTION: County Officials should use the information in this chapter as a guide only. Please refer to the Oklahoma Statutes for more detailed explanations. County officers should also consult their District Attorney for more details on tort claims and for legal advice and assistance.**

## Chapter Six

# Office of the County Assessor

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The office of the County Assessor in the State of Oklahoma was created by the Oklahoma Statutes in 1911 and has all the rights and authorities of a statutorily established office.

The County Assessors first took office on January 1, 1912, replacing the town, city and township assessors, whose offices were abolished in 1911. Town, city and township assessors had been created by the Oklahoma Constitution in 1890. The County Assessor became an elected position in 1914.

Refer to Chapter Eight, History of Ad Valorem Taxation, for more information on the history of the County Assessor's office and ad valorem taxation.

## Filing as a Candidate for County Assessor

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To file for the office of County Assessor in an Oklahoma county, candidates must meet the following qualifications:

- Candidates must be registered voters and have maintained current principal residences in the county in which they are filing for six months immediately preceding the first day of the election filing period. 19 O.S. § 131.1  
19 O.S. § 132
- Candidates must be members of the political party under which they are filing, or be registered to vote as an independent, if filing as an independent candidate, for six months immediately preceding the first day of the election filing period. 26 O.S. § 5-105
- Candidates cannot file for any other county office when filing as a candidate for County Assessor. 26 O.S. § 5-106
- A county officer is eligible to become a candidate for another county office or state office without resigning their current position. 19 O.S. § 131(D)
- Persons cannot file as a candidate for County Assessor for 15 years after the following actions: 26 O.S. § 5-105a
  - \* Receiving a conviction of a misdemeanor involving embezzlement
  - \* Receiving a conviction of a felony
  - \* Having entered a plea of guilty or nolo contendere to either of the above
  - \* Awaiting an appeal of a guilty plea or conviction for either of the above
- Candidates must personally sign and file a Declaration of Candidacy form (available from the County Election Board Secretary) which contains an oath that they are qualified to be candidates and to hold office. 26 O.S. § 5-101  
26 O.S. § 5-103  
26 O.S. § 5-111  
26 O.S. § 5-111.1

# Filling the Office of County Assessor

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## *Term of Office*

19 O.S. § 131(B)

The County Assessor's term of office is four years and begins on the first business day in January following the election the preceding November.

However, if the office becomes vacant before the preceding County Assessor's term expires, the newly elected, or appointed, County Assessor should assume office immediately. The following list includes some of the reasons a County Assessor might vacate an office before the term expires:

51 O.S. § 3.1  
51 O.S. § 10(B)

- Death or resignation
- Removal from office or failure to qualify as required by law
- Final judgment against the County Assessor for breach of the Official Bond
- Change of residency to outside the county
- Conviction in state or federal court of any felony or violation of the official oath
- A guilty or nolo contendere plea entered in a state or federal court for any felony or violation of the official oath

51 O.S. § 8  
51 O.S. § 9

## *Conditions of Office*

County Assessors must give personal attention to the duties of their office and must abide by the following conditions of office:

Oklahoma Constitution  
Article 2 § 11

- County Assessors cannot hold another political office in Oklahoma or in the United States, or serve as a deputy in another political office.
- County Assessors cannot be a commissioned officer in any active or reserve unit of the military.
- County Assessors must carry out their duties in a conscientious, appropriate, and professional manner.

51 O.S. § 6A

5 O.S. § 1

**WARNING: Any county officers who willfully fail or refuse to perform the duties of their offices according to law, are guilty of a misdemeanor.**

21 O.S. § 345  
21 O.S. § 347

## *Vacancies*

### **In Counties with Populations up to 600,000**

51 O.S. § 10(B)

When the office of County Assessor in counties with populations up to and including 600,000 becomes vacant for any reason, the Board of County Commissioners must appoint an individual to fill the vacancy.

If a County Assessor vacates the office before the filing period for the next general election, and the current term does not end in the year following that election, the Board of County Commissioners must call a special election at the time the appointment is made. The dates for the special election shall be the same as the next succeeding filing period, primary election, runoff primary election, and general election for county officers. The appointee can be a candidate in the special election if otherwise qualified.

The first or chief deputy or assistant shall carry on the duties of the office in the event of the death, removal, or resignation of the County Assessor, until a successor is appointed or elected. 19 O.S. § 180.65

If a County Assessor vacates the office within 30 days prior to a scheduled general election, no appointment needs to be made. 51 O.S. § 11

## **In Counties with Populations Above 600,000**

26 O.S. § 12-111(B)

If a County Assessor in a county with a population above 600,000 vacates the office, the vacancy shall be filled at a special election to be called by the Governor within 30 days after the vacancy occurs. However, if the vacancy occurs after March 1 of any even-numbered year and if the term of office expires the following year, no special election shall be called.

## ***Resignations***

51 O.S. § 9(4)

If a County Assessor resigns, a written resignation must be filed with the County Clerk. This resignation is effective on the date it is filed unless some other time is specified.

## ***Removal***

22 O.S. § 1181-1196

51 O.S. § 91

The removal of a County Assessor or any other county official requires a civil and/or legal process.

## ***Assuming the Office of County Assessor***

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After election and before assuming office, the County Assessor must sign and affirm an oath of office and sign a loyalty oath.

## ***The Oath of Office or Affirmation***

Oklahoma Constitution

Article 15 § 1

51 O.S. § 21

51 O.S. § 36.1

Oklahoma law requires that all public officers, before assuming the duties of their offices, must take and subscribe to an oath or affirmation similar to the sample oath shown in Figure 6-1. The District Judge usually administers the oath of office to the County Assessor on the first working day in January. The signed oath must be filed with the County Clerk.

Signing the Oath of Office or Affirmation is required for all elected officials and their employees by 51 O.S. § 36.2A

Oklahoma law. The signed oath must be filed with the County Clerk. 51 O.S. § 36.3

51 O.S. § 36.6

Violating either the oath or affirmation can result in a felony conviction and imprisonment and forfeiture of the office or position.

Blank forms are available from the [Oklahoma Secretary of State](#) at no charge.

# OATH OF OFFICE

(Article XV, Oklahoma Constitution)

“I, \_\_\_\_\_, do solemnly swear (or affirm) that I will support, obey, and defend the Constitution of the United States, and the Constitution of the State of Oklahoma, and that I will not, knowingly, receive, directly or indirectly, any money or other valuable thing, for the performance or nonperformance of any act or duty pertaining to my office, other than the compensation allowed by law; and I further swear (or affirm) that I will faithfully discharge my

duties as \_\_\_\_\_ to the best of my ability.”

(sign here) \_\_\_\_\_  
Affiant

Subscribed and sworn to before me  
this \_\_\_\_ day of \_\_\_\_\_ A. D., \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

My commission expires \_\_\_\_\_

(Seal)

Figure 6-1. Sample Oath of Office

**LOYALTY OATH**

(51 O.S. § 36.2A)

“I do solemnly swear (or affirm) that I will support the Constitution and the laws of the United States of America, and the Constitution and the laws of the State of Oklahoma, and that I will faithfully discharge, according to the best of my ability, the duties of my office or employment during such time

as I am \_\_\_\_\_.

(Here put name of office, or, if an employee, insert “An Employer of \_\_\_\_\_” followed by the complete designation of the employing officer, agency, authority, commission, department or institution.)

\_\_\_\_\_  
Affiant

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

\_\_\_\_\_  
Notary Public, or other officer authorized to administer oaths of affirmations.

(Seal)

My Commission expires \_\_\_\_\_

Return Original To: Secretary of State  
101 State Capitol  
Oklahoma City, OK 73105

**Figure 6-2. Sample Oath of Office/Affirmation for County Officers**

# Serving as County Assessor

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## *Educational Accreditation*

The County Assessor, all first deputies in the County Assessor's office, and all personnel involved in the actual appraisal of property are required to achieve educational accreditation as prescribed in the statutes in a program conducted by the Center for Local Government Technology at Oklahoma State University.

**WARNING: Failure to achieve such accreditation will result in forfeiture of office or termination of employment.**

### **Initial Accreditation**

Within one year of taking office, the County Assessor and other employees subject to accreditation must successfully complete initial accreditation.

Initial accreditation includes the following courses:

- Unit 1 - Introduction to the County Assessor's Office
- Unit 2 - Real Property Appraisal

If a County Assessor does not successfully complete testing or some part of the requirement, initial accreditation must be completed within 18 months from the date of the County Assessor's election to office.

### **Advanced Accreditation**

Within one year of completing the initial accreditation, the County Assessor and other employees subject to accreditation must successfully complete advanced accreditation. Advanced accreditation includes the following courses:

- Unit 3 - Mass Appraisal
- Unit 4 - Income Approach to Value
- Unit 5 - Personal Property
- Unit 6 - Mapping
- Unit 7 - Agricultural Land Valuation

If a County Assessor does not successfully complete testing or some part of the requirement, advanced accreditation must be completed within 18 months from the date initial accreditation is completed.

After completing advanced accreditation, the County Assessor and other employees subject to

accreditation must successfully complete 30 hours of continuing education every three years. Of the required 30 hours, it is recommended that 20 hours be directly assessment/appraisal related, to include the income approach, the cost approach and sales comparison approach to value.

## *The Blanket Bond*

19 O.S. § 167

Upon assuming office, the County Assessor should ensure that the Board of County Commissioners has purchased a sufficient surety contract, or blanket bond, on behalf of the County Assessor and all employees in the County Assessor's office. This bond protects the county from any misconduct or wrongdoing committed by the County Assessor or any deputies while performing their duties. A copy of this bond should be kept on file in the County Assessor's office.

No other bond shall be acceptable as surety for any elected or appointed county officer or employee unless the blanket bond is provided for as a specified item in an all risk insurance policy purchased by the county.

The statutes define a "blanket bond" as a public employee's blanket position bond that covers all employees up to the penalty of the bond for each employee throughout their terms in office. The full penalty of the bond is always in force, no restoration is necessary, and no additional premium is required after a loss is paid. The District Attorney shall bring an action on the blanket bond to recover any loss by the county which is covered by the bond.

The statutes do not address the recommended amount for the blanket bond for any county offices except the County Treasurer's office. Each officer should ensure that the amount of the blanket bond is sufficient to cover any losses which might occur in their office.

## *Office Organization*

When first organizing the office, a recommended good practice is for the County Assessor to take the following factors into consideration:

- Number of deputies and their abilities
- Funds available for deputies
- County size and office workload
- Type of management structure preferred

A recommended good practice is for a newly elected or appointed County Assessor to take advantage of existing organizational structures and knowledgeable personnel. Changes can then be made only as necessary until the County Assessor becomes more familiar with the office.

## ***Office Locations***

The County Assessor must maintain an office and keep all records at the county seat. The Board of County Commissioners must provide office space, record storage, and supplies at the county seat for all county offices. They must also provide official seals to all county officers.

19 O.S. § 133  
19 O.S. § 447

A county officer can establish an additional office or offices at any location within the county. The additional office can only receive documents for the sole purpose of collecting them and delivering them to the main county seat office. Any document delivered to the additional county office for filing or recording is not considered filed or recorded until it is delivered and recorded at the main county seat office.

A county employee who is employed at an additional office by one county officer may perform duties on behalf of another county officer if specifically authorized by each county officer on whose behalf the employee is performing duties.

## ***Hours and Holidays***

19 O.S. § 136  
19 O.S. § 350

All county offices within each county should be open during the same hours as determined by mutual agreement among the county officials. Office hours must be posted in a prominent place, easily seen by the public. The Board of County Commissioners and members of the Excise Board designate county holidays.

## ***Office Personnel***

### **First Deputy or Chief Deputy**

19 O.S. § 180.65(B)

The County Assessor must designate a First Deputy or Chief Deputy who will fulfill the duties of the office during any absence of the County Assessor, or in the event of death, removal from office, or resignation of the County Assessor, until a successor is designated.

During periods when the principal officer is absent, the First Deputy or Chief Deputy shall be bonded in the same manner and for the same amount as the principal officer.

### **Deputies**

Personnel who report to the County Assessor normally hold the title of Deputy County Assessor. In practice, the titles of Chief Deputy or First Deputy, Second Deputy, and Third Deputy or Deputy Assistant are used. These titles generally imply a hierarchy of experience and responsibility.

19 O.S. § 180.65(C)

The numerical rank of any deputy or assistant must be by designation of the principal officer at the sole discretion of the principal officer. The numerical rank of any deputies must be filed with the County Clerk designated with the County Assessor's signature.

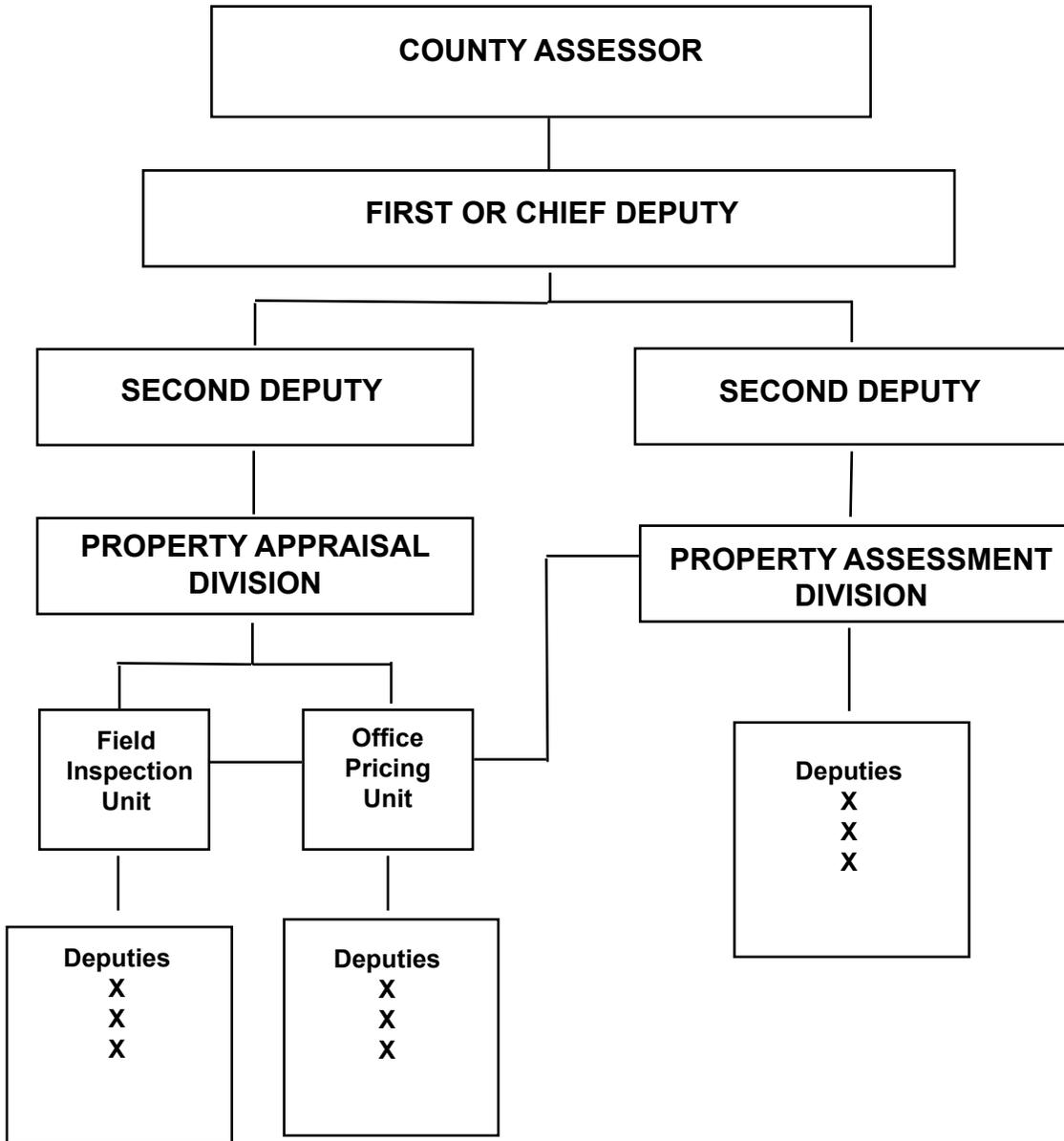
19 O.S. § 180.65(E)

The County Assessor should have sufficient deputies to adequately perform the necessary duties of the office. If the County Assessor determines that additional deputies are needed based on the office workload, proposals for increases in personnel must be made to the County Excise Board or the Budget Board, depending on the county. These boards will consider such requests based on

the county budget and other county officials' needs. The Board of County Commissioners has the authority to recommend the total amount of funds to be used for the combined salaries in each of the county offices.

19 O.S. § 180.65(D)

**Figure 6-3 Sample Organization Chart for the Office of County Assessor**



## *Employee Requirements, Salaries and Benefits*

Please refer to “Sample 2018 Personnel Policy” available from The Association of County Commissioners of Oklahoma (ACCO) ([www.okacco.com/policies-procedures](http://www.okacco.com/policies-procedures)) and the Oklahoma Public Employees Retirement System (OPERS) handbook ([www.opers.ok.gov](http://www.opers.ok.gov) – “publications/forms”) for information on office personnel requirements, nepotism, salaries, and benefits.

19 O.S. § 339(A)(10)

### **Personnel Policies**

The Board of County Commissioners establishes personnel policies for all county employees with the majority vote of all county officers.

Guidelines for timesheets, sick leave, vacation, and special leave documents are included in the County Policy Handbook. Each individual County Assessor employee should have a copy of this handbook. Each employee is required, per county policy, to sign a statement that they have received a copy of this handbook.

### **Timesheets**

According to the County Policy Handbook, timesheets are provided by the County Assessor to all other county officers.

A highly-recommended, good practice is that the County Assessor maintain personnel records in the County Assessor’s office for all of their office employees.

A highly-recommended, good practice is that the County Assessor be aware of any office reports that are required to be completed for their office and ensure that they are being completed and provided to the proper recipients.

19 O.S. § 178.1

### **Inventory Procedures**

Upon assuming office, the County Assessor should perform an inventory of all office equipment and ensure that all equipment that is recorded as assigned to that office is present. The inventory should include (but is not limited to) all items worth \$500.00 or more.

**Inventories should be performed whenever a county official changes in preparation for an SA&I exit audit.**

The County Clerk also maintains a copy of the inventory records of all other county officers in the office of the County Clerk.

19 O.S. § 1500

## Purchasing Procedures

All county purchasing is centralized in a single office and carried out by a single purchasing agent. The county purchasing agent may be the County Clerk or a deputy appointed by the County Clerk. The County Assessor should determine who is the county purchasing agent and discuss purchasing procedures with that agent immediately after taking office.

The county purchasing agent's job is to act as the shopper for the county. The agent finds the most cost efficient products, places the orders and makes all purchases paid for with county funds.

**Please refer to the Purchasing Handbook for County Officers published through the County Government Personnel Education and Training Program and the Office of the State Auditor and Inspector for complete details regarding inventory responsibilities and purchasing procedures, and to 19 O. S. § § 1500 - 1507 and as supplemented.** 19 O.S. § 1501(A)(4)

## Requesting Officers

Upon assuming office, the County Assessor may assign at least 1, but not more than 2 employees, to be **Requesting Officers** or individuals who can sign purchasing requisitions during any absence of the County Assessor. This information must be filed with the County Clerk and entered into the Board of County Commissioners' minutes. 19 O.S. § 1503(A)

## Receiving Officers

The County Assessor must designate 2 employees to serve as **Receiving Officers**. A written designation of these employees shall be filed with the County Clerk and must be entered in the minutes of the Board of County Commissioners. 19 O.S. § 1504

Receiving Officers determine that a valid purchase order exists for items received and that the items are in the condition requested, and then prepare a Receiving Report. Receiving Officers also maintain a record of all supplies, materials, and equipment received, disbursed, stored, and consumed by the department. Normally, one of the Receiving Officers is designated as the **Inventory Officer**.

All county officers must file a list of their requisitioning and receiving offices with the County Clerk.

19 O.S. § 257

## *Filing Signatures with the Secretary of State*

### County Officer Signature List

Upon assuming office, the County Assessor must sign the signature list for elected officials provided by the County Clerk. The County Clerk notarizes and certifies the list and files it with the Secretary of State.

When any new County Assessor takes office during the year, that officer must notify the County Clerk so that the information can be sent to the Secretary of State's office. 62 O.S. § 601-606

## Facsimile Signatures

If the County Assessor uses some method of reproducing the signature such as a stamp, engraving, or imprinting device, a facsimile must be filed with the Secretary of State along with the manual signature to authorize use of a facsimile signature upon “public securities.” (A public security is a bond, note, certificate of indebtedness or other obligation for the payment of money issued by this state or by any of the departments, agencies, or other instrumentalities or by any of its political subdivisions or districts).

“Authorized officer” means any official of this state or of any of its departments, agencies, or other instrumentalities or districts whose signature to a public security, or certificate is required or permitted.

62 O.S. § 604  
21 O.S. § 9

**WARNING! Intent to defraud by use of a facsimile signature or facsimile seal on public securities is a felony.**

75 O.S. § 18

## *Maintaining the Oklahoma Statutes*

### Oklahoma Statute Books [Repealed 2020]

A set of Oklahoma Statute Books should be maintained in the County Assessor’s office. Upon assuming office, the County Assessor should take possession of the *Oklahoma Statutes*, session laws, and yearly supplements from the outgoing County Assessor and file receipts for these documents with the County Clerk. If any of these are missing, the County Assessor must requisition the County Clerk to replace them.

### Oklahoma Statutes Online

In addition to the Oklahoma Statute Books, the Oklahoma Statutes are available online at the Oklahoma Supreme Court Network website (OSCN.net) under “Legal Research,” “Oklahoma Statutes Citationized.”

75 O.S. § 14(A)(5)  
75 O.S. § 18  
75 O.S. § 20

### Supplements and Updates – Oklahoma Statute Books [Repealed 2020]

Each year, by the first Monday in February, next succeeding the time when any regular session of the Legislature is held, the Oklahoma Statutes should be updated by requisitioning, from the [Oklahoma Secretary of State](#), copies of the current Supplement to the Oklahoma Statutes, which is the annual update. If possible, a new set of Oklahoma Statutes should be requested at least every 10 years.

75 O.S. § 22

### Oklahoma Statute Conflicts

When referencing statutes in the Statute Books or online, be aware that more than one statute might contain provisions for identical or similar subjects. If any of these provisions conflict or contradict each other, the most recent statute must prevail.

75 O.S. § 25

Refer to [Appendix A, “Using the Oklahoma Statutes”](#) in this handbook for more information.

## **Acts, Resolutions passed as Emergency Measures**

75 O.S. § 26

The Secretary of State is required, as soon as possible after receiving in their office any act or resolution, any Civil Probate or Criminal Procedure Act passed by the Oklahoma Legislature as an emergency measure, to provide access to a copy to each County Assessor by United States mail, facsimile, or electronic mail transmission.

Immediately upon receipt from the Secretary of State of these acts and resolutions, the County Assessor must place them in a binder, which shall be available for examination by the public. If the documents are provided by electronic mail, a recommended, good practice is for the County Assessor to save a printed copy of the transmissions in a folder until the law is codified or have some office procedure in place to produce the legislation when requested.

## County Assessor Districts in Oklahoma

The State of Oklahoma is divided into four County Assessor districts, which are the same districts defined by the County and Deputies Association (CODA). Table 6.1 contains a list of the counties located in each district.

**Table 6.1 County Assessor Districts in Oklahoma**

<b>Northwest</b>	<b>Northeast</b>	<b>Southwest</b>	<b>Southeast</b>
Alfalfa	Adair	Beckham	Atoka
Beaver	Cherokee	Caddo	Bryan
Blaine	Craig	Canadian	Carter
Cimarron	Creek	Cleveland	Choctaw
Custer	Delaware	Comanche	Coal
Dewey	Lincoln	Cotton	Haskell
Ellis	Mayes	Garvin	Hughes
Garfield	Muskogee	Grady	Johnston
Grant	Nowata	Greer	Latimer
Harper	Okfuskee	Harmon	LeFlore
Kay	Okmulgee	Jackson	Love
Kingfisher	Osage	Jefferson	Marshall
Logan	Ottawa	Kiowa	McCurtain
Major	Payne	McClain	McIntosh
Noble	Pawnee	Oklahoma	Murray
Roger Mills	Rogers	Stephens	Pittsburg
Texas	Sequoyah	Tilman	Pontotoc
Woods	Tulsa	Washita	Pottawatomie
Woodward	Wagoner		Pushmataha
	Washington		Seminole

## Chapter Seven

# Duties of the County Assessor: General

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The primary duty and responsibility of the County Assessor is to determine the true worth of real and personal property for ad valorem taxation.

68 O.S. § 2840

The County Assessor must also maintain and revise yearly permanent records by political subdivisions such as townships and school districts. The following information is contained in these records:

- Legal description
- Assessed valuation of both land and improvements
- Exemption status
- Personal property
- Owner's name and address

The County Assessor performs essential steps in the taxation process:

- Visual Inspection
- Appraisal
- Assessment

Four types of property are subject to appraisal and taxation in Oklahoma:

- Real property
  - Land and Improvements
- Individual personal property
  - Household furniture, equipment and personal belongings
- Business personal property
- Public utility property

Table 7.1 contains the primary activities of the County Assessor's office listed according to the calendar dates when they should be performed, provides a reference to the chapter in this handbook for additional information and refers to the statutes that cover the required activities.

**Table 7.1 Yearly Calendar of Activities for the County Assessor's Office**

<b>Calendar Date</b>	<b>Activity</b>	<b>Handbook Reference</b>	<b>Statute Reference</b>
<b>January through December</b>			
On or before January 1	Personal Property Rendition, Homestead Exemption Application, Manufacturer's Exemption and Real property forms prescribed by Ad Valorem Division, OTC.	Ch. 13, Ch.14 and Ch. 19	68 O. S. § 2835, 2891, 2902
	Personal Property Valuation Schedule provided by Ad Valorem Division, OTC.	Ch. 15 & 16	68 O. S. § 2875 (D)(4)
	Start appropriate cycle of Visual Inspection Program (All real property is inspected once every four years.)	Ch. 10	
	Receive annual collection report from the County Treasurer on Farm Implement Tax Stamps	Ch. 16	68 O. S. § 5404
January 1	Begin listing, appraising and assessing real & personal property and manufactured homes.	Ch. 10 & 11	68 O. S. § 2831
January 1 to February 28	Set up office in each city or incorporated town to begin taking personal property renditions and homestead and manufacturer's exemption applications  Publish office locations in newspapers at least 10 days in advance	Ch. 15 & 16	68 O. S. § § 2836, 2902
January 1 to March 15	Meet with taxpayers to list the following exemptions:  Homestead applications  Additional homestead applications  Five-year manufacturing exemption and others  Other exemptions including household and veterans manufactured home exemption  Circuit breaker (tax refund)  Senior valuation limitation  Storm shelter  Military Service Disability 100% Veterans Disabled	Ch. 15, Ch. 16, and Ch. 19	68 O. S. § 2836 68 O. S. § 2889 68 O. S. § 2892  68 O. S. § 2890  68 O. S. § 2902  68 O. S. § 2887 68 O. S. § 2949  68 O. S. § § 2904-2913 Oklahoma Constitution Article 10 § § 6, 8C, 8E
4 <sup>th</sup> Monday in January	County Boards of Equalization may meet in counties with assessed valuation of one billion dollars or more		68 O. S. § 2863
March 16 - April 15	Apply 10% penalty for failure to list property	Ch. 15 & 16	68 O. S. § 2836
March 1	Send valuation increase notices to taxpayers	Ch. 10	68 O. S. § 2876
April 1 to May 31	County Board of Equalization is in session to correct and adjust assessment rolls and hear taxpayer grievances	Ch. 21 & 22	68 O. S. § 2863 68 O. S. § 2877
April 15	All public service returns due to OTC	Ch. 13	
April 16	Apply 20% penalty for failure to list property	Ch. 15 & 16	68 O. S. § 2836

While the Board is in session	Assessment roll shall be available electronically to the County Board of Equalization	Ch. 10	68 O. S. § 2842(B)
April 30	County Commissioners file claims for tax exempt manufacturing reimbursement	Ch. 16 & 19	
	Additional homestead reimbursement forms due back to the OTC	Ch. 23	
April-May	Conduct information hearings of valuation complaints	Ch. 19	68 O. S. § 2876
April	OTC sends base and additional homestead report forms to County Assessors	Ch. 10	
	OTC sends annual abstract of valuation forms to County Assessors		
May 31	County Board of Equalization adjourns	Ch. 23	
June	OTC sends reimbursement for manufacturing exemptions to County Treasurer	Ch. 16 & 19	
June 1	County Board of Equalization returns equalized assessment roll to County Assessor	Ch. 10	68 O. S. § 2867
By June 15	Prepare annual assessment abstract summary and submit it to the OTC	Ch. 10	68 O. S. § 2867
By June 15	Send all approved applications for exempt manufacturing to OTC	Ch. 16 & 19	
3 <sup>rd</sup> Monday in June	State Board of Equalization meets	Ch. 23	
July 1	Send homestead reports back to OTC	Ch. 19	
1 <sup>st</sup> Monday in July	County Excise Board meets to examine county's financial condition and review estimate of needs	Ch. 3	68 O. S. § 3006
By July 31	State Board of Equalization meets to certify county abstracts and public service valuations  State Auditor & Inspector certifies public service valuations to County Assessors  County Assessor enters public service valuations on assessment rolls	Ch. 10	68 O. S. § 2860
Within 10 days of receiving certified valuations from State Auditor & Inspector	Prepare and file an abstract with the County Excise Board	Ch. 10	68 O. S. § 2867(D)
August	OTC sends reimbursement for additional homestead to County Treasurer	Ch. 14 & 19	
August - October	County Excise Board determines tax levies and certifies to County Assessor	Ch. 10	68 O. S. § 3014(D)
October	OTC sends report of net assessed valuation and millage (Form No. 993) to counties	Ch. 10	

Before October 1	Extend tax levies, prepare and deliver the tax rolls and an abstract of the tax rolls to the County Treasurer and certify the tax roll abstract to the County Clerk  Within 30 days after receiving tax roll, County Treasurer mails tax statements	Ch. 10	68 O. S. §§ 2868, 2869
October 1	Receive Personal Property Tax Lien Docket from the County Treasurer	Ch. 10	68 O. S. § 2892(C)(4)
First working day of October no later than the 15th	Progress reports on Visual Inspection Program for prior fiscal year due at Ad Valorem Division, OTC	Ch. 10	68 O. S. §§ 2820, 2821
November 1	Return report of net assessed valuation and millage (Form No. 933) to OTC	Ch. 10	
1st Monday in November	Notice of informal protest file with OTC	Ch. 23	
November	Request current levy study from County Treasurer as soon as they are certified	Ch. 10	
November - December	State Board of Equalization meets to equalize taxable properties of counties	Ch. 10	68 O. S. § 2864
December 1	State Board of Equalization meets	Ch. 10	
December	Receive new schedules, procedures, laws and forms for the new tax year	Ch. 10	

## Administration and Management

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County Assessors perform a wide range of duties, depending on their individual offices. County Assessor managerial functions include planning, budgeting and organizing.

### *Planning and Budgeting*

Planning is a means to foresee long-range consequences of proposed actions and to formulate actions to meet desired long- and short-term objectives.

### Analyzing County Jurisdictions

To appraise and assess personal and real property in a systematic and orderly manner, the County Assessor must be familiar with the history, geography, economics, demographics and growth patterns of their area of jurisdiction. The demographic, economic and growth information should be projected periodically to plan for future workloads and revenues. These patterns have a dramatic impact on the ability of the County Assessor's office to meet objectives. For example, if growth patterns are high, additional office staff may be needed to assess new property.

### Analyzing Resources

The extent to which taxable real and personal property can be assessed depends on discovery, and complete discovery requires adequate staff and other resources. The County Assessor should analyze the full potential. The County Assessor may find it helpful to plan a series of projects with modest requirements and measurable revenue potential.

### Analyzing Staff and Facilities

The County Assessor should evaluate existing staff and determine capabilities and training needs.

Furniture and equipment should be provided in sufficient size, quality and quantity to meet operational needs. Office facilities should provide adequate space for employees, public contact, office equipment and record, forms, and supply storage and conference facilities.

### Analyzing Reference Materials

The County Assessor should have adequate reference materials to ensure that laws and regulations are met, operations and procedures are performed efficiently and uniformly, and generally accepted assessment principles and practices are followed. Reference materials should be kept current and made easily available to all employees.

**Standards of Practice** may be provided in laws, regulations, job descriptions, policy memorandums, procedural manuals and schedules, standard practices for property appraisal and taxation, and forms.

**Appraisal Manuals** that outline work procedures should be developed and distributed to appraisal staff.

Every County Assessor's office should have a **Professional Library** to ensure that employees have the information they need to perform their functions and keep up to date on developments in the field. The library should contain current reports, periodicals and other publications dealing with assessment and appraisal principles and practices, market development and applicable property tax laws and regulations.

## Analyzing Workload

The County Assessor must know the workload (inventory of accounts) and the number of steps necessary to perform the work and arrive at the desired results. The steps should be readily understandable and outlined in the logical order or sequence in which they are performed. The County Assessor may find it helpful to develop an appraisal work plan that might include the following major operations:

- Preparing appraisal materials
- Developing or updating appraisal standards
- Training staff, including refresher courses for existing staff and initial courses for new staff
- Outlining office production operations
- Outlining field production operations
- Outlining review/appeal operations
- Outlining miscellaneous operations to fit a particular situation

To judge the workload, the County Assessor should have a good estimate of the number of properties or accounts for which assessments must be made.

## Estimating Productivity

After listing the operations to be performed in the most logical order for them to be performed, the County Assessor should estimate work requirements for each operation or task, allowing for unanticipated problems. Some estimates may directly relate to the time required per item or day account. Other tasks may be estimated on a staff-day, staff-week or staff-month basis.

Once an inventory of real or personal property accounts in the County Assessor's area of jurisdiction is known, production standards can be estimated by pre-testing the various operations. All factors should be properly considered in estimating time. For example, field operations involve time to travel, contacting taxpayers, making appointments, arranging audits, conducting inspections and a variety of other delays before an appraisal can be complete.

As production rates per unit are established, the County Assessor can estimate the staff time required for each operation. Then staff requirements can be estimated and the elapsed time for the operation can be projected.

## **Working Within Budgets**

The County Assessor does not always have full control, especially when budgets restrict hiring additional staff. If this occurs, scheduled phases can be completed each year. Scheduling of operations within the budget then becomes a continuous task, working towards eventual completion.

The County Assessor must always be aware of statutory provisions with penalties for not meeting mandatory requirements.

To avoid problems and potentially obtain adequate budget authorization, the County Assessor can develop records or production that show the workload that exists and the staffing and facilities necessary to accomplish the work, based on actual data rather than on estimates and projections. Revenues gained per production effort can be projected to show possible potential.

Regardless of the budget, production records should be maintained and analyzed continually to ensure that the project or assignment is on schedule and to justify the effort in terms of expenditures and revenues.

## **Predicting and Projecting Revenues**

The County Assessor should base revenue predictions on an analysis of historic records, past growth patterns, types of real and personal property and price trends.

Projections depend on what is happening in the present and what appears will happen in the immediate future. Predictions made by business and government economists and patterns of business activity are good indicators for projections.

## ***Organizing the Office***

Please refer to “Office Organization,” “Office Location,” “Hours and Holidays,” and “Office Personnel” in Chapter Six, *Office of the County Assessor* for guidelines on organizing the County Assessor’s office.

## ***Developing a Public Relations Program***

Public relations is a distinctive management function that helps establish and maintain communication to promote understanding, acceptance and cooperation between the County Assessor’s office and its citizens.

Adapting an open public relations policy helps make a County Assessor’s office responsive to the taxpayers by monitoring their needs and interests, interpreting those needs relating to organizational decisions and actions and receiving their feedback and counsel.

A majority of taxpayers’ complaints can often be resolved by open communication and encouragement from the County Assessor to the taxpayer to discuss any issues before lodging a formal complaint.

The County Assessor might find it helpful to publish a brochure or other document that briefly explains the County Assessor's responsibilities, the procedures used to determine assessments, the steps necessary to appeal an assessment, and other pertinent information that helps the taxpayers understand the taxation process.

## ***Dealing With the Public***

Maintaining a positive, courteous and understanding attitude is important when dealing with customers. All employees should treat customers, whether in the office or on the phone, with respect and in a professional manner.

## ***Providing Training***

The County Assessor should provide in-house and field training as applicable to all employees. This training should emphasize job duties, general office operations and suggestions on dealing with customers and the public.

## **Ad Valorem Taxation**

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The County Assessor's office plays an important part in the ad valorem taxation process within counties in Oklahoma and that office has several duties to perform before tax bills can be sent and collected.

## ***The Assessment Process***

The County Assessor must complete several steps to develop the final tax roll including discovering, identifying, appraising and listing all taxable real and personal property. Please refer to Chapter Ten, *The Assessment Process*, for information on the assessment process. Please refer to Chapter Twenty, *The Assessment Roll*, Chapter Twenty-one, *The Tax Roll*; and Chapter Twenty-two, *Corrections to the Tax Roll*, for information on these rolls and refer to Chapter Eighteen, *Special Assessments and Special Assessment Districts*, for information on special assessment districts.

## ***The Appraisal Process***

County Assessors are responsible for appraising property in their counties. Please refer to Chapter Eleven, *The Appraisal Process*, for information on techniques, steps in the appraisal process and other information. Please refer to Chapter Thirteen, *Appraising Real, Personal and Public Service Corporation Property*; Chapter Fourteen, *Real Property: List, Appraise and Value*; Chapter Fifteen, *Household Personal Property: List, Appraise and Value*; Chapter Sixteen, *Business and Agricultural Personal Property: List, Appraise and Value*; and Chapter Seventeen, *Manufactured Housing*, for more information on appraisals.

## Obtaining Legal Advice

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### *Bills, Laws and Regulations as Legal Reference*

Appendix B contains OSU Extension Facts. No. 884, Bills, Laws and Regulations as Legal Reference, which provides guidelines to help reference Oklahoma statutes and regulations. Because of the technical nature of these documents however, it is important that the County Assessor seek legal advice for proper interpretation.

### *The District Attorney*

19 O.S. § 215.5

When seeking legal opinions or advice about the official business of their offices, the County Assessors should request assistance from their District Attorney (or an assistant) who is their official legal counsel.

The District Attorney also represents the County Assessors in court for any civil actions brought against them in their official capacity as County Assessors.

19 O.S. § 215.4

To save time and prevent misunderstandings, the County Assessor should present questions in writing to the District Attorney's office and keep written records of all responses and communications. The County Assessor should be sure that his or her understanding of the opinions agrees with the District Attorney's intended interpretation.

## Holding Open Meetings

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25 O.S. §§ 301-313

In 1977, Oklahoma passed the Open Meeting Law, which prohibits the members of any public body (including county offices) to meet informally to decide a course of action or vote on any matter, even by telephone or other electronic means. All meetings must be held at specified times and places that are convenient to the public and must be open to the public. All meetings must be publicized by advance notice and specify the time, place and subject matter to be considered.

**WARNING: Any violation of the Open Meeting Law is a misdemeanor, punishable by a fine or imprisonment.**

25 O.S. § 314

## Keep County Records

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### *Open Records Act*

According to the Oklahoma Open Records Act, all county officials, including the County Assessor, must keep public records "open for public inspection (and copying and/or mechanical reproduction) for proper purposes, at proper times and in a proper manner during all business hours of the day." The statutes state that the people of Oklahoma have an inherent right to know and be fully informed about their government at any level.

The Oklahoma Open Records Act ensures and facilitates the people's right to access and review government records so that they may exercise this right.

Certain records may not be subject to open search by the public because of confidential privacy created by state and federal statutes. Care must be taken when refusing permission for public review of any public record. For protection, the County Assessor should obtain a written statement from the District Attorney or the State Auditor and Inspector that states that public review of a particular public record is not authorized. This action protects the County Assessor from a possible act of commission or omission which might cause removal from office.

51 O.S. §§ 24A.1-24.20

**NOTE: All sworn lists, such as personal property renditions, are protected as confidential and are not available for inspection under the Open Records Act.**

68 O.S. § 2835(E)

If any County Assessor purposefully violates any provision of the Oklahoma Open Records Act, that person can be charged with a misdemeanor and, if convicted, removed from office. Also, any person who denied access to a public record can file a civil suit.

A public record includes, but is not limited to, any document, book, paper, photograph, microfilm, computer tape, disk, and record, sound recording, film recording, video record or other material regardless of physical form or characteristic, that is in the custody, control or possession of the County Assessor.

## ***Record Destruction***

19 O.S. § 155.1

The County Assessor is authorized to destroy any of the records which have been on file in the office for more than seven years, including all of the following records:

- Assessment rolls
- Assessment listing sheets relating to tangible or intangible personal properties, monies and credits, real estate or corporation properties
- All balance sheets
- All homestead exemption applications

All records which have been on file in the County Assessor's office for more than two years, prior to the current calendar year and less than seven years, may be destroyed if they have been microfilmed or reproduced in some other manner.

**The State Library may be given any record, upon request, which is being destroyed.**

## **Penalties**

**WARNING: Any county officer who steals, willfully destroys, mutilates, alters, falsifies, or unlawfully removes or hides any public record, can be charged with a felony offense and, if convicted, forfeit his or her office and serve up to 5 years in prison.**

21 O.S. § 461

## Chapter Eight

# History of Ad Valorem Taxation

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## History of Ad Valorem Taxation

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Ad Valorem taxation has existed in Oklahoma since the state was known as the Oklahoma Territory. From the start, this tax has continuously been administered by local officials. History further shows that ad valorem taxation has been a dynamic system in Oklahoma, as the laws governing this tax have been amended numerous times and several new laws have been enacted over the years.

The first half of this chapter provides a historical overview of the laws that created the current system of ad valorem taxation in Oklahoma. The second half of the chapter includes Oklahoma Supreme Court cases that have either clarified or mandated how ad valorem taxation is to be practiced in the state.

**Information about the history of ad valorem taxation is taken from the following sources:**

**Note:**

- Burns, Charlie A. *Handbook for County Excise-Equalization Board*, Cooperative Extension Service, Oklahoma State University and Ad Valorem Taxation Division, Oklahoma Tax Commission. July 1982
- Oklahoma Tax Commission, “History and the Law.” August 1987
- Oklahoma Statutes
- Oklahoma Supreme Court Decisions
- United States Supreme Court Decisions

The information in both sections of this chapter corresponds to Table 8-1, which shows a composite timeline for important dates and events in the history of ad valorem taxation.

**Table 8.1 Time Table for History of Ad Valorem Taxation**

Year	Event
1890	<ul style="list-style-type: none"><li>• The Organic Act of Congress provides for ad valorem taxation.</li><li>• Town and city assessors are elected by popular vote.</li><li>• The township trustee serves as the township assessor.</li><li>• The Board of County Commissioners serves as the County Board of Equalization.</li><li>• The Territorial Board of Equalization is established.</li></ul>
1893	<ul style="list-style-type: none"><li>• Town, city, and township boards of equalization are established.</li></ul>

1907	<ul style="list-style-type: none"> <li>• Oklahoma achieves statehood.</li> <li>• The Oklahoma Constitution provides for ad valorem taxation. <ul style="list-style-type: none"> <li>• The assessment is based on 100 percent of fair cash value.</li> <li>• The State reserves 3.5 mills.</li> <li>• Levies are established for school districts, counties, townships, cities, and towns.</li> </ul> </li> </ul>
1909	<ul style="list-style-type: none"> <li>• The State Board of Equalization is established.</li> </ul>
1911	<ul style="list-style-type: none"> <li>• Town, city, and township assessors are abolished.</li> </ul>
1912	<ul style="list-style-type: none"> <li>• The First 77 County Assessors are appointed.</li> </ul>
1914	<ul style="list-style-type: none"> <li>• The County Assessor becomes an elected position.</li> </ul>
1931	<ul style="list-style-type: none"> <li>• The Ad Valorem Division of the Oklahoma Tax Commission is created.</li> <li>• The County Board of Equalization membership is changed to include appointed officials.</li> </ul>
1933	<ul style="list-style-type: none"> <li>• Ad valorem tax is dropped as a source of revenue for the state and for townships.</li> <li>• A 15 mill levy is adopted to be apportioned among the counties, cities, towns, and school districts</li> </ul>
1935	<ul style="list-style-type: none"> <li>• Homestead exemption is adopted.</li> </ul>
1937-1938	<ul style="list-style-type: none"> <li>• The first state-wide equalization study is performed.</li> </ul>
1941	<ul style="list-style-type: none"> <li>• The Uniform Assessment Law is enacted.</li> </ul>
1945	<ul style="list-style-type: none"> <li>• An annual ratio study is recommended.</li> </ul>
1951	<ul style="list-style-type: none"> <li>• Public trusts are created and granted tax-exempt status.</li> </ul>
1958	<ul style="list-style-type: none"> <li>• The Assessment ratio is limited to 35 percent of fair cash value.</li> </ul>
1960	<ul style="list-style-type: none"> <li>• Ad valorem tax is adopted for the County Department of Health.</li> </ul>
1961	<ul style="list-style-type: none"> <li>• Industrial trusts are created and granted tax-exempt status.</li> </ul>
1962	<ul style="list-style-type: none"> <li>• An industrial development bond is approved.</li> </ul>
1965	<ul style="list-style-type: none"> <li>• Ad valorem tax is adopted for area vocational technical school districts.</li> </ul>
1967	<ul style="list-style-type: none"> <li>• A revaluation program is enacted.</li> </ul>
1968	<ul style="list-style-type: none"> <li>• Ad valorem tax on intangible personal property is dropped.</li> <li>• A freeport exemption is enacted.</li> </ul>
1972	<ul style="list-style-type: none"> <li>• Use value is adopted.</li> </ul>
1974	<ul style="list-style-type: none"> <li>• An additional homestead exemption is enacted.</li> </ul>
1975	<ul style="list-style-type: none"> <li>• A federal agreement that railroads and airlines will be assessed at a weighted average of commercial property within states is adopted.</li> </ul>
1976	<ul style="list-style-type: none"> <li>• Ad valorem tax adopted for emergency medical service district.</li> </ul>
1985	<ul style="list-style-type: none"> <li>• A new or expanding manufacturing exemption is enacted.</li> </ul>
1986	<ul style="list-style-type: none"> <li>• Ad valorem tax is adopted for solid waste management districts.</li> </ul>
1988	<ul style="list-style-type: none"> <li>• The visual inspection program is enacted to replace the revaluation program. (effective 1991)</li> <li>• County Assessors' offices are computerized including mapping and CAMA. (effective 1991)</li> <li>• Assessor Accreditation Program enacted (first class presented in 1989).</li> <li>• The ad valorem code is re-codified.</li> </ul>
	<ul style="list-style-type: none"> <li>• The 4-R and TEFRA Acts for railroads are passed.</li> </ul>
1990	<ul style="list-style-type: none"> <li>• Historical preservation districts are created and granted limited tax-exempt status.</li> </ul>
1991	<ul style="list-style-type: none"> <li>• The State Board of Equalization adopts a revenue neutral position by dropping the assessment percentage by one point for public utility companies.</li> </ul>
1992	<ul style="list-style-type: none"> <li>• The Local Development Act is passed.</li> <li>• Personal property exemption is adopted by a vote of the people.</li> </ul>

1992	<ul style="list-style-type: none"> <li>• An agriculture equipment stamp tax is enacted.</li> <li>• The personal property ratio is set.</li> </ul>
1994	<ul style="list-style-type: none"> <li>• The performance audit is included as part of the equalization study.</li> </ul>
1996	<ul style="list-style-type: none"> <li>• State Question 675, Legislative referendum No. 305 is adopted by the voters, which locks in an assessment percentage between 11 and 13.5% unless increased by a vote of the people.</li> <li>• Assessment percentages are frozen at 22.85% for public service companies and at 11.84% for railroad and air carriers.</li> <li>• State Question 676, Legislative Referendum No. 306 is adopted by voters, which limits the increase in the fair cash value of real property to 5% per year.</li> <li>• State Question 677, Legislative Referendum No. 307 is adopted by voters, which limits the fair cash value of homestead property beginning the year the property owner becomes age 65 and has no more than \$25,000 annual income. The value may increase if the property is sold or additions are made to the property.</li> </ul>
1997	<ul style="list-style-type: none"> <li>• The annual valuation audit is implemented.</li> </ul>
1998	<ul style="list-style-type: none"> <li>• The performance audit is deleted from the equalization study.</li> </ul>
2001	<ul style="list-style-type: none"> <li>• Personal Property becomes a part of the visual inspection program.</li> </ul>
2002	<ul style="list-style-type: none"> <li>• State Question 696 provides exemption for storm shelters.</li> </ul>
2004	<ul style="list-style-type: none"> <li>• Time changes for taxpayer to file a protest from 20 calendar days to 20 working days.</li> <li>• Assessor required to use prescribed forms for appeal of Board of Equalization decision.</li> <li>• If taxpayer or agent fails to appear for a scheduled protest before the Board of Equalization, costs incurred may be assessed against taxpayer.</li> <li>• State Question 714 amends Oklahoma Constitution Article 10 § 8C changing household income qualification for senior valuation limitation from \$25,000 to county median income determined by HUD.</li> <li>• State Question 715 adds section to Oklahoma Constitution Article 10 § 8E to create full exemption for veterans honorably discharged from active service with 100% permanent disability.</li> <li>• Homestead filing date extended to 30 days after receiving notice of valuation increase.</li> </ul>
2005	<ul style="list-style-type: none"> <li>• Cash value of building under construction valued upon completion at the cash value of the materials.</li> <li>• Value of lots under development limited to until purchased by a bona fide purchaser.</li> <li>• Assessment roll allowed to be made available electronically during BOE session.</li> <li>• Filing requirement for vacating plats added to include metes and bounds description.</li> <li>• Definition of taxable fair cash value determined.</li> <li>• Interest charged on omitted property modified.</li> </ul>
2006	<ul style="list-style-type: none"> <li>• Certain sworn lists of property filed with Assessor's office are confidential.</li> <li>• Informal protest hearing may be held telephonically if agreed upon by the parties.</li> <li>• Agricultural buffer strip valuation procedures amended.</li> <li>• Definition of real property improvements on land owned by United States or any branch of Armed Services expanded.</li> </ul>
2007	<ul style="list-style-type: none"> <li>• BOE members can receive reimbursement for travel to the meeting place.</li> <li>• Amendment allows Vice-Chairs to serve in place of the regular members on Board of Tax Roll Corrections.</li> <li>• Assessor must use the HADCO publication to value certain oil &amp; natural gas properties.</li> <li>• Newly elected county officials allowed reimbursement of training expenses after taking office.</li> <li>• Freeport exemption filing date amended to on or before March 15th or within 30 days of receiving notice of valuation increase, whichever is later.</li> <li>• Amendment that provides no impairment of the right of the taxpayer to appeal any order of the County Board of Equalization.</li> </ul>

2007	<ul style="list-style-type: none"> <li>• Certain facilities owned by a 501-C3 entity exempt from ad valorem tax regardless of population of the county.</li> <li>• State Land Reimbursement Fund can receive transfer of funds from the General Revenue Fund.</li> <li>• New procedures for reporting land eligible for the State Land Reimbursement. Residential improvements divided by taxing jurisdiction boundary shall be valued and assessed in the jurisdiction where the majority of the improvements are located.</li> </ul>
2008	<ul style="list-style-type: none"> <li>• State Question 735 adds new section to Oklahoma Constitution, Article 10, Section 8D allowing a full exemption of household personal property to 100% disabled veterans.</li> <li>• State Question 741 adds new section to Oklahoma Constitution, Article 10, Section 22A prohibiting the filing of various exemptions in subsequent years.</li> <li>• Oklahoma Supreme Court Case #103355 defines valuation guidelines for residential and commercial platted lots.</li> </ul>
2009	<ul style="list-style-type: none"> <li>• Certain public service video service providers to be assessed at 12%.</li> <li>• Requirement for the display of the hard license plate on manufactured housing classified as personal property removed.</li> </ul>
2010	<ul style="list-style-type: none"> <li>• U.S. Supreme Court Ruling #08-1458 determines natural gas in underground storage facilities is subject to ad valorem taxation.</li> <li>• Directs the County Treasurer to use the Assessor's records for notice of delinquent taxes.</li> <li>• Requirement to file a death certificate or a notarized affidavit by the beneficiary with the county clerk of the county where property is located.</li> </ul>
2011	<ul style="list-style-type: none"> <li>• The postmark stamped on the envelope of any document filed with Assessor shall be deemed the date of delivery.</li> <li>• State Board of Equalization shall set a schedule of fees to be used by county assessors at the December 1 meeting each year.</li> <li>• County Treasurer may send tax statements by e-mail.</li> <li>• Sales tax generated within the TIF may be allowed as increment revenue.</li> </ul>
2012	<ul style="list-style-type: none"> <li>• County Excise Board members are required to attend six hours of training upon appointment and three hours upon re-appointment every four years; training provided by Cooperative Extension Service, County Training Program.</li> <li>• Allows Assessor to provide documents to appraisers for advisory purposes, but also provides the same documents must be returned to County Assessor within 10 calendar days of the termination of contract.</li> <li>• Taxpayer or agent may appear at a hearing appealing a County Assessor action in person, by telephone, other electronic means, or by affidavit.</li> <li>• County Board of Equalization members may not directly or indirectly communicate with the County Assessor or Deputy or designated agent on any matter relating to any pending appeal before the board prior to the hearing.</li> <li>• Livestock owned by a partnership, corporation, LLC, estate, trust, or other lawful entity of which the primary purpose is to confer economic benefits derived from the ownership of the livestock on two or more members of the same family shall be deemed livestock employed in support of the family for purposes of the ad valorem exemption authorized pursuant to Subsection B of Section 6 of Article 10 of the Oklahoma Constitution.</li> <li>• Requirement of Assessor spending at least one day in each city and incorporated town within the county, provided that county has abolished household personal property is removed.</li> <li>• Manufactured home exemption eligibility is modified by increasing the income threshold to the greater of \$22,000 or 50% of the median income for the county or metropolitan statistical area.</li> </ul>

	<ul style="list-style-type: none"> <li>• Manufactured homes may be transported with a Department of Public Safety permit during the second through the sixth days of January with a special waiver.</li> <li>• Requires County Assessors to issue special waiver for the second through the sixth days of January to allow a manufactured home used for commercial purposes to be moved during the first five days in January without a Form 936 or tax decal.</li> </ul>
2013	<ul style="list-style-type: none"> <li>• Reassessments due to natural disasters, including wildfires, must be presented to Board of Tax Roll Corrections.</li> <li>• Protest changed to Appeals.</li> <li>• Exemption to some disposal well equipment.</li> <li>• Persons owning and residing in a residence on the date of the tornado is the record owner.</li> </ul>
2014	<ul style="list-style-type: none"> <li>• Taxpayer transparency by limiting communication with Assessor and County Board of Equalization members; affidavits will be signed prior to the hearing and will become part of board hearing record.</li> <li>• Amendment to Natural Disaster Assessment process; adjustments made up to the time of the Excise Board Report; later adjustments made by the Board of Tax Roll Corrections; TRC may only approve or deny the adjustment made by the County Assessor.</li> <li>• Informal protest increases from 20 working to 30 calendar days.</li> <li>• Informal hearing process must allow for two additional attempts to be heard.</li> <li>• For counties with less than 300,000 population, at least three dates must be scheduled for the formal hearing with ten days between the dates; no final determination until the taxpayer has appeared or the session ends.</li> <li>• Definition of Improvement after storm damage; value of the replacement improvement will have the same value as before the damage and then subject to the 3% or 5% caps; additional square footage will be valued at market value.</li> <li>• State Question 770 allows for a veteran's 100% real property exemption to be portable to new homestead regardless of what time of the year.</li> <li>• State Question 771 allows for a surviving unmarried spouse of military personnel who died in the line of duty to be eligible for the 100% Veteran's Exemption.</li> <li>• Once the total taxes due is computed and extended to the tax rolls, the amount of taxes due or value upon which the tax is assessed cannot be increased by a final judgment in any tax appeal filed pursuant to Sections 2880.1 or 2881 of Title 68. This limitation does not apply to omitted property.</li> <li>• If an appeal is timely filed by the taxpayer, the amount of taxes paid by the taxpayer shall not exceed the amount based on the value originally submitted by the Assessor to the County Board of Equalization. If an appeal is timely filed by the Assessor, the taxes payable shall not exceed the amount of taxes based on the value assessed by the County Assessor and submitted to the BOE.</li> </ul>
2015	<ul style="list-style-type: none"> <li>• Assessor must give 90-day written notice to tax recipients before decreasing the assessment ratio.</li> <li>• The Assessor and taxpayer are the proper parties in an appeal of the Board of Equalization's decision to district court, NOT the Board.</li> <li>• Extends confidentiality provisions of Section 2835 of Title 68 to property lists and documents produced by a taxpayer during discovery in any ad valorem tax appeal in the Court of Tax Review or the District Court.</li> </ul>
2016	<ul style="list-style-type: none"> <li>• Veterans' disability compensation is removed from the computation of gross household income for purposes of the additional homestead exemption. 68 O.S. § 2890.</li> <li>• An exception to the valuation method for persons primarily engaged in selling lumber and other building materials, including cement and concrete, which would be assessed at the average value of the inventory on hand as of January 1 of each year and the value of the inventory on hand as of December 31 of the same year.</li> </ul>

2018	<ul style="list-style-type: none"> <li>• SB 1059 - “Assessor’s Cleanup Bill,” made changes to language in 68 O.S. § 2802 &amp; 2876 in an attempt to unify language and make the statute more taxpayer friendly.</li> <li>• HB 3372 – “CAMA Bill,” provides funding for the updating of the state provided CAMA system and supporting systems; also provides for additional and enhanced training regarding software use and mass appraisal valuation practices.</li> </ul>
2019	<ul style="list-style-type: none"> <li>• HB 1962 Revisions to the time line for appeals to the County Assessor, BOE, and District Court.</li> <li>• SB Changes made in regard to the 5 year exemption qualifications.</li> </ul>
2020	<ul style="list-style-type: none"> <li>• HB 2504 defines property exempt from ad valorem taxation for fraternal or religious purposes.</li> </ul>
2022	<ul style="list-style-type: none"> <li>• SB 1667 exempt property owners may not receive a notice if a burden to the assessor.</li> <li>• HB 2627 protest timeline to be provided to taxpayer. Changes in appeals, personal property appeals over 3 million dollars will send a report to school districts &amp; tax jurisdictions. Can appoint or ask OTC to assign an appraiser to assist in the valuation of property.</li> <li>• HB 3901 if value over 3 million dollar can appeal to the Court of Tax Review.</li> </ul>

## *Constitutional and Statutory Laws*

### *1890 - Congress Passes Organic Act*

1890 Organic Act § 6

Oklahoma became a territory of the United States when Congress passed the **Organic Act** on May 2, 1890. Section six of the Organic Act states that all property must be taxed in proportion to its value, which is the meaning of ad valorem, a Latin phrase that means “according to value.” Today, taxable property is valued in proportion to its value, or as a percentage of its value, just as it was when Oklahoma was known as the Oklahoma Territory.

For the next several years after Oklahoma become a territory of the United States, the town and city assessors performed the ad valorem taxation within their political jurisdictions. Each township’s trustee served as the township assessor.

Also in 1890, the Board of County Commissioners served as the County Board of Equalization. Its job was to equalize the assessments among the towns, cities, and townships within the county.

A Territorial Board of Equalization also existed at that time. The members of the Territorial Board of Equalization were the Territorial Governor, the Territorial Secretary, and the Territorial Auditor. They were empowered to equalize the assessments across counties, which currently is the role of the State Board of Equalization that exists today.

### *1893 - Various Boards of Equalization Created*

In 1893, two additional boards of equalization were created. One was the Township Board of Equalization, whose members were the township assessor, the township clerk, and the township treasurer. The other board was the city or town board of equalization. Public officials serving as members of this board were the city or town assessor, the mayor or president of the board of trustees, and the city clerk. The various boards of equalization had the following duties:

- The Territorial Board of Equalization equalized assessments across counties.
- The County Board of Equalization equalized the assessments within the whole county.
- Town, city, or township boards of equalization equalized the individual assessments within a town, city, or township.

**1907 - Oklahoma Becomes a State**

Oklahoma Constitution  
Article 17 § 2

Oklahoma became a state in 1907 when the United States Congress recognized the Oklahoma Constitution. Local governments were permitted to continue levying a property tax through Article 10, Section 20 of the Oklahoma Constitution, which grants counties, cities, towns, or other “municipal corporations” the power to assess and collect all taxes.

Oklahoma Constitution  
Article 10 § 20

Property taxes were based on 100 percent of the fair cash value (the market value of a property in its current use) of the property. The state derived revenue from the property tax in which three and one-half mills were levied for use by the state. The local levies were set in the following manner:

- County - 8 mills
- Township - 5 mills
- City or town - 10 mills
- School district - 5 mills
- County-wide school levy - 2 mills

A school district was allowed to levy an additional 10 mills if approved by the voters in an election.

**1909 - State Board of Equalization Established**

Oklahoma Constitution  
Article 10 § 10A, B

The Oklahoma Constitution was amended in 1909 to replace the Territorial Board of Equalization with the State Board of Equalization. Members of the State Board of Equalization included the following individuals, some of whom were later replaced or renamed:

- Governor
- State Examiner and Inspector (renamed State Auditor and Inspector)
- State Treasurer
- Secretary of State (replaced with the Lieutenant Governor)
- Attorney General
- Superintendent of Schools (renamed Superintendent of Public Instruction)
- President of the Board of Agriculture

Oklahoma Constitution  
Article 10 § 21(A)

The duties of the State Board of Equalization were defined in Article 10, Section 21A of the Oklahoma Constitution, which states that the Board shall adjust and equalize the valuation of real and personal property of the several counties in the State, and perform other duties such as assessing all railroad and public service corporation property.

### ***1911 – 1914 - County Assessors Emerge***

68 O.S. § 2814

In 1911, County Assessors replaced town, city, and township assessors who were abolished at this time. Seventy-seven county assessors were then appointed and sworn into office in January of 1912. This change also eliminated the town, city, and township boards of equalization. Thus, the County Board of Equalization became the sole local authority for equalizing assessments. In 1914, the County Assessor became an elected position.

### ***1931 - Ad Valorem Division Created***

68 O.S. § 2875

The Ad Valorem Division and the Oklahoma Tax Commission (OTC) were created in 1931. The Ad Valorem Division had the following duties:

- To assess the public service corporation property and present its findings to the State Board of Equalization
- To perform equalization studies and present its findings on the equalization of real and personal property across counties to the State Board of Equalization
- To oversee the County Assessors

Also in 1931, the membership of the County Board of Equalization was changed. Three appointed members replaced the Board of County Commissioners. The OTC, the district judge, and the Board of County Commissioners were each given the authority to appoint one member.

68 O.S. § 2861

### ***1933 – State Ad Valorem Tax Dropped***

Oklahoma Constitution  
Article 10 § 9

A constitutional provision was adopted in 1933 to drop the ad valorem tax as a source of revenue for the state and for townships. At the same time, separate levies for each unit of local government were replaced with a uniform 15 mill levy. This levy was to be apportioned among the county, cities, towns, and school districts. The 2 mill county-wide levy for schools was kept. Also, a school district was still allowed to levy an additional 10 mills when voters approved them in an election.

### ***1935 - 1937 Homestead Exemptions Granted***

In 1935, a constitutional provision was adopted to grant homestead exemptions. Then, in 1937, the Legislature passed a law to permit a homestead exemption of \$1,000 to be deducted from the net assessed value of the homestead.

### ***1937 - 1939 WPA Conducts Equalization Study***

From 1937 through 1938, the Works Progress Administration (WPA), under the direction of the Ad Valorem Division, conducted the first state-wide ratio or equalization study. In 1939, the WPA prepared ownership maps for County Assessors, which were maps of the counties that had ownerships listed on them.

### ***1941 - Uniform Assessment Law Enacted***

68 O.S. § 2840

The Uniform Assessment Law was enacted in 1941. This law was the first version of what is presently known as Article 28, Ad Valorem Taxes of Title 68 of the Oklahoma Statutes. The law has the following primary purposes:

- To improve assessments
- To provide better equalization of property
- To reduce the number of properties escaping ad valorem taxation
- To clarify the laws on ad valorem taxation

The duty of the County Assessor to build and maintain permanent records on all the land and improvements in a county originated from a section of the Uniform Assessment Law.

### ***1945 - Ad Valorem Division Conducts Annual Survey***

68 O.S. § 2866

In 1945, the legislature requested that the Ad Valorem Division conduct an annual survey of the local assessments. The purpose of the survey was to equate the assessed value to the fair cash value. This request set the stage for what is now known as the annual ratio study.

### ***1951 - Legislature Enacts Public Trusts into Law***

60 O.S. § 176(A) & (E)

The legislature enacted public trusts into law in 1951. This law grants the state, a county, or a city the authority to issue bonds through the trust. The trust is in real or personal property, and the beneficiary is the state, county, or city. Two-thirds approval of the governing body is required before a bond can be issued.

### ***1958 - Voters Approve Fractional Assessment***

Oklahoma Constitution  
Article 10 § 8

In 1958, Oklahoma voters approved a fractional assessment in which property could no longer be assessed at 100 percent of fair cash value, but instead, a ceiling was set at 35 percent.

### ***1960 - Voters Approve Tax for County Department of Health***

63 O.S. § 1-223

Oklahoma voters approved an ad valorem tax levy for the County Department of Health in 1960.

### ***1961 - Local Industrial Development Act Created***

In 1961, the legislature passed the Local Industrial Development Act, which allowed cities and towns to create an industrial development trust. This act allows the trust to issue revenue bonds. Moreover, a public trust and an industrial trust are allowed to lease their properties. The courts have ruled the property of a public trust is not exempt from ad valorem taxation if the benefits accrue to the lessee through the lease agreement that has the following characteristics:

- Contains an executory contract for the lessee to purchase or option to purchase the trust property.

OK Decisions  
1980 OK 15, 618 P. 2D 900  
1983 OK 59, 678 P. 2D 233

- Specifies a nominal dollar amount the lessee is to pay to effect the transfer of the property when the lease terminates.

(Cartwright v. Dunbar, 1980 and General Motors v. Oklahoma County Board of Equalization, 1983)

***1962 - Voters Approve Industrial Development Bond***

Oklahoma Constitution  
Article 10 § 35

In 1962, Oklahoma voters approved a constitutional law to allow up to a five mill levy for industrial development bonds. A city or county was granted the authority to call an election to issue a general obligation bond to secure and develop industry (bonds are discussed in Chapter 7 entitled, “General Description of Ad Valorem Taxation). This law was amended in 1976 to delete the provision on the maximum interest rate the bonds could bear.

***1965 - Voters Approve Tax for Area Vocational Technical School District***

Oklahoma Constitution  
Article 10 § 9B  
Article 10 §§ 10, 26

Vocational technical school districts were added as an ad valorem taxing jurisdiction in 1965.

***1967 - Revaluation Statutes Enacted***

68 O.S. § 2820  
68 O.S. § 2481  
68 O.S. §§ 5201-5204

Revaluation statutes were enacted into law in 1967. This law required every County Assessor to develop and carry out a revaluation program that requires that all property be inspected on a regular cycle every five years.

***1968 - Intangible Personal Property Abolished***

Oklahoma Constitution  
Article 10 § 6A

Ad valorem taxation of intangible personal property (money, stock, bonds, and other monetary assets) was abolished in 1968. In the same year, Oklahoma voters adopted a freeport tax exemption on goods temporarily passing through the state. The freeport tax exemption exempts goods from ad valorem taxation that are transported through the state and in the state less than 90 days, or less than nine months if used as an input in manufacturing another good.

***1972 - Voters Approve Assessing Property According to Use***

Oklahoma Constitution  
Article 10 § 8

In 1972, Oklahoma voters approved assessing property according to its use. The Oklahoma Constitution was amended to change the assessment standard from “not to exceed 35 percent of the fair cash value” to “not to exceed 35 percent of the fair cash value of the highest and best use for which such property was actually used.”

***1974 - Additional Homestead Exemption Enacted***

68 O.S. § 2890

An additional homestead exemption was enacted in 1974. This exemption allows property owners who are below a certain income level and who meet the criteria for the first homestead exemption to have the assessed value of their homestead reduced by an additional \$1,000.

### ***1975 - Federal Agreement Passed to Assess Railroads and Airlines at Weighted Average***

As the result of a federal agreement and court action in 1975, all railroads and airlines must be assessed at a weighted average of commercial property within states.

Also in 1975, the 4-R and TEFRA Acts were passed regarding railroads and airlines.

### ***1976 - County Assessors Adopt Standard Use Classifications***

Oklahoma Constitution  
Article 10 § 8

At the 1976 Annual Meeting of the Oklahoma Association of County Assessors, the County Assessors adopted three standard use classifications recommended by the Oklahoma Tax Commission for valuing real property. These use classifications are:

- Residential
- Commercial/industrial
- Agricultural

The State Board of Equalization did not approve and adopt these classifications until 1981.

Also in 1976, voters approved an ad valorem tax to support emergency medical service districts.

### ***1985 - Voters Approve Manufacturer's Exemption***

Oklahoma Constitution  
Article 10 § 6B

A manufacturer's exemption was approved by voters in 1985 in State Question 588 and has been amended several times. The purpose of this exemption is to promote economic development without creating a public or industrial trust. If a new or expanding manufacturer qualifies, the county grants a five-year ad valorem tax exemption. The state approves the exemption and reimburses the local taxing jurisdiction for the lost revenue.

68 O.S. § 2902  
68 O.S. § 2902.1

AG Opinion 03-16

### ***1986 - Voters Approve Solid Waste Management Districts Tax***

Oklahoma Constitution  
Article 10 § 9D

The voters approved a final ad valorem tax in 1986 to fund solid waste management districts.

### ***1988 - Homestead Exemption Laws***

68 O.S. §§ 2897, 2898,  
2899, 2900, 2901

Several laws impacting homestead exemptions were passed in 1988 including laws relating to assessment of property not impaired; guidelines for the County Assessor's report to the Oklahoma Tax Commission; penalties for unlawful acts; and situs of taxpayer.

### ***1988 - Manufacturing Facilities Exemptions***

68 O.S. § 2902

Qualifying manufacturing facilities were granted exemptions from ad valorem taxation for new, expanded, or acquired manufacturing facilities for five years.

### ***1988 - Rural Water or Sewer District Exemptions***

68 O.S. § 2903

Rural water or sewer districts that met certain requirements were granted exemptions from ad valorem or other taxation.

### ***1988 - 1992 - "Revaluation" Becomes "Visual Inspection Program"***

68 O.S. § 2820

In 1988, House Bill 1750 created the revaluation program. Later, on January 1, 1991 in House Bill 1388, the Legislature renamed the revaluation program the "visual inspection program." The visual inspection program requires the following actions:

68 O.S. § 2829

1. All property must be visually inspected once every four years instead of once every five years.
2. All taxable personal property must be listed and assessed at its fair cash value as of the first day of January.
3. All taxable real property must be assessed annually as of the first day of January at its highest and best use for which it was used during the preceding calendar year.
4. A mapping and parcel identification system and a computer-assisted mass appraisal (CAMA) and mapping program must be implemented.

### ***1989 - First Assessor Accreditation Class Presented***

68 O.S. § 2816

House Bill 1750 also created the Assessor Accreditation Educational Program to be administered by the Oklahoma State University Center for Local Government Technology.

### ***1990 - Exemptions for Historic Preservation Districts***

Local development was addressed again in 1990 when Oklahoma voters approved a constitutional provision allowing a city, town, or county to grant tax exemptions for historic preservation districts.

### ***1992 - Local Development Act Passed/Voters Approve Household Personal Property Exemption/Personal Property Ratio Set/Agriculture Equipment Stamp Tax Enacted***

The enabling legislation for tax exemptions for historic preservation districts was passed in 1992 in the Local Development Act. Limitations were placed on granting an ad valorem tax exemption.

Oklahoma  
Constitution  
Article 10 § 6C

Also, 1992 was the year when Oklahoma voters approved the household personal property exemption, which is approved per county jurisdiction. For this type of exemption, the Board of County Commissioners is granted the authority to call an election for the voters in the county to approve household personal property exempt from ad valorem taxation.

Oklahoma  
Constitution  
Article 10 § 8A

Also in 1992, the State Board of Equalization set the personal property ratio between 10 and 20 percent.

Finally in 1992, an agricultural equipment stamp tax was enacted. This tax was imposed in lieu of the ad valorem tax on certain parts of inventories, including both new and used items owned and/or possessed for sale or lease by retailers of farm tractors and other equipment.

68 O.S. § 5401

### ***1994 - Ad Valorem Division Performance Audit Created***

In 1994, the Ad Valorem Division Performance Audit was created, which measures the level of assessment and administrative procedures in the Assessor's office. (Discontinued in 1998)

### ***1996 - Percentage Limits on Fair Cash Value Set***

In 1996, voters approved three state questions, which set limits on percentages of fair cash value in property valuation and for real property and limits on fair cash value on homesteads.

Oklahoma  
Constitution  
Article 10 § 8,  
8B, 8C

### ***State Question No. 675***

This measure amends the Oklahoma Constitution, Section 8 of Article 10 to set the assessment percentage of real property at a value not less than 11% and not more than 13.5%. The assessment percentage of personal property must fall between 10% and 15%. An increase must be voted by the people. A decrease requires no vote. These limits apply only to locally assessed property. The State Board of Equalization uses a different percentage. Public utility assessments are locked in at 22.85% as of January 1, 1996. Railroad and airline properties are assessed at 11.84%.

Oklahoma  
Constitution  
Article 10 § 8

### ***State Question No. 676***

The fair cash value of **real property** assessed by a County Assessor may not increase more than 5% in any taxable year. If the property is transferred, changed, or conveyed, the limitation would not apply for that year. If improvements are made to the property, the increased value to the property will not be assessed for that year. This measure does not apply to personal property or property valued or assessed by the State Board of Equalization.

Oklahoma  
Constitution  
Article 10 § 8B  
68 O.S. § 2817  
68 O.S. § 2817.1

### ***State Question No. 677***

The fair cash value is limited for property tax purposes on a homestead owned by a person who is 65 years of age or older and who has a gross household income of \$25,000 or less. The fair cash value would not exceed the value placed upon the property during the first year the head of household was 65 years of age and met the income limitations. Improvements to the property would be added to the assessed value of the property.

Oklahoma  
Constitution  
Article 10 § 8C

### ***1996 - Maximum Allowable Income for Additional Homestead Increased***

The maximum allowable income limit for additional homestead exemption was increased several times since it was \$4,000 in 1974 (\$5,000 in 1979 and 1980; \$10,000 in 1988; and finally to \$20,000 in 1996).

68 O.S. § 2890

### ***2000 - Agricultural Buffer Strip Exemption***

This exemption allows for a separate assessment of lands participating in approved Natural Resources Conservation Program.

68 O.S. § 2817.2

### ***2001 - Visual Inspection of Personal Property***

Personal Property becomes part of the comprehensive visual inspection program and the incurred cost can be paid from the visual inspection budget.

68 O.S. § 2820

***2002 – State Question 696 Provides Exemption for Storm Shelters***

Oklahoma  
Constitution  
Article 10 §  
6(A) sub 710

This amendment exempted storm shelters up to 100 square feet in size and built after January 1, 2002 from ad valorem taxation.

***2004 - Time Change for Taxpayer Protest***

68 O.S. § 2876

Amendment to 68 O.S. § 2876, changes the time the taxpayer has to file a complaint with the county assessor from 20 calendar days to 20 working days. OTC provides maximum qualified income amounts for property valuation limitation each year to counties.

***2004 - Required forms and scheduling of hearings before the County Board of Equalization***

68 O.S. § 2877

Amendment to 68 O.S. § 2877 adds language that requires any appeal action by the County Assessor must be on a form prescribed by the Oklahoma Tax Commission.

Also, adds language if taxpayer or agent fails to appear before the County Board of Equalization at a scheduled hearing, costs incurred may be assessed against the taxpayer.

***2004 - Gross household income qualification for Senior Valuation Limitation***

Oklahoma  
Constitution  
Article 10 § 8C

Changes annual household income qualification from the current \$25,000 to an amount determined by United States Department of Housing and Urban Development (HUD) to be the median income level for each county. The law was effective January 1, 2005. State Question 714

***2004 - Provides Exemption from Ad Valorem Tax for Certain Disabled Veterans***

Oklahoma  
Constitution  
Article 10 § 8E

Creates a full homestead property exemption for veterans honorably discharged from active service who have been 100% permanently disabled. The law was effective January 1, 2006. State Question 715.

***2004 - Adds language on homestead filing date***

68 O.S. § 2892

Amends 68 O.S. § 2892 to provide for filing for homestead exemption within 30 days from and after receiving Notice of Valuation Increase.

***2005 - Buildings under construction and bona fide purchase of developer lots***

68 O.S. § 2817

Amendment to 68 O.S. § 2817 limits the fair cash value of buildings after completion to the cash value of the materials and lots until purchased by a bona fide purchaser.

***2005 - Filing requirement related to vacating plats***

11 O.S. § 42-107

Amends 11 O.S. § 42-107 adding a filing requirement to vacating plats to include a metes and bounds legal description.

***2005 - Modifying Ad Valorem Tax Code definitions***

68 O.S. § 2802

Amends 68 O.S. §§ 2802 and 2817.1 by modifying certain definitions and adding definition regarding “taxable fair cash value”.

68 O.S. § 2817.1

**2005 - Electronic availability of assessment roll** 68 O.S. § 2842

Amends 68 O.S. § 2842 providing for the electronic availability of the assessment roll to the County Board of Equalization while in session.

**2005 - Modifying interest charged** 68 O.S. § 2844

Amends 68 O.S. § 2844 modifying the interest charged on omitted property.

**2006 - Confidentiality requirement** 68 O.S. § 2835

Amends 68 O.S. § 2835 making the confidentiality requirement that currently applies to certain sworn list of real and personal property filed with the County Assessor for ad valorem purposes applicable to other documents produced by the taxpayer to the Assessor or to the County Board of Equalization during the informal and formal hearing process.

**2006 - Informal Hearing** 68 O.S. § 2876(F)

Amends 68 O.S. § 2876(F) to allow for the informal hearing to be held telephonically if agreed upon by the parties.

**2006 - Agricultural Buffer Strip Valuation Procedures** 68 O.S. § 2817(C)(4)

Amends 68 O.S. § 2817 providing the method to value qualifying buffer strips using on the income produced from such lands.

**2006 - Definition of Real Property Improvements on Land Owned by United States** 68 O.S. § 2806

Amends 68 O.S. § 2806 expanding the definition of real property improvements on land owned by the United States or any branch of the Armed Service.

**2007 - Board of Equalization Travel** 68 O.S. § 2862

Amends 68 O.S. § 2862 to allow County Equalization Bboard members to receive travel reimbursements to the meeting place from their residence.

**2007 - Board of Tax Roll Corrections** 68 O.S. § 2871

Amends 68 O.S. § 2871 to allow the vice chairman of the Board of County Commissioners to serve as chair of the Board of Tax Roll Corrections in the absence of the chair of the commissioners; in the absence of the vice chair, the chair of the equalization board will serve as chair and in the absence of the BOE chair, the vice chair will serve as chair.

**2007 - Valuation of Oil and Gas Personal Property** 68 O.S. § 2817(L)

Adds 68 O.S. § 2817(L) to determine the value of taxable property used in the exploration of oil, natural gas, and other minerals, including drilling rigs, information from the first HADCO International publication of the taxing year shall be used.

**2007 - Newly Elected County Officials** 19 O.S. § 165

Amends 19 O.S. § 165 to allow training expenses to be reimbursed to newly elected county officials in January when the official takes office.

**2007 - Freeport Exemption, Filing Date** 68 O.S. § 2902.2

Amends 68 O.S. § 2902.2 and provides for a filing date of on or before March 15th or within 30 days from and after receipt by taxpayer of Notice of Valuation Increase, whichever is later. The law was effective January 1, 2008.

**2007 - County Board of Equalization, Appeals** 68 O.S. § 2945

Amends 68 O.S. § 2945 and provides no impairment of the right of the taxpayer to appeal any order of the County Board of Equalization to district court.

**2007 - Exempt Continuum Care Facilities** 68 O.S. § 2887

Amends 68 O.S. § 2887 and exempts certain facilities constructed after January 1, 2006 owned by a 501-C 3 tax exempt entity regardless of population of the county.

**2007 - State Land Reimbursement Fund** 64 O.S. § 1079

Amends 64 O.S. § 371 and provides for the transfer of funds from the General Revenue Fund into the State Land Reimbursement Fund. Renumbered 64 O.S. § 1079 2010.

**2007 - Procedures for State Land Reimbursement** 62 O.S. § 194

Each County Assessor to prepare reports listing certain information. The law was effective January 1, 2007.

**2007 - Residential Improvements divided by Taxing Jurisdiction** 68 O.S. § 2817(B)(2)

Amends 68 O.S. § 2817 allows for improvements divided by taxing jurisdiction boundary to be valued and assessed in the jurisdiction where the majority of the improvements are located. The law was effective January 1, 2008.

**2008 - State Question 735 - Veterans Household Personal Property** Oklahoma Constitution Article 10 § 8D

Adding a full exemption to all household personal property of 100% disabled veterans. The law was effective January 1, 2009.

**2008 - State Question 741 - Filing of Exemptions** Oklahoma Constitution Article 10 § 22A

Prohibits the filing of various exemptions in subsequent years. The application for exemption must be made in the same year. The law was effective January 1, 2009.

**2008 - Builder Lots and Improvements** 68 O.S. § 2817

Amendment to 68 O.S. § 2817, 2881 to comply with Oklahoma Supreme Court Ruling by defining valuation guidelines for residential and commercial platted lots. The law was effective January 1, 2009.

***2009 - Definition of Public Service Corporation***

68 O.S. § 2808

Amendment to O.S. § 2808 directing the State Board of Equalization to assess certain public service video providers at 12%.

***2009 - License Plates on Manufactured Homes***

47 O.S. § 1113(G)

Amendment to 47 O.S. § 1113 removing the requirement of a hard license plate be displayed on a manufactured home if classified as personal property. Owner shall affix the decal issued by the county treasurer in the window closest to the front door.

***2010 - Assessor Records use for Delinquent Taxes***

68 O.S. § 3127

Amendment to 68 O.S. §§ 3107 & 3127 directing the County Treasurer to use the name(s) of the last record owner(s) as of the preceding December 31 or later as reflected by the County Assessor's records. The records will be updated based on real property conveyed after October 1 of each year.

***2010 - Transfer of Property Upon Death***

Amendment to 58 O.S. § 1252 requiring the beneficiary to file a death certificate or a notarized affidavit with the County Clerk of the county where the property is located.

***2011 - Postmark***

68 O.S. § 2802.2

Amendment to 68 O.S. § 2802.2 to set the date of delivery of any document required by the County Assessor to be the postmark stamp on the envelope.

***2011 - State Board of Equalization - sets fees***

Amendment to 68 O.S. § 2864 State Board of Equalization shall set a schedule of fees to be used by all county assessors for selling of data. Schedule will be set annually at the December 1 meeting of the SBOE.

***2011 - Sales Tax and TIF District***

Amendment to 68 O.S. § 853 and 856 sales tax generated within the TIF district may be allowed as incremental revenue.

***2012 - County Excise Board Educational Requirement***

68 O.S. § 3006

Amendment to 68 O.S. § 3006 County Excise Board members are required to attend six hours of training upon appointment and three hours upon re-appointment every four years; training provided by Cooperative Extension Service, County Training Program.

***2012 - Documents and Appraisers***

Amendment to 68 O.S. § 2826 Allows Assessor to provide documents to appraisers for advisory purposes, but also provides the same documents must be returned to County Assessor within 10 calendar days of the termination of contract.

### ***2012 - County Board of Equalization Hearing***

Amendment to 68 O.S. § 2877 c. taxpayer or agent may appear at a hearing appealing a county assessor action in person, by telephone, or other electronic means, or by affidavit. County Board of Equalization members may not directly or indirectly communicate with the County Assessor or Deputy or designated agent on any matter relating to any pending appeal before the board prior to the hearing.

### ***2012 - Commercial Livestock Exempt***

Amendment to 68 O.S. § 2807.1 livestock owned by a partnership, corporation, LLC, estate, trust, or other lawful entity of which the primary purpose is to confer economic benefits derived from the ownership of the livestock on two or more members of the same family shall be deemed livestock employed in support of the family for purposes of the ad valorem exemption authorized pursuant to Subsection B of Section 6 of Article 10 of the Oklahoma Constitution.

### ***2012 - Assessor Taking Assessments in County***

Amendment to 68 O.S. § 2836 requirement of Assessor spending at least one day in each city and incorporated town within the county, provided that county has abolished household personal property is removed.

### ***2012 - Manufactured Home Exemption***

68 O.S. § 2949

Amendment to 68 O.S. § 2949 manufactured home exemption eligibility is modified by increasing the income threshold to greater of \$22,000 or 50% of the median income for the county or metropolitan statistical area.

### ***2012 - Manufactured Home Moving and Permitting***

Amendment to 47 O.S. § 14 - 103d manufactured homes may be transported with a Department of Public Safety permit during the second through the sixth days of January with a special waiver.

Amendment to 68 O.S. § 2813 requires County Assessors to issue special waiver for the second through the sixth days of January to allow a manufactured home used for commercial purposes to be moved during the first five days in January without a Form 936 or tax decal.

### ***20013 - Re-assessment of Natural Disasters***

Amendment to 68 O.S. § 2817 by striking the limitation period between January 1 and the adjournment of the County Board of Equalization regarding property devalued by natural disasters, providing that the County Assessor reassess the subject property taking into account the damage caused by the natural disaster and present the reassessment to the Board of Tax Roll Corrections for its consideration.

### ***2013 - Protests Changes to Appeals***

68 O.S. § 2877

Amends 68 O.S. § 2863 by changing protest references to appeals regarding matters pending consideration before the County Boards of Equalization.

### ***2013 - Wildfires***

Amends 68 O.S. § 2871 providing correction to tax rolls upon hearing of improvements to real estate or other property assessed which have been destroyed.

### ***2013 - Exemption Provided by Payment of Gross Production Tax***

Amends 68 O.S. § 1001, 1001.1 and 2817 which pertains to equipment, material or property that shall be exempt from payment of ad valorem tax by reason of the payment of gross production tax for disposal wells.

### ***2013 - Owners of Property Damaged by Tornado***

Amends 68 O.S. § 2888 and 2892 by deeming persons actually owning and residing in a residence on the date of the tornado to be the record owner of the residence for the purposes of extending eligibility for homestead exemption and being able to claim an income tax credit.

### ***2014 - Increased Taxpayer Transparency***

68 O.S. § 2877

Amends 68 O.S. § 2877 by limiting the communication with the Assessor and the County Board of Equalization members; affidavits will be signed prior to the hearing and will become part of the board hearing record.

### ***2014 - Natural Disaster Re-assessment Process***

Amends 68 O.S. § 2817 to allow adjustments due to natural disasters made up to the Excise Board Report and later adjustment by the Board of Tax Roll Corrections. The TRC board may only approve or deny the adjustments made by the Assessor. The TRC does not act as an equalization board.

### ***2014 - Informal and Formal Protest Procedures***

Amends 68 O.S. § 2876 and 2877 by increasing the informal protest period from 20 working to 30 calendar days. At least two additional attempts to be heard, either in person or by phone, will be given and must be different days of the week. For counties with a population of less than 300,000, at least three scheduled dates for the formal hearing will be given and each must be 10 days apart but by the session end date. No final determination can be made until the taxpayer has appeared or the session ends.

### ***2014 - Definition of Improvement***

This relates to storm damage and amends 68 O.S. § 2802.1. The value of a replacement or repair to an improvement will not be more than the value prior to the storm damage. The improvement will have the same base value before the damage. Cost of repairs shall be disregarded in determining fair market value. If the improvement increases the square footage, the additional square footage will be valued at market value. Repair or replacement of storm damage which does not increase the square footage is subject to either the 3% or 5% cap prior to the damage.

### ***2014 - Veteran's Exemption***

State Questions 770 and 771 amends the Constitution Article 10 § 8F to allow the veteran's 100% property exemption to be portable to a new homestead property regardless of what time of year. A surviving, unmarried spouse of military personnel killed in the line of duty is entitled to the 100% property exemption subject to the same requirements of the 100% disable veteran.

### ***2015 - Assessment Ratio***

Effective November 1, 2015, enacts Section 2819.1 of title 68 to prohibit County Assessors from decreasing the assessment ratio used to compute the taxable value of real or personal property without written notice of such intent submitted at least 90 days prior to the decrease taking effect.

### ***2015 - Parties to Appeals***

Section 2880.1 of title 68 is amended to state the proper parties to district court appeals from a County Board of Equalization decision are the Assessor and the taxpayer, not the board members.

### ***2015 - Confidentiality***

The confidentiality provisions of Title 68 section 2835 is extended to include lists and documents produced by a taxpayer during discovery in any ad valorem tax appeal in the Court of Tax review or the district court.

### ***2015 - Calculation of Taxes After an Appeal***

Once the total taxes due is computed and extended to the tax rolls, the amount of taxes due or value upon which the tax is assessed cannot be increased by a final judgment in any tax appeal filed pursuant to Sections 2880.1 or 2881 of Title 68. This limitation does not apply to omitted property.

If an appeal is timely filed by the taxpayer, the amount of taxes paid by the taxpayer shall not exceed the amount based on the value originally submitted by the Assessor to the County Board of Equalization. If an appeal is timely filed by the Assessor, the taxes payable shall not exceed the amount of taxes based on the value assessed by the County Assessor and submitted to the Board of Equalization.

### ***2015 - Wind Energy***

An entity engaged in electric power generation by means of wind shall not be defined as a qualifying manufacturing concern for purposes of the exemption authorized pursuant to Section 6B of Article X of the Oklahoma Constitution.

### ***2016 - Veteran's Disability***

Veterans Disability compensation is removed from the computation of gross household income for purposes of the additional homestead exemption of Title 68 Section 2890.

### ***2016 - Valuation Method for Certain Entities***

Title 68 Section 2817A is amended to provide an exception to this valuation method for persons primarily engaged in selling lumber and other building materials, including cement and concrete, which would be assessed at the average value of the inventory on hand as of January 1 of each year and the value of the inventory on hand as of December 31 of the same year.

### ***2018 - Assessor Cleanup Bill***

Senate Bill 1059 updates 68 O.S. § 2802 by updating numerous definitions, including “assessed value”, “fair cash value” and “taxable value”. 68 O.S. § 2876 was also updated concerning the change of value notice and what is included in it, when it should be sent, and the appeals process in an effort to make the statute more taxpayer friendly.

### ***2018 - CAMA Bill***

H.B. 3372 § 260

House Bill 3372 provides for the updating and implementation of a new, updated CAMA bill to be provided to the County Assessors’ office across the state. The funding would also provide for the hiring of staff members to assist assessor offices in utilizing the new software, aid in the conversion to that new software, and provide training on mass appraisal valuation techniques.

### ***2019 - Assessor Decision & Appeal Change to Days***

68 O.S. § 2876

Section 1 of House Bill 1962 amends the time frame in which a County Assessor is required to issue a written decision in a matter disputed from five working days after the date of informal hearing to seven calendar days from the informal hearing date. Also, instead of 10 working days HB 1962 provides that a taxpayer within 15 calendar days of the date the decision is mailed, may file an appeal with the County Board of Equalization. Additionally, HB 1962 strikes the definition of working days.

Section 2 of House Bill 1962 amends the time period for filing an appeal to the district court from a decision of the County Board of Equalization is no longer tied to the final adjournment of the board. Pursuant to the amendatory language, the notice of appeal must be filed in the district court within 30 calendar days of the date the Board of Equalization order was mailed, or in the event that the order was delivered, from the date of delivery.

### ***2022 - Court of Tax Review & Appeals Timeline***

Court of Tax Review re-established to hear appeals over 3 million dollars and personal property appeals will need to be notified by the County Assessor. Timeline for appeals will also need to be provided by the County Assessor. If assistance is needed for valuation guideline were established pursuant to 68 § 2826A.

## ***Oklahoma Supreme Court Decisions***

Several Oklahoma Supreme Court cases have greatly impacted ad valorem taxation in Oklahoma. These cases have either clarified or mandated how ad valorem taxation is to be practiced in the State. The most recent cases are summarized in this section. For a quick reference, the outcomes of each court case are provided at the beginning of each case.

## Canadian County Board of County Commissioners

### **Outcome:**

The State Board of Equalization can equalize the assessed valuation of a county by requiring an increase or a decrease within a class or property to ensure that all property will be valued at its fair cash value.

For the 1960 ratio study, the Ad Valorem Division divided real property into two classifications: rural property and urban property. The State Board of Equalization required several counties to raise the assessed valuation of either rural property or urban property if one was lower than the other so that all property would be valued at its fair cash value. The question was brought before the Oklahoma Supreme Court on whether the State Board of Equalization was authorized to do this. The judiciary ruled the State Board of Equalization did not violate the constitutional requirement of uniform taxes upon the same class of property, and therefore, acted within its authority.

### **Poulos I (1975)**

OK Decisions  
1975 OK 60  
552 P.2d 1134

### **Outcome:**

The State Board of Equalization is to carry out its duty to equalize the assessments across counties.

The Oklahoma Supreme Court found the State Board of Equalization did not meet the constitutional and statutory requirements when equalizing the assessments across counties. For 14 years, the Board had allowed a wide disparity in the assessment ratios. The judiciary temporarily withheld a writ of mandamus (an official order) in good faith that the State Board of Equalization would equalize the assessment ratios at its next scheduled meeting.

### **Poulos II (1976)**

OK Decisions  
1976 OK 41  
552 P.2d 1138

### **Outcome:**

The State Board of Equalization can allow no more than a three percentage point deviation in the assessment ratio across counties.

The Oklahoma Supreme Court rejected the State Board of Equalization's "Plan of Compliance" that was submitted after Poulos I. A writ of mandamus was issued by the judiciary which directed the State Board of Equalization to perform its constitutional and statutory duties to adjust and equalize the assessment ratios of real and personal property across counties. The Board was directed to set a standard assessment ratio and not allow more than three percentage points above or below it in any county.

## Dunn (1980)

OK Decisions  
1980 OK 29  
607 P.2d 694

### **Outcome:**

The Assessor is to revalue real property on a regular cycle.

The Oklahoma Supreme court decreed that revaluing all taxpayers' property every five years did not violate the equal protection clause of the 14th Amendment as long as the same revaluation schedule is used in each five year cycle. In the court decree, the judiciary stated that unequal tax treatment is prevented by using the same revaluation schedule for every revaluation cycle and by immediately placing the new value on the assessment roll. The judiciary further ruled the County Assessor is to file a revaluation plan with the Ad Valorem Division.

## Cantrell (1980)

OK Decisions  
1980 OK 43  
610 P.2d 227

### **Outcome:**

1. Real property is one class of property.
2. Real property is to be valued according to its use.
3. Only one assessment ratio is applied to all real property.

In this case, the court noted that real property is synonymous with the word "subjects" in Article 10, Section 5 of the Oklahoma Constitution. The constitutional provision reads as follows: "Taxes shall be uniform on the same class of subjects." At this point, the court made the following two rules:

1. Real property is one class of subjects.
2. The Assessor is to apply only one assessment ratio to all the real property within the county.

Article 10, Section 8 of the Oklahoma Constitution was also addressed. This article provides the legal basis for fractional assessment and the use value approach. The judiciary ruled as follows:

1. Real property and tangible personal property are to be assessed at no more than 35 percent of the property's market value.
2. All property must be valued according to its use.
3. Real property must be valued according to the standard use classifications residential use, commercial/industrial use, and agricultural use.
4. All taxable property is to be taxed according to its fair cash value (fair cash being the market value for the property's use.)
5. Transfer of property without a change in use classification shall not require reassessment if it is only based on the sale price (see 68 O.S. 2817 E for additional information).

In addition to these issues, several other issues were addressed in the Cantrell case. In reviewing the Oklahoma Statutes, the judiciary stated that assessment involves the following two steps:

1. The valuation of property
2. The application of the assessment ratio

The judiciary also stated that the Assessor has the authority to set the assessment ratio and the County Board of Equalization is empowered to raise or lower the appraised value to arrive at the fair cash value of the property. The Board is **not** empowered to change the assessment ratio.

OK Decisions  
1982 OK 68  
646 P.2d 1269

### **Poulos III (1982)**

#### **Outcome:**

The statewide assessment ratio for real property is between nine and fifteen percent.

In 1981, the Oklahoma Tax Commission conducted a statewide equalization study in which it made the following recommendations:

1. That the assessment ratio be set at a standard 12 percent and no county be allowed to be three percentage points greater or lower than the established 12 percent.
2. That the State Board of Equalization increase or decrease the assessed valuations of residential, commercial/industrial, or agricultural properties within a county to arrive at one assessment ratio for these three subclassifications.

The State Board of Equalization failed to implement the court decrees in the Poulos II and Cantrell cases discussed above by taking the following actions:

1. Not establishing a standard assessment ratio for real property with a permissible three percentage point deviation across counties.
2. Not requiring residential, commercial/industrial, and agricultural properties within a county to be assessed with one assessment ratio

For the 1982 tax year and in later years, the court decreed the State Board of Equalization follow the recommendations prepared by the Oklahoma Tax Commission. The court explained that the three percentage point deviation allows for county adjustments when additional or less tax dollars are needed. The court decree also states that the State Board of Equalization may change the standard assessment ratio at a later time. "Good and sufficient valid legal grounds" should be the basis for the Board's decision when changing the ratio. The decree also states that the ratio can be changed by acts of the legislature.

**NOTE 1: On December 14, 1987, the State Board of Equalization changed the minimum assessment percentage from nine to 10 percent for the 1988 assessment year. At the same time, the Board established the future assessment level at an 11 to 14 percent range for the 1989 assessment year and later years.**

**NOTE 2: State Question 675 in 1996, which set the assessment percentage at the level it was certified for the tax year 1996, supersedes the State Board of Equalization action in 1987.**

### **McLoud (1982)**

#### **Outcome:**

Public service corporation property can be assessed at a different rate than locally assessed property.

OK Decisions  
1982 OK 154  
655 P.2d 1037

In this case, the Oklahoma Supreme Court made the following considerations:

- Oklahoma Statutes treat public service corporation property as a distinct category for ad valorem taxation

The Oklahoma Statutes do not classify public service corporation property by ownership; such property is classified by use.

Resulting from this review of the statutes, Article 10, Section 21 of the Oklahoma Constitution was cited as allowing the State Board of Equalization to assess public service corporation property at a different rate than the assessment rate applied to locally assessed property. The only stipulation of this requirement is that the assessment rate must not exceed “35 percent of the fair cash value for the highest and best use for which the property was actually used” as established by Article 10, Section 8 of the Oklahoma Constitution.

The court noted that the Cantrell case and the three Poulos cases only address locally assessed property; thus, the assessment rate applied to public service corporation property does not have to be within the limits set for locally assessed property.

### **Oklahoma Nitrogen (1987)**

#### **Outcome:**

1. Personal property can be assessed at a different rate than real property.
2. All locally assessed personal property in a county must be assessed at the same rate.

OK Decisions  
1987 OK 46  
738 P2d 147

In the Oklahoma Nitrogen case, Article 10, Section 8 of the Oklahoma Constitution was cited as only defining the following two classes of locally assessed property:

1. Real property
2. Personal property

The same section of the Oklahoma Constitution was cited as requiring **real** property be assessed according to its use. The judiciary noted that no constitutional provisions classify or assess

**personal** property according to its use for ad valorem taxation. Based on the provision from Article 10, Section 5 of the Oklahoma Constitution, “taxes shall be uniform on the same class of subjects.” The judiciary ruled that real property and locally assessed personal property can be assessed at a different rate within a county because they represent two different **classes** of property. The judiciary also ruled that all locally assessed personal property within a county must be assessed at the same rate.

### **Tulsa County Board of Equalization (1987)**

OK Decisions  
1987 OK 83  
743 P.2d 1076

#### **Outcome:**

The County Board of Equalization is to equalize the assessed values to conform to the fair cash values of the properties.

In the Tulsa County Board of Equalization case of 1987, the Oklahoma Supreme Court ruled that the provision in Article 10, Section 5 of the Oklahoma Constitution, “taxes shall be uniform on the same class of subjects,” meant that all property of the same class will be taxed at the same rate. In addition, the court cited Article 10, Section 8 of the Oklahoma Constitution and made the following rulings:

1. Real property shall be assessed at its fair cash value for its highest and best use.
2. The County Board of Equalization shall follow this constitutional provision when equalizing the assessed values. Thus, fair cash value is the basis by which a County Board of Equalization can adjust the assessed value of a property.

### **Texaco Exploration and Production, Inc. Vs. State Board of Equalization (1996)**

#### **Outcome:**

Gathering companies can be assessed at the local level.

### **Dobson Fiber Company, Inc. Vs. State Board of Equalization and Oklahoma Tax Commission (1998)**

OK Decisions  
2001 OK CIV APP 85

#### **Outcome:**

27 P.3d 1029  
Case#93726

Putting property under or along side a public right-of-way is not an option available to the general public, thereby classifying such companies as public service.

## **Assessment of Real Property of Integris Realty Corporation (2002)**

OK Decisions  
2002 OK 85  
58 P.3d 200

### **Outcome:**

The court ruled the actual use of the property is the determining factor not the use of the income generated by the property when determining charitable exemption status.

## **Tulsa County Budget Board vs. Tulsa County Excise Board (2003)**

OK Decisions  
2003 OK 103  
81 P.3d 662

### **Outcome:**

The County Excise Board has discretion in resolving funding concerning disputes of the visual inspection budget.

## **Assessment of Personal Property Taxes (2008)**

### **Woods County and Missouri Gas Energy**

OK Decisions  
2008 OK 94  
234 P.3d 938

### **Outcome:**

Trial court gave favorable judgment to Missouri Gas Energy, contending natural gas in underground storage was not subject to ad valorem taxation. Oklahoma Supreme Court reversed trial court's judgment determining that natural gas is tangible personal property, that its owner and location can be determined, and is subject to ad valorem taxation.

## **Liddell vs. Heavner (2008)**

OK Decisions  
2008 OK 6  
180 P.3d 1191

### **Outcome:**

The Oklahoma Supreme Court held that 68 O.S. § 2817 (I) 2008 violated the Oklahoma Constitution which states real property is to be valued at fair cash value. Therefore, platted lots could not be given value considerations, undervaluation of developer lots is inconsistent with current law, and lots must be valued annually.

## **Southwestern Bell Telephone Co. Vs. Oklahoma State Board of Equalization (2009)**

OK Decisions  
2009 OK 72  
231 P.3d 638

### **Outcome:**

Southwestern Bell contended all of its intangible personal property was exempt from ad valorem taxation. The Court of Tax Review ruled that only the intangible property set forth in the Oklahoma Constitution Article 10, § 6A is exempt. The Supreme Court upheld the lower court's decision.

**Video Gaming Technologies vs. Rogers County Board of Tax Roll Corrections (2019)**

OK Decisions  
2019 OK 83  
Case #117491

**Outcome:**

Decided that the gaming machines were exempt while on tribal land because the lease cost would be effected if they were not exempt. Therefore, it would place the burden upon the tribe which would cause conflict with IGRA's regulations on gaming.

***United States Supreme Court Decisions***

**Missouri Gas Energy vs. Monica Schmidt, Woods County Oklahoma Assessor (March 1, 2009)**

Supreme Court  
Of The United States  
Case #08-1458

**Outcome:**

This case was appealed from Oklahoma Supreme Court to the United States Supreme Court and was referred to the Solicitor General to express the views of the United States. The petition to be heard was denied upholding the Oklahoma Supreme Court's decision that natural gas in storage is tangible personal property and is subject to ad valorem tax.

**Video Gaming Technologies v. Rogers County Board of Tax Roll Corrections (December 17, 2019)**

Supreme Court  
Of The United States  
Case #19-117491

**Outcome:**

The US Supreme Court upheld the Oklahoma Supreme Court decision based upon lack of merit for the petition. Justice Thomas dissented with the opinion based upon the fact that the question of whether federal law preempts state laws assessing taxes on ownership could be answered by the U.S. Supreme Court to help give clarity on how to apply law when it intersects with federal law, state law, and tribal land.

## Chapter Nine

# General Description of Ad Valorem Taxation

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## Introduction to Property Taxation

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Ad valorem is a Latin term meaning “according to value.” A property tax and an ad valorem tax under the Oklahoma Constitution are the same thing. Because Article 10 of the Oklahoma Constitution lists the use of a property tax and the number of mills it levies as “ad valorem taxes,” the terms “property tax” and “ad valorem tax” are used interchangeably. The Oklahoma Constitution authorizes all property taxes in the state.

Properties on which ad valorem taxes can be levied are divided into the three following classifications:

- Real property
- Personal property, which [may] include items such as household property, business equipment, inventories and improvements on leased land
- Public service property, which is property valued by the Oklahoma Tax Commission and assessed by the State Board of Equalization

This chapter contains a discussion of the various categories and types of ad valorem tax levies, including county government levies, city government levies, common school district levies, vocational and technical school district levies and emergency medical service levies. Refer to Chapter Fourteen, *Real Property: List, Appraise, Assess*, and Chapter Fifteen, *Household Personal Property: List Appraise, Assess*, for more information on real and personal property.

## *Purpose of Property Taxation*

Ad valorem taxation generates revenues to support public services and projects, such as public schools or hospitals that the various units of local government provide. The amount of revenue generated from the ad valorem taxation is based on the local government’s **taxable valuation** (the assessed value of all property that can be taxed) and the number of mills levied for its use. **Total net assessed valuation** is the taxable valuation of all property subject to ad valorem taxation within a taxing jurisdiction.

## *Units of Taxation for Ad Valorem (Property) Taxes*

The County Excise Board sets ad valorem tax levies in number of mills rather than dollars. One mill equals 1/1000 of a dollar of assessed value. In other words, one mill would generate \$1 in

revenue for every \$1,000 of taxable valuation.

After the levies are set in mills, the County Excise Board certifies the levies to the County Assessor. The County Assessor must then compute all of the property taxes and prepare a tax roll (see Chapter Twenty-One, *The Tax Roll*), which shows the amount of taxes owed by each owner of real and personal property. The County Treasurer then prepares the tax bills and sends them to the owners of the taxable property. The County Treasurer is also responsible for collecting the property taxes.

## ***Financing Public Indebtedness***

Public indebtedness is often repaid with ad valorem tax levies. Counties, cities, town or school districts incur debt under the following conditions:

1. Financing the construction of new buildings
2. Renovating existing buildings
3. Undertaking special projects by selling municipal bonds as either general obligation bonds or revenue bonds.

The following paragraphs address these types of debt.

### **General Obligation Bonds**

Oklahoma  
Constitution  
Article 10 §§ 26, 28

General obligation bonds differ from revenue bonds by the method that income is generated to service the debt. For general obligation bonds, an ad valorem tax or a special assessment is levied to service the debt. At least three-fifths of the voters residing in the area the bond will impact must approve the project to be financed and the amount of the bond. Additionally, this type of bond is backed by the full ad valorem taxing power of the political subdivision.

### **Revenue Bonds**

A revenue bond is a second type of bond used to finance a public debt. With this type of bond, the revenue earned from the project financed by the bonds often pays the interest and principal on the bond. In addition, a sales tax is sometimes adopted to pay off the bonded indebtedness.

### **Paying Interest on General Obligation and Revenue Bonds**

Each year, a political subdivision must generate revenue for the following items:

- Annual interest payments to the investors who purchased the bonds
- Annual principal for maturing bonds

This revenue is placed in a sinking fund for payment of interest and principal. In a sinking fund, the deposits of money put into the fund, along with the compound interest they earn, are projected to accumulate to a given amount on a given date.

## Limitations to Public Indebtedness

By constitutional law, public indebtedness is tied to a political subdivision's **net assessed valuation**. The total indebtedness is limited to a certain percentage of the net assessed valuation of taxable property. Table 9.1 summarizes these percentages.

**Table 9.1 Limitations to Total Indebtedness**

Jurisdiction	Debt Limitation	Statute Reference
Counties	<b>5 percent</b> of the net assessed valuation (the taxable property in the entire county)	Oklahoma Constitution Article 10 26
Cities and Towns	<b>5 percent</b> of the net assessed valuation of the taxable property in the entire incorporated city or town, <b>or up to 10 percent if absolutely needed</b> , or a greater than 10 percent if for a municipal public utility, or streets and bridges	Oklahoma Constitution Article 10 26, 27
Common School District	<b>5 percent, or 10 percent if absolutely needed</b> , of the net assessed valuation of the taxable property in the entire common school district	Oklahoma Constitution Article 10 26
Technology Center School District	<b>5 percent</b> of the net assessed valuation of the taxable property in the entire area school district	Oklahoma Constitution Article 10 9B

The law regarding municipal indebtedness beyond the 10 percent of the net assessed valuation of an incorporated city or town was amended by State Question 616 in 1988. The amendment originally read “by majority vote of the tax paying voters of such city or town” but was changed to “by majority vote of the voters of such city or town,” because the wording of the original amendment violated the federal equal protection clause by limiting the right or approval to property taxpayers only.

## *Public Utilities*

OK Decisions  
1959 OK 64  
338 P.2d 355

A public utility constitutes the same thing as a public good or a public use when it is applied to the following constitutional provisions:

- Authorizing a city or town to incur indebtedness
- Levying an ad valorem tax

The Oklahoma Supreme Court in the *City of Shawnee v. Williamson* addressed municipal public utilities. It was established that public utilities owned by a city or town include the following items:

- Public parks
- Convention halls
- Sewers
- Public fire stations

- Electric light plants
- Airports
- Public waterworks
- Cemeteries
- Public libraries
- Museums

## Classification of Ad Valorem Tax Levies

An ad valorem tax levy supports various funds, projects and services. These funds fall under the following classifications:

- County government levies
- City government levies
- Common school district levies
- Technology Center school district levies
- Emergency medical service district levies

Table 9.2 lists all levies within these classifications and provides the maximum number of mills that can be levied by county governments, city governments, school districts and service districts.

**Table 9.2 Ad Valorem Tax Levies**

Tax Type	Purpose	Debt Limitation	Millage	Taxing Jurisdiction	Authorization	Fund Mgmt	Legal Citation
<b>County Government</b>							
County General Fund	Apportioned to the county; may also go to cities, towns & school districts		10 max	County-wide	Constitutionally mandated		Oklahoma Constitution Article 10 § 9
County Building Fund	Constructing remodeling and repairing county buildings & purchasing equipment		5 max	County-wide	Majority vote of the voting electorate		Oklahoma Constitution Article 10 § 10
County Health Dept.	Operating a county, city-county or a joint county dept. of health		2.5 max	County-wide	Majority vote of the voting electorate		Oklahoma Constitution Article 10 § 9A 63 O.S. § 1-223

County Sinking Fund	Public projects & judgments	5% of the net assessed valuation (the taxable property in the entire county)	Sufficient to provide funds for bonded indebtedness	County-wide	Three-fifths vote of the voting electorate		Oklahoma Constitution Article 10 § 26 10 § 28
Cooperative Libraries	Establishing, operating & maintaining city-county or joint county library		1 min & 4 max	County-wide	Majority vote of the voting electorate		Oklahoma Constitution Article 10 § 10A
County Industrial Development Sinking Fund	Industrial development projects	5% of the net assessed valuation (the taxable property in the entire county)	5 max	County-wide	Three fifths vote of the voting electorate		Oklahoma Constitution Article 10 § 35
Solid Waste Mgmt. Service	Operations & Maintenance		3 max	County-wide	Majority vote of the voting electorate		Oklahoma Constitution Article 10 § 9D
Solid Waste Mgmt. Services Sinking Fund	Purchase and construct land-fill site vehicles and equipment	5% of the net assessed valuation (the taxable property in the entire county)	3 max	County-wide	Three-fifths vote of the voting electorate	Board of County Commissioners	Oklahoma Constitution Article 10 § 9D
<b>City Government</b>							
City Building Fund	Constructing, remodeling & repairing city buildings & purchasing equipment		5 max	City-wide	Majority vote of the voting electorate	Governing body of the city	Oklahoma Constitution Article 10 § 10
City Hospital	Operations & maintenance		5 max	City-wide	Majority vote of the voting electorate	Hospital Board of Directors	Oklahoma Constitution Article 10 § 10B
City Industrial Development Fund	Industrial development projects		5 max	City-wide	Majority vote of the voting electorate	Governing body of the city	Oklahoma Constitution Article 10 § 35
City Sinking Fund	Public projects & judgments	5% of the net assessed valuation of the taxable property in the entire incorporated city or town, <b>or up to 10% if absolutely needed</b> , or greater than 10% if for a municipal public utility or streets and bridges	Sufficient to provide funds for bonded indebtedness	City-wide	Three-fifths vote of the voting electorate	Governing body of the city	Oklahoma Constitution Article 10 § 26 10 § 28

Municipal Public Utilities	Purchasing, constructing or repairing public utilities		Sufficient to provide funds for bonded indebtedness	City or town	Majority vote of the voting electorate	Governing body of the city	Oklahoma Constitution Article 10 § 27
<b>Common School Districts</b>							
County Apportion Levy <sup>1</sup>	Operations & maintenance & State Guarantee Program <sup>2</sup>		5 min	School District	Constitutionally mandatory	School Board	Oklahoma Constitution Article 10 § 9A
Guaranteed Levy	Operations & maintenance, and State Guarantee Program <sup>3</sup>		4	County-wide	Constitutionally mandatory	School Board	Oklahoma Constitution Article 10 § 9B
Board of Education Levy	School needs & State Guarantee Program <sup>2</sup>		15 max	School district	Annually certified by School Board	School Board	Oklahoma Constitution Article 10 § 9C
Emergency Levy	Operations & maintenance		5 max	School district	Annually approved by majority vote of the voting electorate	School Board	Oklahoma Constitution Article 10 § 9D
Local Support Levy	Operations & maintenance		10 max	School District	Annually approved by majority of the voting electorate	School Board	Oklahoma Constitution Article 10 § 9D(1)
School District Building Fund	Constructing, remodeling or repairing school buildings & purchasing furniture		5 max	School District	Majority vote of the voting electorate	School Board	Oklahoma Constitution Article 10 § 10
<b>Common School Districts</b>							
School District Sinking Fund	Constructing, remodeling or repairing school buildings, purchasing furniture & equipment or improving sites	<b>5% or 10% if absolutely needed</b> of the net assessed valuation of the taxable property in the entire common school district	Sufficient to provide funds for bonded indebtedness	School District	Three-fifths vote of the voting electorate	School Board	Oklahoma Constitution Article 10 § 26 10 § 28 70 O.S. § 1-119
<b>Area School Districts</b>							
Technology Center School District Levy	Establishing & operating a district		5 max	Area School District	Majority vote of the voting electorate	Area School Board	Oklahoma Constitution Article 10 § 9B(A)

Technology Center School District Local Incentive Levy	Operations & maintenance		5 max	Area School District	Majority vote of the voting electorate	Area School Board	Oklahoma Constitution Article 10 § 9B(B)
Technology Center School District Building Fund	Constructing, remodeling or repairing school buildings & purchasing furniture		5 max	Area School District	Majority vote of the voting electorate	Area School District	Oklahoma Constitution Article 10 § 9B(B)(C)
Technology Center School District Sinking Fund	Constructing, remodeling or repairing buildings purchasing furniture & equipment, & purchasing or improving sites	5% of the net assessed valuation of the taxable property in the entire area school district	Sufficient to provide funds for bonded indebtedness	Area School District	Three-fifths voting of the voting electorate	Area School District	Oklahoma Constitution Article 10 § 9B(C)
<b>Emergency Medical Service Districts</b>							
Emergency Medical Service District Sinking Fund	Purchasing & maintaining emergency vehicles & equipment		3 max	Emergency Medical School District	Three-fifths vote of the voting electorate		Oklahoma Constitution Article 10 § 9C (B)(D)

**Footnotes**

<sup>1</sup> Fifteen mills is the maximum allowable levy of which a school district is constitutionally guaranteed at least five mills.

<sup>2</sup> In terms of financing the State Guarantee Program from the constitutionally mandatory five mills and the School Board Levy, the School District is required to contribute no more than an amount equal to the revenue collected from a 15 mill levy on the net assessed valuation of property within the school district.

<sup>3</sup> The School District's ability to finance the State Guarantee program from the constitutionally mandated four mills is not to exceed 75 percent of the revenues collected.

Counties that have eliminated household personal property ad valorem taxes do a one-time adjustment mill levy for all levies except sinking fund levies. All counties in Oklahoma have now voted to follow this adjustment and done away with household personal property ad valorem taxes

**NOTE: For all ad valorem taxes, the County Excise Board sets the levies within the levels authorized by law. For example, a levy for a sinking fund cannot exceed the level necessary for the annual payment and sinking fund deposit.**

## County Government Tax Levies

A county-wide ad valorem tax helps to finance the operations and services of the county government, which are referred to as “general county government activities.” Programs that are not considered as general county government activities are the county road and bridge programs, which are supported by transfer payments from the state.

A variety of ad valorem tax levies falls under the classification of county government levies. These include the following types:

- County General Fund Levy
- Solid Wasted Management District Levy

### County General Fund

62 O.S. § 331

This fund is a general fund into which the County Excise Board appropriates money for a variety of services and projects.

The Constitution states that a county can pass, without a vote of the people, an ad valorem tax of up to 15 mills to go into the County General Fund. In reality, however, all 15 mills are levied. No less than five mills from the amount of the tax levied must be allocated to the common school districts within the county. The County Excise Board then apportions the remaining mills to the county, or among cities, towns and schools within the county. Ten mills of the total 15 mills are usually apportioned to the County General Fund to support the services the county government provides.

Statutory law mandates that a part of the levy for the County General Fund is to be used for specific purposes. However; appropriations for some other purposes are optional. If the Board is required to make the appropriation, it is mandatory, if the appropriation is optional, that it be made at the discretion of the County Excise Board.

Table 9.3 shows which services and programs are mandatory and which are optional for the County Excise Board to appropriate funds. It also shows the minimum amount of mills necessary for the appropriation.

**Table 9.3 Mandatory and Optional Services and Programs**

Service	Mandatory	Optional
County Audit	1/10 mill	
Governmental Budget Accounts	Levels necessary to operate offices	
County Extension Office Account		Adequate funding if contracted
Free Fair Budget Account	1/4 mill if pop. > 55,000 (excluding state fair)*	Pop. > 15,000: Up to 1/2 mill Pop. < 15,000: Up to 1 mill
Free Fair Improvement Account		Up to 1 mill
Free Fair Additional Improvement Budget Account		Up to 1 mill

Highway Levy Budget Account		Recommended by Board of County Commissioners
Library Budget Account		Up to 1/2 mills
Public Health Budget Account		Up to 1 mill
Tick Eradication Account		Recommended by Board of County Commissioners
Bovine T.B. Budget Account		Within Limit of \$5,000

\*This excludes Oklahoma County and Tulsa County, which receive money from the state for funding state fairs.

Cities and towns may also receive a portion of the 10 mills appropriated to the County General Fund. For example, up to one half mill may be appropriated to cities and towns to finance urban renewal or redevelopment. For the urban renewal district to receive a portion of the 10 mills, the municipal governing body must designate the district as a tax increment allocation district. The one-half mill or less may be appropriated for up to 30 years.

11 O.S. § 38-122(A)

Once the urban renewal tax increment allocation district has been created (or before January 1 of the next tax year), the City Clerk files the following information with the County Assessor, the County Clerk and the County Treasurer:

- Resolution or ordinance designating the district
- Map or plat of the district boundaries

Once the County Assessor receives the resolution (or ordinance) and maps, the County Assessor must complete the following steps:

11 O.S. § 38-122(B)

- Determine the assessed valuation of all the real property located in the district
- Refer to the assessed valuation as the “base year net assessed valuation”
- Certify to the County Clerk and City Clerk, before July 1 of the next year following the district’s creation, the base year net assessed valuation
- Reassess the property in the district each year upon notification
- Certify to the County Excise Board, before July 1, the increase in the net assessed valuation from the base year

11 O.S. § 38-123

The County Excise Board determines the amount of revenue to be apportioned to the county general fund from the urban renewal district levy. This levy cannot exceed one-half mill. Exact steps for the County Excise Board to follow are outlined in the statutes.

## County Building Fund

Oklahoma  
Constitution  
Article 10 § 10

Another type of county government tax levy is the County Building Fund. For this type of a levy, a county may raise funds to erect new buildings or remodel old ones.

The County Excise Board may levy up to five mills on the taxable property in the whole county.

However, a majority of the voters in the county in a county-wide election must approve the building fund and the number of mills the County Excise Board levies.

Once the voters approve the levy, the County Excise Board creates a county building fund as a depository for the revenue it collects from the annual ad valorem tax levy. The revenues need to be spent in the year they are received.

A third type of county government tax levy is used to maintain a County Department of Health.

The County Excise Board can levy up to two and one-half mills annually to maintain a County Department of Health. A majority of the voters in a county-wide election must approve the number of mills. Additionally, a local department of health may be maintained jointly with a city or with another county. Other revenues, in addition to the ad valorem tax, may be used to finance the County Department of Health.

Oklahoma  
Constitution  
Article 10 § 9(A)  
63 O.S. § 1-223

### **County Sinking Fund**

A fourth type of county government tax levy is used to make deposits into a sinking fund for the county. These sinking fund accumulations are used to pay the interest and principal of general obligation bonds.

Oklahoma  
Constitution  
Article 10 § 28

62 O.S. § 431

One way that general obligation bond may be used is to finance the construction, remodeling or repair of county facilities. (Cities, towns and school districts can use a general obligation bond for the same purposes.) Additionally, the county government can use a sinking fund to pay for any legal judgments made against the county in a court of law. The amount of this type of tax levy must be sufficient to cover the annual payments of the general obligation bonds.

62 O.S. § 435

Three-fifths of the voters in a county-wide election must approve an ad valorem tax used for any of the above purposes. Public indebtedness cannot exceed five percent of the net assessed valuation of the county.

Oklahoma  
Constitution  
Article 10 § 26

### **Cooperative Libraries**

A fifth type of county government tax may be levied annually to establish and maintain a cooperative county library or a joint city/county libraries. The proceeds from this type of levy are distributed according to the county population reported at the most recent Federal Decennial Census.

For counties with a population less than 100,000 people, the revenues from the tax levy must be used for public libraries and library services in cooperation with one or more other counties. In counties with a population greater than 100,000 people, the tax proceeds must be used for (a) a joint city/county public library, or (b) public libraries in cooperation with one or more other counties.

Oklahoma  
Constitution  
Article 10 § 10A

From one to four mills can be levied annually for this type of project. A majority of voters in a county-wide election must approve this type of levy.

## County Industrial Development Fund

This type of county government levy raises funds for an industrial development project. A county may issue a general **obligation limited tax bond** to provide revenue for securing and developing industry within the county. A general obligation limited tax bond is similar to a general obligation bond since it is backed by the taxing ability of the political subdivision. The difference between the two bonds is that with a general obligation **limited** tax bond the revenues where the bond was issued are also used to service the debt.

Oklahoma  
Constitution  
Article 10 § 35

Money for industrial development can also be obtained from the State Industrial Finance Authority, which receives money from the State Industrial Revolving Fund. With this money, the State Industrial Finance Authority makes loans to incorporated industrial development agencies. Such agencies can be for profit or non-profit, but must be approved by the State Industrial Finance Authority.

Oklahoma  
Constitution  
Article 10 § 33A

Five mills or less can be levied county-wide to pay the interest on the bonds and to retire the principal. A majority of the voters in a county-wide election must approve the industrial development project and the amount of the bond.

Oklahoma  
Constitution  
Article 10 §  
35(A) & (c)(1)

## Solid Waste Management District

The county government may also levy an ad valorem tax to provide solid waste management services. However, the majority of voters in a county-wide election must approve the formation of the solid waste management district and the number of mills the county levies before the district is formed.

Oklahoma  
Constitution  
Article 10 § 9D(A, E)

The Board of County Commissioners can charge a fee for the solid waste management service in addition to levying an ad valorem tax. Persons living outside of the county are required to pay an annual fee equal to the actual cost of the service. The ad valorem tax collections from within the district are not included in the calculation of the actual cost of service for users living outside the district.

Oklahoma  
Constitution  
Article 10 § 26

The actual ad valorem tax levy can reach up to three mills for operations and maintenance for solid waste management. The county can also issue bonds to acquire revenue to purchase a site, vehicles and other equipment, and to construct the landfill site and other disposal or recycling facilities. To pay off the bonds, the county can levy an additional three mills. Both of these levies can be increased in a later election, but neither one can exceed three mills.

Oklahoma  
Constitution  
Article 10 § 9D(L)

Finally, two or more counties may provide joint solid waste management service. The majority of voters in each county must approve the formation of a multi-county solid waste management service district. The landfill site may be located in only one county.

If a county wishes, it can discontinue providing solid waste management services. However, the levies will continue until all the outstanding bonds and all other debts are retired.

Oklahoma  
Constitution  
Article 10 § 9D(N)

## City Government Tax Levies

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A second classification for ad valorem taxes is city government tax levies, which include the following types:

- City Building Fund Levy
- City Hospital Levy
- City Industrial Development Fund Levy
- City Sinking Fund Levy
- Municipal Public Utilities Levy

### *City Building Fund*

Oklahoma  
Constitution  
Article 10 § 10

Cities and incorporated towns, just like counties, may levy ad valorem taxes for various projects and services. For example, a city may levy a tax to erect new public buildings or to renovate old ones.

A city can raise these funds by levying up to five mills on the taxable property in the city. The majority of voters in a city-wide election must approve the building fund and the number of mills levied.

Once the voters approve the levy, a city building fund is created as a depository for the ad valorem tax revenues the annual levy raises. The city does not need to spend these revenues in the year it receives them.

### *City Hospital*

Oklahoma  
Constitution  
Article 10 § 10B

A city may also levy an ad valorem tax to operate and maintain a hospital.

To operate and maintain a hospital, a city can levy up to five mills on all taxable property within city limits, provided voters in a city-wide election approve the number of mills levied. The city can increase the millage (following voter approval at a subsequent election) to bring the total mills levied up to five mills, but the total may not exceed five mills.

### *City Industrial Development Fund*

Oklahoma  
Constitution  
Article 10 § 35

Cities, in the same manner as counties, are allowed to support industrial development by selling general obligation limited tax bonds.

The city can levy up to five mills each year for the annual interest payments and sinking fund deposits. In any year, the city may suspend the levy if sufficient revenue is available from the industrial development project to pay the debt. The majority of voters in a city-wide election must approve both the industrial development project and the amount of the bond. If cities need additional funds, they can apply for them at the Oklahoma Industrial Finance Authority.

Oklahoma  
Constitution  
Article 10 § 33A

## *City Sinking Fund*

In addition to the city building fund, public indebtedness can be incurred through the sale of general obligation bonds to finance the construction, remodeling or repair of city facilities.

The amount of annual levy must be sufficient to cover the annual interest payments and to pay off the principal of the bonds when they mature. Public indebtedness cannot exceed five percent of the net assessed valuation of the city.

Three-fifths of the voters in a city-wide election must approve the ad valorem tax for the above purposes as well as the amount of the bond.

## *Municipal Public Utilities*

A city or incorporated town may raise an ad valorem tax levy to purchase, construct or repair a public utility, such as a water and sewer system. The amount of the annual levy must be sufficient to cover the annual interest payments and annual accumulations for paying the principal when the bonds mature.

The amount of the debt for a public utility is unlimited. Thus, the value of the general obligation bonds issued may exceed 10 percent of the net assessed valuation of the city or incorporated town.

Cities can also finance a public utility by selling revenue bonds. This option requires three-fourths approval by the governing body of the city or town before a revenue bond can be approved. A public trust must also be created.

The majority of voters in an election held throughout a city or incorporated town must approve this type of ad valorem tax and the number of mills the tax will raise.

## **Common School District Levies**

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A third type of ad valorem tax levy is the common school district levy. Several ad valorem tax levies generate revenues for a common school district's operating budget. A **common school district** is the local school district that is classified as a dependent school district or an independent school district.

A **dependent school district** offers grades kindergarten through eighth grade. An **independent school district** offers grades kindergarten through twelfth grade. Examples of other providers of local services that operate with ad valorem tax revenues are area technology center school districts and emergency medical service districts.

Those levies that are common school district levies are:

- County Apportioned School Levy
- Guaranteed Levy

- Board of Education Levy
- Emergency Levy
- Local Support Levy
- School District Building Fund Levy
- School District Sinking Fund Levy

## *County Apportioned School Levy*

Oklahoma  
Constitution  
Article 10 § 9(A,E)

A county is guaranteed 15 mills to be allocated to the County General Fund without a vote of the people. No less than five mills from this amount must be apportioned to the common school districts within the county. This levy is sometimes called the County Apportioned School Levy.

Revenues from this levy can be used to finance the State Guaranteed Program of the district. In this program, elementary and high school students are assured equal opportunities in all public school districts in Oklahoma. It is based on a complex state aid funding formula which allows financially weak school districts to be allocated more state money to supplement the revenues from the ad valorem tax.

## *School District Guaranteed Levy*

Oklahoma  
Constitution  
Article 10 § 9(B,E)

This four mill levy is **guaranteed** for all school districts within a county. The four mills are levied county-wide and are apportioned by average daily attendance within a school district.

68 O.S. § 2924  
A.G. Opinion 84-35

When a school district encompasses more than one county, the revenues collected from the levy are turned over to the County Treasurer in the county with the greatest portion of the student population. No more than 75 percent of the annual revenues from the guaranteed levy can be used in the **state guaranteed program formula** when the state determines a school district's allocation.

## *Board of Education Levy*

Oklahoma  
Constitution  
Article 10 § 9(C,E)

The Board of Education can certify (formally vote to pass) a 15 mill levy on all taxable property in a school district. Revenue from this levy is used to benefit all the schools within a school district. The amount of revenue from the levy is used in the state guaranteed program formula for the district.

## *Emergency Levy*

Oklahoma  
Constitution  
Article 10 § 9(D,E)

An emergency levy is raised to provide additional revenues that are needed for the fiscal year.

Up to five mills can be levied for this type of ad valorem tax. Voters in an election held throughout the school district must approve this type of a levy annually. The school district is not required to use the revenues from this levy to finance its share of the state guaranteed program.

## *Local Support Levy*

This type of common school district levy is raised for special needs within the fiscal year.

Up to 10 mills may be levied throughout the school district, the amount of which must be approved in an election held throughout the school district. The school district is not required to use the revenues from this levy to finance its share of the State Guaranteed Program.

## *School District Building Fund*

Just like counties and cities, a school district can levy a tax for constructing, remodeling, or repairing school buildings. The revenues from the levy can also be used to purchase furniture.

Up to five mills may be levied for this type of ad valorem tax. The majority of voters at an election held throughout the school district must approve the building fund and the number of mills levied. After collection, the revenues are then deposited into the school district building fund and need not be spent in the year they are received.

## *School District Sinking Fund*

This sinking fund operates the same way as county and city sinking funds. With a sinking fund, public indebtedness can be incurred through the sale of general obligation bonds to finance constructing, remodeling, or repairing school buildings.

An ad valorem tax for any of these purposes as well as the amount of the bond must be approved by a majority of the voters in an election held throughout the school district. The amount of the annual levy must be sufficient to cover the annual interest payments and to pay off the principal when the bonds mature.

A common school district may also have more than one sinking fund. Voters in an election held throughout the school district must approve **each** sinking fund and the number of mills levied for this purpose. The combined public indebtedness cannot exceed 10 percent of the net assessed valuation of the school district.

## *Technology Center School Districts*

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The fourth type of classification into which ad valorem taxes fall is technology center school districts. A technology center school district can be formed following voter approval in an election held throughout the proposed district.

## *Location of Technology Center School Districts*

These school districts are located throughout the state. An area or college area school district may cover a portion of a county or more than one county. For a technology center school district situated in more than one county, the district's budget is filed with the County Excise Board which the area school board chooses.

## *Differences Between Technology Center School Districts*

Some technology center school districts also serve as community or junior colleges. The distinction between the two types of schools is summarized as follows:

70 O.S. § 14-108

- Technology center school districts offer secondary, adult education, vocational–technical programs.
- College technology center school districts offer secondary, adult education, vocational–technical education programs and post-secondary, two year college courses.

70 O.S. § 4420.1

Both of these types of schools may overlap and both are allowed to levy an ad valorem tax. However, if they do overlap, both districts cannot tax the same property. Entitlement to the five mill general fund levy is limited as follows:

Oklahoma  
Constitution  
Article 10 § 9B

- The area school district first established is entitled to the levy in any given fiscal year.
  - \* The area school district may levy all or a portion of the allowable mills.
  - \* If the area school district does not levy the full amount, then the other area school district may levy up to the remaining mills.

OK Decisions  
1974 OK 15  
519 P.2D 497

(Moore-Norman Vo-Tech Dist. v. South Oklahoma City Junior College, 1974)

- Tulsa County Technology Center School District may levy up to [five] mills.
- Tulsa Community (Junior College) Area School District may levy up to [five] mills.

70 O.S. § 14-108

70 O.S. § 4419(C)

70 O.S. § 4420(B)

## *Area School District General Fund Levy*

Up to five mills can be levied annually for establishing and operating an area school district.

Voters at an election must approve the number of mills in order to establish an area school district.

Oklahoma  
Constitution  
Article 10 § 9B(A)

## *Area School District Local Incentive Levy*

Up to an additional five mills can be levied as a local support levy. The levy must be made each year after the majority of the voters in the district approve it. However, if the majority of voters repeal the levy then the levy will be revoked.

Oklahoma  
Constitution  
Article 10 § 9B

In an overlapping district, both the technology center and the college technology center school districts may levy up to the full five mills. This takes exception to the constitutional article cited above that states that two different area school districts cannot tax the same property.

The courts ruled that in the case of a local incentive levy, two districts may tax the same property since voters have the right to repeal the incentive levy in one or both overlapping districts. In the case of the general fund levy discussed above, voters do not have the right to repeal the levy although they can repeal the number of mills the tax levies.

**NOTE: These court rulings were made prior to the 1993 amendment which removed the requirement that the public vote annually on the incentive levy.**

## ***Area School District Building Fund***

Oklahoma  
Constitution  
Article 10 § 10

This type of area school district levy is used for constructing, remodeling, or repairing the school buildings. The revenue from the levy can also be used to purchase furniture. Five mills can be levied for this fund.

70 O.S. § 14-108(C)

The majority of the voters in an election held throughout the area school district must approve the building fund and the number of mills levied. The revenues need not be spent in the year they are received.

## ***Area School District Sinking Fund***

Oklahoma  
Constitution  
Article 10 § 9B(C)

This sinking fund operates the same way as a city, county, and common school district sinking fund in that public indebtedness can be incurred through the sale of general obligation bonds to finance constructing, remodeling, or repairing school buildings. Public indebtedness for an area school district is limited to five percent of the net assessed valuation of the district.

Like a general fund levy, when technology center and college technology center district boundaries overlap, entitlement to the five percent is limited as follows:

- The area school district first established is entitled to the five percent of the district's net assessed valuation.
  - \* The area school district may become indebted up to all or a portion of the indebtedness limit of five percent.
  - \* If the area school district is not indebted up to the full amount, then the other area school district may become indebted up to the remaining indebtedness limit.
- Tulsa County Area Vocational–Technical School District may become indebted up to three percent of the net assessed valuation.
- Tulsa Community (Junior College) Area School District may become indebted up to two percent of the net assessed valuation.

70 O.S. § 4419(C)

70 O.S. § 4420(C)

The majority of the voters in an election held throughout the area school district must approve an ad valorem tax for an area school district sinking fund, and they must approve the amount of the bond. In addition, the amount of the annual levy must be sufficient to cover the annual payments and to pay off the principal when the bonds mature.

## ***Emergency Medical Service (EMS) District***

Oklahoma  
Constitution  
Article 10 § 9C(A)

An emergency medical service (EMS) district is the fifth and final ad valorem tax classification. An EMS district can encompass part of a county, a whole county, or more than one

county. Its boundaries must conform to the common school district boundaries at all times and can also be expanded at any time.

The following ad valorem taxes can be levied to support the district:

### ***EMS District Operating Levy***

Oklahoma  
Constitution  
Article 10 § 9C(A)

Up to three mills can be levied annually to organize, operate, and maintain an EMS district. Voters in the proposed district must approve the number of mills in order to establish an EMS district.

### ***EMS District Sinking Fund***

Oklahoma  
Constitution  
Article 10 § 9C(B,D)

Public indebtedness can be incurred through the sale of general obligation bonds to finance the purchase of emergency vehicles and equipment and to construct or purchase facilities.

Up to three mills can be levied for an EMS district sinking fund. The majority of voters in an election held throughout the district must approve the purpose of the ad valorem tax and the number of mills it will levy. Also, the amount of the annual levy must be sufficient to cover the annual interest payments and to pay the principal when the bonds mature.

### ***Requirements for Expanding an EMS District***

Oklahoma  
Constitution  
Article 10 § 9C(J,O)

Before expansion can occur, two requirements are necessary:

1. Voters in the existing district must approve adding the new area.
2. Voters in the new area must approve joining the existing district.

### ***Requirements for Dissolving an EMS District***

An election must be held in order to dissolve an EMS district. Once the EMS district is dissolved, the ad valorem tax for the sinking fund will continue to be levied until the outstanding bonds have been retired and all other debts have been paid.

## Chapter Ten

# The Assessment Process

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*This chapter provides an overview of the county assessment process and a brief introduction to the main concepts of other applicable chapters in this handbook. References to related chapters are provided for locating additional information and related forms.*

## Duties of the County Assessor in the Assessment Process

In the county assessment process, the County Assessor must complete several steps to arrive at the final tax roll including discovering (identifying), appraising, and listing all taxable real and personal property. To successfully complete these steps, the County Assessor must first perform the following actions:

- Determine Fair Cash Value of both land and improvements
- Apply the county assessment rate to the value to determine the assessed value
- Apply various deductions for exemptions
- Send notices to taxpayers regarding an increase in the value of a property
- Defend, when necessary, values determined for taxable property
- Create and maintain maps showing ownership

After these actions are completed, the County Assessor must then prepare an assessment roll and send it to the County Equalization Board. Once the Board has equalized the assessment roll, the County Assessor prepares an abstract for the Board and sends a report to the Oklahoma Tax Commission (OTC) by June 15 of each year.

Once a millage rate is determined for the various taxing jurisdictions, the County Assessor prepares the tax roll, delivers it to the County Treasurer, and sends a tax roll abstract to the County Clerk. All of these procedures comprise the county assessment process.

## Steps in the Assessment Process

### *Discovery*

Discovery (identification) is the first step in the assessment process. Depending on the discovery of taxable real and personal property, the County Assessor can determine the extent to which discovered property can be assessed. Complete discovery requires adequate manpower and

supporting resources. The discovery must be carried out with due respect to standards, guidelines, statutory policies, and case law.

## Methods of Discovery

Certain methods are involved in discovering real and personal property. The most usable and proven methods for discovering real property and personal property are listed below.

### *Real Property*

- A systematic visual inspection program
- Building permits
- Employee reporting
- Taxpayer reporting

### *Personal Property*

Discovery of personal property is frequently more difficult. With household personal property, the statutes require the County Assessor to take 10 percent of the improvement value of the property to arrive at the personal property valuation. Or, the taxpayer can render an assessment by listing the property at its actual fair cash value. With all other types of personal property, the major means of discovery are through the following actions:

68 O.S. § 2817

- Self-declarations (made by the owner)
- Telephone checks of declared property
- Physical inspection of the property

## *Appraisal*

(Refer to Chapter Eleven, *The Appraisal Process*, for more information.)

Once the real or personal properties are discovered, the second step in the assessment process is to appraise these properties.

The primary goal of the entire assessment process should be an even distribution of the tax burden to all taxpayers. The appraisal process, therefore, should be a systematic, logical method of collecting, analyzing, and processing information into intelligent, well-reasoned estimates of value. The final result should be a correct discovery and appraisal of all real and personal property.

Since an appraisal is an opinion and an estimate of value, the appraisal's merit depends on the integrity and competence of the appraiser and the soundness and skill with which the appraiser processes the available pertinent data. Even though the county appraisers must appraise large numbers of properties in a short period of time, they cannot omit any of the following steps in the appraisal process.

1. Problem definition
2. Preliminary survey and planning
3. Data collection and analysis
4. Application of data
5. Correlation/reconciliation of indicated values
6. Final value estimate

## Approaches to Value

For non-agricultural property, the following three methods are commonly used to appraise or value property. For taxation purposes, properties are appraised using mass appraisal techniques, which are based on the concepts of these three approaches.

1. Sales comparison approach
2. Cost approach
3. Income approach

## Valuation of Agricultural Land

(Refer to Chapter Twelve, *Agricultural Use Value*, for more information.)

In Oklahoma, land used for agricultural purposes is appraised based on its agricultural use and its productivity (potential for production of agricultural products). Agricultural land use is grouped into the following four sub-classes:

1. Cropland
2. Improved pasture
3. Native pasture
4. Timber and other unimproved lands

In addition, the U.S. Department of Agriculture (USDA) has classified every soil type in Oklahoma. The OTC and USDA have assigned a productivity index to each soil type in each county. This productivity index is a relative measure of the ability of that soil to produce agricultural products, or sustain livestock in that county. Thus, a soil with a productivity index of 100 would be expected to have twice the productivity as a soil having a productivity index of 50.

Agricultural land is appraised based on a combination of the following three items:

- Land use (subclass)
- The productivity of the soil in that parcel of land

68 O.S. § 2817(C)

- A weighted combination of recent agricultural sales and rental rates (25% on sales; 75% on leases).

## *Inventory and Listing*

68 O.S. § 2840

The County Assessor is required by statute to keep permanent records of all properties within the county. Those records must include the following information:

- The property’s description
- The property’s classification
- In most cases (for all taxable and some exempt property) the property’s value
- A classification of the property as either taxable or exempt

## **Taxable Property**

The Oklahoma State Constitution and the Oklahoma Statutes normally refer to taxable property as real and tangible personal property that is non-exempt. For ad valorem taxation, real property is the land and all of the associated rights that add value to the land.

Personal property is all property that is not classified as real property or public service property, which means all movable items that are not permanently attached to, or a part of, the real estate.

Both real and personal property have a taxable “situs” based on the location of the property on **January 1** of each year. Any property required by law to be taxed is listed and assessed in the county, school district, and municipality where it is located as of the date when it acquires taxable situs, and is subject to taxation based on the tax rate (millage) set for that jurisdiction.

## **Exempt Property**

(Refer to Chapter Nineteen, *Exemptions*, for more information.)

68 O.S. § 2887

Some properties are exempt from ad valorem taxation either indefinitely, or for a limited period of time. Exemption from taxation is generally based on the use and purpose of a particular property. Some properties, such as the following examples, are not required to be appraised and graded in the required permanent records. However, they must be listed for inventory.

- All property owned by the United States, the state of Oklahoma, or Oklahoma municipalities
- Property used exclusively and directly for religious, charitable, or educational purposes, such as churches, schools, colleges, universities
- Property assessed by the State Board of Equalization
- All other exempt property, such as Native American land, must be appraised and have its value listed as part of the permanent record, with an exempt indication.

## Determination & Application of the Assessment Rate

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In Oklahoma, the assessed value is a fraction of the County Assessor's estimate of the appraised value of a property. The assessed value is determined by multiplying an assessment rate (applied assessment percentage) by the appraised value.

### *Example in Determining Assessed Value*

Consider the following example in determining the assessed value of a property. If the appraised value of a property is \$20,000, and the assessment rate is 12 percent (12%), the County Assessor would determine the assessed value in two steps:

1. Divide the assessment rate by 100 to convert to a decimal.

$$\text{Assessment Rate} = \frac{12\%}{100} = 0.12$$

2. Multiply the assessment rate by the appraised value.

$$\begin{aligned} \text{Assessed Value} &= \text{Assessment Rate} \times \text{Appraised Value} \\ &= \$20,000 \times 0.12 \\ &= \$2,400 \end{aligned}$$

### *Assessment Limits and Increases*

Oklahoma  
Constitution  
Article 10 § 8(A1,2)

Beginning January 1, 1997, tangible personal property cannot be assessed for taxation at less than 10 percent or more than 15 percent of its fair cash value.

Real property cannot be assessed for ad valorem taxation at a value less than 11 percent or greater than 13.5 percent of its fair cash value for the highest and best use for which the property was actually used, or was previously classified for use.

Oklahoma  
Constitution  
Article 10 § 8(B)

Effective January 1, 1997, the assessment percentage for real or personal property cannot be increased except by approval of a majority of the registered voters of a county, or by a petition of not less than 10 percent of the registered voters.

The taxable fair cash value of any parcel of locally assessed real property cannot increase by more than five percent (5 %) in any taxable year, except in a year when title is transferred, changed or conveyed to another person or when improvements are made. Homestead property and agricultural land is limited to three percent (3%) in any taxable year.

Oklahoma  
Constitution  
Article 10 § 8(B)

## Exemptions

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(Refer to Chapter Nineteen, *Exemptions*, for more information.)

Oklahoma  
Constitution  
Article 10 § 6

Certain exemptions are allowed for both real and personal property. These exemptions are applied to the assessed value of real and personal property as described below.

68 O.S. § 2887

## *Real Property*

(Refer to Chapter Fourteen, *Real Property: List, Appraise, and Assess*, for more information.)

Property owners can apply for homestead exemptions on real property if they meet certain qualifications.

### **Homestead Exemption**

68 O.S. § 2888

68 O.S. § 2892

To qualify for a homestead exemption, the taxpayer must own the property and personally reside on it. The Oklahoma Constitution allows a portion (currently \$1,000) of the assessed value of a person's homestead to be exempt from ad valorem taxation.

The Oklahoma Statutes define a homestead and state the following qualifications for the exemption.

- The taxpayer must be the record owner of the title to the property
- The taxpayer must reside on the property on **January 1** of that year
- The taxpayer must have the deed or other evidence of ownership executed on or before January 1 and filed of public record with the County Clerk on or before **February 1** of each year

A taxpayer has to apply for the homestead exemption by **March 15** to qualify for the current tax year.

Applications received after March 15 will be applied for the next tax year. Any taxpayer who has been granted a homestead exemption and continues to occupy such homesteaded property, shall not be required to reapply for the exemption.

**Military personnel on active duty, married couples with more than one residence, properties used as both a residence and a business, for example, are also exceptions, and are addressed in detail in the statutes.**

The County Board of Equalization is required to review each homestead exemption application submitted to the County Assessor. The County Assessor delivers these applications to the Board by the fourth Monday in April. The Board has the authority to approve or overrule the County Assessor's decision.

The Board also has the authority to change the amount of the exemption based on documented evidence, as long as the amount is within the limits of the law (not more than \$1,000). The taxpayer or the County Assessor has the right to appeal any decision of the Board, and may file in the District Court.

### **Additional Homestead Exemption**

Households where the total gross income is currently less than \$20,000 are eligible for up to an additional \$1,000 deduction from the assessed value of the homestead. Persons who are 65 years or

older and whose total gross income is \$20,000 or less only need to apply for the additional exemption once. They do not need to reapply each year, provided they continue to meet the qualifications of the statutes. To be eligible for the additional exemption, all conditions to qualify for the homestead must be met.

68 O.S. § 2890  
68 O.S. § 2890.1

## Limit on Fair Cash Value on Homestead

Oklahoma  
Constitution  
Article 10 § 8C

Effective January 1, 2005, the fair cash value on each homestead of persons over 65 years of age who have gross household incomes [from all sources not exceeding the amount determined by the United States Department of Housing and Urban Development to be the estimated median income for the preceding year for the county], cannot be increased beyond the fair cash value determined during the first year that the person is 65 years of age and has a gross household income [not exceeding the amount determined by the United States Department of Housing and Urban Development to be the estimated median income for the preceding year for the county]. Taxpayers who meet these criteria should file for an exemption on OTC Form 994, *Application for Property Valuation Freeze & Additional Homestead Exemption*.

## Personal Property

### Household Goods Exemption

(Refer to Chapter Fifteen, *Household Personal Property: List, Appraise, and Assess*, for more information.)

Provided the county has not voted to eliminate household personal property tax, persons who maintain a household in Oklahoma may qualify for up to a \$100 exemption. This exemption is deducted from the personal property assessment, and is allowed on household goods, tools, various implements, and livestock.

68 O.S. § 2887

Provided the county has not voted to eliminate household personal property tax, military personnel who served on active duty for at least 90 days during a war, or during a national emergency, are authorized up to an additional \$200 exemption on personal property, as are their widows. If both spouses served in the military and qualify, they each would be eligible for up to an additional \$200 exemption.

### Manufactured Housing Exemption

(Refer to Chapter Nineteen, *Exemptions*, for more information.)

An exemption has been allowed by the statutes for certain people owning manufactured housing on leased land. Any person who is 62 years or older, whose total household income is \$10,000 or less, may qualify for up to a \$2,000 exemption on the manufactured home.

The following conditions must be met in order to qualify for the manufacturing housing exemption:

- The head of household must be 62 years or older
- The total household income for the preceding year, did not exceed \$22,000 or 50% of

the HUD median family income

- The manufactured home must be located on land not owned by the homeowner
- The head of household must be a resident of, and domiciled in, Oklahoma during the entire preceding calendar year. The application for the exemption must be made each year, on or before **March 15**, or **within 30** days of receiving an increase in valuation notice, whichever occurs later

68 O.S. § 2949

Any person 65 years or older, as long as they continue to live in the manufactured home and their total gross income does not exceed the requirement, do not have to reapply for the exemption each year. However, they must notify the County Assessor's office if a change occurs in any of the conditions that prevent them from qualifying.

## ***Notice of Changes in Valuation***

(Refer to Chapter Twenty-Three, *The Appeals Process*, for more information.)

Whenever the County Assessor increases the fair cash value or assessed value of property from the preceding year, a *Notice of Change In Assessed Value of Real Estate* (OTC Form 926) must be mailed to the property owner. The change in valuation notice must include the following information:

68 O.S. § 2876

- \* Fair cash value for the preceding and current years
- \* Assessment rate for the preceding and current years
- \* Assessed value for the preceding and current years

The actual amount of taxes or increase in taxes are not included on this notice, because the tax rates are unknown at the time notices are sent.

## ***Defense of Value - The Appeals Process***

(Refer to Chapter Twenty-Three, *The Appeals Process*, for more information.)

Through the right of due process, any taxpayer has the right to challenge any value or method of arriving at the value, regardless of the merit of the challenge. The County Assessor must be prepared to defend all values and procedures used. If after the informal hearing with the County Assessor's office, taxpayers are still unsatisfied, they may continue the appeal with the County Board of Equalization. If the issue is still not resolved, the appeal can continue to the District Court, and on to the Oklahoma Supreme Court.

**NOTE: Steps as described in the statutes and each step must be executed. Missing steps can result in loss of due process.**

## **Notice of Increase in Value/Complaints**

68 O.S. § 2876(C)

If a property value is increased from one year to the next, and a change in assessment notice is sent, the County Assessor must keep a duplicate copy of the notice, to prove when and where it was

sent.

The taxpayer has **30 calendar days** from the date the notice was mailed to file a written complaint on **OTC Form 974, *Informal Protest to County Assessor***, with the County Assessor stating the taxpayer's grievance. Even if the property valuation has not changed from the previous year, the taxpayer may file a written complaint as long as it is filed on or before the **first Monday in April**. The complaint must be made on the OTC form. 68 O.S. § 2876(D,E)

## Informal Hearing

The County Assessor must schedule an informal hearing with the taxpayer to hear the protest on disputed valuation, or addition of omitted property. The County Assessor has **seven (7) calendar days** after the hearing to make a final decision on whether an adjustment should be made, and to send a written notice on **OTC Form 975, *County Assessor Notice of Informal Hearing***, to the taxpayer. 68 O.S. § 2876(F)

## Protests to the County Board of Equalization

If taxpayers are unsatisfied with the results of the informal hearing with the County Assessor, their next channel of appeal is with the County Equalization Board. Taxpayers have **15 calendar days** from the date that the informal hearing decision was mailed to file an appeal with the County Equalization Board through the County Clerk, who serves as the secretary of that Board. The protest to the Board must be filed in writing on **OTC form 976, *County Board of Equalization Formal Appeal***, and filed with the County Clerk. The County Clerk then sets up a schedule of all protests, notifies all protesters of their hearing date, and notifies the County Assessor and the Board of the appointments. 68 O.S. § 2876(D)

After the Board hears the protests, it makes the decision of whether to change the appraisal. The Board informs the taxpayers and the County Assessor of their decision on **OTC Form 977, *County Board of Equalization Notice of Formal Appeal Decision***. The Board must base its decision on evidence presented in the hearing, and must be careful not to create inequities by changing properties that have been protested and disregarding others. All like properties should be given the same consideration. The Board can only act on properly filed protests.

## *Assessment Roll Preparation*

(Refer to Chapter Twenty, *The Assessment Roll*, for more information.) 68 O.S. § 2842(A)

After all the properties have been appraised and assessed, the County Assessor must prepare an assessment roll with the following information:

- All lands listed in numerical order by township, range, and section except lands within a city or town

The lowest number section in the lowest number range in the lowest number township

- A list of all lands within each town or city in numerical order by town, township, range, and section or by subdivision, block, and lot
- An alphabetical list of all personal property, which includes the following information:

- \* The number of acres, if not platted, school district number, and name and address or property owner
- \* The value fixed by the County Assessor of all property, separating land and improvements with an additional column for adjustments by the State Board of Equalization
- \* Any property subject to a homestead exemption will show the total valuation of the homestead property, the amount of the exemption, and the total valuation after the exemption.

The County Assessor must total and balance the assessment roll, and make available it electronically to the County Board of Equalization, while the Board is in session. Prior to **November 1**, the County Assessor must prepare a report including the net assessed value and millage of each jurisdiction in the county, and must send it to the OTC. 68 O.S. § 2842(B)

The County Assessor prepares the annual assessment roll as a basis of ad valorem taxation for local government (city, town, county, school districts, etc.). The assessment roll is a listing of all properties in the county, including real, personal, and public service corporation property, and includes an assessed value for each property based on the County Assessor's estimate of market value. 68 O.S. § 2842(C)

The State Board of Equalization, through the OTC, provides values to the County Assessor regarding public service properties. These properties are added to the county assessment roll. The County Assessor then submits the roll to the County Board of Equalization for review.

## ***Abstract of Assessment Preparation***

(Refer to Chapter Twenty, *The Assessment Roll*)

68 O.S. § 2867

As soon as practical after the County Board of Equalization has corrected and adjusted the assessment rolls (no later than the first Monday in June), the County Assessor must prepare the county's abstract of assessment on OTC Form 917, *Annual Abstract of Valuation and Assessment*. This abstract must be transmitted to the OTC no later than **June 15**. Failure to prepare the abstract in the prescribed time prevents anyone in the County Assessor's office from being paid until the task is completed. The abstract of assessment must be totaled and balanced with the assessment roll.

## ***Ad Valorem Millage and Tax Calculation***

(Refer to Chapter Nine, *General Description of Ad Valorem Taxation* and Chapter Twenty-One, *The Tax Roll*, for more information.)

In Oklahoma, the people vote on the tax levies (millages) for various purposes. The County Excise Board meets and determines the millage for each taxing jurisdiction (area) within the county. The County Clerk, acting as the secretary for the Board, furnishes the County Assessor with the various levies for each taxing jurisdiction. The County Assessor then applies (multiplies) this levy by the assessment to each property. 68 O.S. § 2868

**NOTE: For specific examples on how to calculate ad valorem taxes, see Chapters Seven and Eighteen of this handbook.**

## ***Tax Roll Preparation***

(Refer to Chapter Twenty-One, *The Tax Roll*, for more information.)

The tax roll is a separate, but similar, list to the assessment roll, which must also be issued to the County Treasurer. The tax roll is generated in the same manner as the assessment roll, except that the tax roll emphasizes separation by jurisdiction (such as school districts and city limits). The tax rolls also take the assessment process one step further, in that they include not only values but also the actual taxes owed for all taxable properties. Jurisdictions within a county generally have different tax rates (millages).

All property, even if tax exempt, must be listed on the tax rolls. If the property is exempt, a reason for the exemption is noted instead of listing a value and taxes.

## ***Abstract of Tax Roll Delivery to the County Clerk***

The County Assessor prepares an abstract of the tax roll, containing the total amount of taxes to be collected within each jurisdiction on a prescribed State Auditor and Inspector form. After the abstract is prepared, the County Assessor delivers it to the County Clerk, who sends a warrant to the County Treasurer that charges the County Treasurer to collect the taxes.

68 O.S. § 2869

## ***Tax Roll Certification to the County Treasurer***

The County Assessor must prepare and deliver the tax rolls to the County Treasurer no later than **October 1**. The County Treasurer then adds any delinquent taxes from previous years to the tax rolls. The County Treasurer sends out the tax statements and collects the taxes, and makes a daily report to the County Clerk. This process provides checks and balances for public funds.

68 O.S. § 2869

68 O.S. § 2871

## ***Assessment and Tax Rolls Corrections***

(Refer to Chapter Twenty-Four, *Corrections to The Tax Roll*)

Once the County Assessor has completed the tax roll, the statutes provide for changes to both the tax roll and assessment roll. No change can be made to either the assessment roll or tax roll without a proper certificate. If a change is made to the value of a property, the County Assessor must fill out an erroneous assessment certificate. The certificate must then be approved by the Board of Tax Roll Corrections

68 O.S. § 2871

## Chapter Eleven

# The Appraisal Process

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*This chapter explains the various steps that the County Assessor must take in appraising property.*

Information for this chapter was taken from the following sources:

- International Association of Assessing Officers (IAAO). *Property Assessment Valuation*. 2nd Ed. Chicago, 1996.
- IAAO. *Property Appraisal and Assessment Administration*. Chicago, 1990.
- Appraisal Institute. *Appraisal of Real Estate*. 10th ed. Chicago, 1992.

**The terms “appraiser” and “assessor” are used interchangeably in this chapter because assessors in some counties often serve as both appraiser and assessor.**

## Appraisals: Definition and Types

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According to *Property Assessment Valuation*, “an appraisal is an opinion and an estimate of value. A convincing appraisal is based on the integrity and competence of the assessor and the soundness and skill with which the available pertinent data are processed.” All County Assessors in Oklahoma appraise both real and personal property.

In the Assessor’s office, both mass appraisal and single property appraisal techniques are used to appraise property. Mass appraisal techniques are used primarily on all properties in the counties where sufficient sales exist. County Assessors conduct a mass appraisal in their valuations of a **group** of properties as of a given date. Because many properties are valued in a short period of time in a mass appraisal, standardized procedures are required. Moreover, due to the large scale of a mass appraisal, many people are required for the process.

Conversely, a single property appraisal is conducted on **one** property as of a given date. In this type of appraisal, only **one** person needs to perform all research tasks and make all appraisal judgments, since only one property is being appraised. Therefore, the scale of a single property appraisal is much smaller than that of a mass appraisal.

While mass appraisals are conducted in a relatively short period of time on many properties, single property appraisals are detailed appraisals on one property, and therefore require more time to conduct than mass appraisals.

Because of these significant differences in the way mass and single property appraisals are conducted, quality is measured differently for each type of appraisal. In a mass appraisal, statistical methods are used to measure deviations of **all** sales in the county from their appraised values (sales can number in the 100s to 1,000s). If most mass–appraised values for properties with sales fall within a predetermined level and uniformity of actual sales prices, work quality is considered good.

On the other hand, quality for single property appraisals is measured by a comparison with comparable sales (usually from three to six sales). Such a small scale eliminates the need for measuring sales deviations, which is necessary in mass appraisals.

## **Steps in the Appraisal Process**

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The appraisal process includes five major steps that are common to mass and single property appraisals. These steps are:

- Definition of the problem
- Preliminary survey and planning
- Data collection and market analysis
- Application of the three approaches to value
- Correlation of values, model testing, and quality control

Each step is discussed in the following sections.

### ***Step 1: Definition of the Problem***

The definition of the problem is the beginning of the appraisal process. This first step itself comprises four steps:

- Identifying the property to be appraised
- Determining the property rights involved
- Defining the purpose and function of the appraisal
- Specifying the date of the appraisal

### **Identifying the Property to be Appraised**

Some of the common ways to identify a property are by street address, legal description, and a parcel (land) identification number or PIN. Using the PIN system, the state has implemented a state-wide map parcel identification system that provides a systematic procedure to locate each property.

Assessment maps are also essential to the County Assessor for the location, identification, and inventory of all parcels within a jurisdiction. These maps show the boundaries of parcels of land and display the size and location of each parcel of land relative to other properties, streams, roads, and other major physical and cultural features.

### **Determining the Property Rights Involved**

In Oklahoma, the County Assessor's office is typically concerned with appraising all the property rights that may be legally owned. These rights are known as "value-contributing rights", or "fee simple title." A fee-simple title signifies ownership of all the rights in a parcel of real property.

## Defining the Purpose and Function of the Appraisal

### *Purpose*

The purpose of all appraisals is to estimate value; however, the assessor must determine the type of value sought. This value is typically either fair-cash value or use value.

### *Function*

The function of an appraisal refers to the use to which it is put, such as obtaining a mortgage loan or obtaining insurance. The function of most appraisals that the County Assessor conducts is for determining property taxation.

## Specifying the Date of the Appraisal

In Oklahoma, the date of a County Assessor's appraisal is **January 1** of the taxable year that the appraisal goes into effect. However, this does not mean that all parcels of land in a county or even all the parcels scheduled for valuation for that year will be inspected and valued as of the January 1 assessment date. Rather, it means that **normally** all appraisals conducted throughout the year will be effective as of January 1.

## *Step 2: Preliminary Survey and Planning*

This second step in the appraisal process typically requires the County Assessor to consider the following procedures:

- Highest and best use (current use)
- Required data to collect
- Dominant approach to value
- Time and resources to accomplish the assignment

## Highest and Best Use

By law, the County Assessors in Oklahoma are required to appraise properties according to the current use of that property. A general knowledge of the highest and best use of the property is helpful to anticipate or identify the changes in use of a property.

## Required Data to Collect and Dominant Approach to Value

Determining the required data to collect and the dominant approach to value are vital in order to arrive at a rough estimate of the amount of work and training it will take for an appraisal. Also, the amount and type of data collected for an appraisal depends on the approach used for valuation.

## Time and Resources to Accomplish the Assignment

Once appraisers have an idea of how much work is involved in the appraisal, then they are better prepared to complete the valuation of an area within the amount of time and resources available.

### *Step 3: Data Collection and Market Analysis*

The discovery of property and factors affecting property values requires the gathering and processing of vast amounts of information or data. Before data can be collected or analyzed, however, the appraiser must determine the specific needs of the data.

#### Determining Data Needs

The first step in determining data needs is to evaluate the quality of existing data. The **quality** of data is determined by the completeness and accuracy of information needed for existing valuation techniques, record-keeping requirements, and other factors. If the quality is unacceptable, a comprehensive data collection effort is required. If the quality is acceptable, an analysis of the **quantity** of existing data should be made. In other words, the appraiser must determine whether enough information is available about the properties.

Because property characteristics are always changing, the data on them must be updated regularly; otherwise, the resources used in collecting the original data are soon wasted. To maintain property characteristics data, several approaches exist, including building-permit monitoring, if available, and periodic re-inspection. Visits may be supplemented with information obtained from taxpayer returns and from an examination of aerial photographs.

The following sections on general, specific, and comparative data discuss the three categories of data to be collected, analyzed, and processed for an appraisal.

#### Collecting General Data

General data consists of information on the principles, forces, trends, and factors that affect property value. Such elements as these that affect property values can originate at international, national, regional, municipal, community, and neighborhood levels.

When a specific area is being considered to estimate values for an appraisal, the influences on value in that particular area are most relevant. Thus, the County Assessor should consider the immediate and future **trends** in value of that area since values represent anticipated benefits to be received from property ownership.

A **trend** is a general movement, swing, or preference in the market. Trends at national and regional levels affect many types of real estate and often provide the standard against which local market fluctuations are measured. These trends, typically economic in nature, play an important role in the future value of property.

The County Assessor should also consider a trend's direction and limitations of values in the area. For example, trends affecting a neighborhood can produce an **immediate** effect on the value of a property. Such immediate effects on the valuation of a neighborhood can be grouped as social, economic, environmental, and governmental. Factors within each category are described below.

## *Social Influences*

Social influences are exerted primarily through population characteristics and may include the following items:

- The current population and density within the neighborhood
- The size and composition of households and the employment profile, educational, skill, and income levels of the residents
- The absence or extent of crime within the neighborhood

## *Economic Influences*

Economic influences include the residents' financial ability to rent or own, and maintain and renovate property. Such influences include the following factors:

- The residents' economic profile
- The range of sales prices and rent levels
- The amount of development, construction, and vacant land
- The extent of occupant ownership
- The vacancy rates of rental property

## *Environmental Influences*

Environmental influences can be both natural and man-made forces including the following items:

- The location of the neighborhood within the community
- The availability of recreational services and amenities
- Topography, soil, climate, and view
- Patterns of land use
- The transportation system
- The age size, style, condition, and appearance of residences and neighborhood facilities
- The adequacy or availability of utilities
- The presence of hazardous waste

## *Governmental Influences*

Governmental forces that affect the valuation of a neighborhood can include the following factors:

- Taxation and special assessments
- Public and private restrictions
- Schools
- The quality of police, fire protection, and other services
- Planning and development activity

Social, economic, and local government data can be obtained from government agencies and the local chamber of commerce. Data on environmental factors are usually collected by direct site inspection, augmented by information gathered at appropriate municipal local government offices. Planning and building departments can be particularly helpful in supplying information.

## **Collecting Specific Data**

The second type of information that needs to be collected, analyzed, and processed for an appraisal is **specific** data. Specific data fulfills a prerequisite of a real property assessment system, which is to generate an inventory of all real properties that contains descriptions of the uses to which properties are put and of their location physical and characteristics. Furthermore, such specific data aids the County Assessor in identifying and describing property, estimating value, and ensuring property owner satisfaction by assuring the owner of the assessment system's competency and assuring the owner that the County Assessor has inspected and is familiar with the owner's properties. Assessment personnel also rely on specific descriptive data to familiarize themselves with properties, to make statistical tabulations, and to keep records.

Examples of specific data include number of bedrooms, roof type, exterior, fireplaces, size, and floor types.

## **Collecting Comparative Data**

**Comparative** data consist of characteristics of the property being appraised; for example, sales, cost, and income data on property. This data is used in the "three approaches to value." Before these three approaches can be applied, however, collection of relevant sales, costs, and income data must be analyzed. The following sections include a description of the sales, cost, and income **data** that are to be used in the application of the three **approaches** to value.

## *Sales Data*

Accurate, well-organized sales data (properties that have sold) are one of the essential features of a successful assessment system. Good sales data make it possible to apply effectively all three approaches to value, computer-assisted or otherwise, and to develop a reliable assessment-ratio program. Accurate sales information also enables an appraiser to adjust nominal sales prices in

order to obtain better indicators of current market values and to make the most of limited amounts of sales data. Without good sales data, the County Assessor works under a severe handicap.

### *Cost Data*

Current data on building and construction costs are essential to the effective application of the cost approach to value. Fortunately, data on the costs of specific improvements, typical costs of various types of improvements, and cost trends are readily available from a number of sources. This data and some of its sources include the following entities:

- Property owners
- Contractors
- Builders
- Developers
- Cost services
- Cost indexes

Actual local costs of structures and improvements are the best types of cost data, but usually the most difficult and most time-consuming to acquire. Cost services and cost indexes are most frequently used and can be highly effective if they are adequately checked to some degree against local market conditions.

### *Income Data*

Successful application of the income approach to value is, of course, determined by adequate income and expense data. While such information is not required on each individual property, it is necessary to obtain sufficient data to estimate typical income and expense figures for various types of income-producing properties.

In designing an income and expense data collection effort, the County Assessor should seek information on the following criteria:

- The number and type of rental units (apartments, square feet, leasable area, etc.)
- Per unit rents
- Vacancy ratios
- Collection losses
- Miscellaneous income
- Allowable expenses

Once collected, this information can also be used to estimate the following items:

- Normal unit rents
- Potential gross rents
- Normal vacancy and collection loss ratios
- Normal gross rents
- Normal gross incomes
- normal expenses
- Normal net incomes

At least five methods exist for gathering income and expense information:

1. Mailed questionnaires
2. Personal contact
3. Telephone
4. Assessment appeals
5. Published studies and other third-party sources

### *Step 4: Application of the Three Approaches to Value*

The fourth step in the appraisal process is the **application** of the three approaches to value. In this application process, the appraiser's task is to use appropriate research methods to analyze market data.

#### **Model Specification**

The collection of market data is then used to identify those supply and demand factors that best explain value for a specific property, or for many properties in a specific market. This entire activity is called "model specification," which is the process of designing models based on data analysis and appraisal theory.

Appraisal models are useful because they help an appraiser systematically state a problem and identify the data needed to solve it. Appraisal models are a representation of how something works in words or in an equation; for example:

$$MV = RCNLD + \text{Land} \quad \text{OR} \quad \text{Market value equals} \\ \text{replacement cost new less depreciation plus land value}$$

Both of these expressions of an appraisal model are systematic ways of thinking. Most of the models used in real estate appraisal are based on one of the three approaches to value.

## Model Calibration

The forces of supply and demand cannot be completely replicated, because measurable economic, physical, or site characteristics cannot be found to represent all market forces. However, once the implicit relationships between value and the available supply and demand factors have been identified using appraisal logic backed by data analysis, then the actual effects on market value of the specific factors can be determined. This function is called “model calibration.”

## Cost Approach

**One factor to remember about the three approaches is that all three approaches are not always relevant or useful in the valuation of every property. For example, the income approach is not useful in the valuation of single-family residences, which are not typically purchased for their income-producing abilities. The cost approach is not applicable to the valuation of vacant land. The sales comparison approach can usually be eliminated in the valuation of, for example, a public library or zoo, where no useful sales information is available.**

The cost approach is the backbone of most real property assessment systems. This approach is frequently called the “summation” approach because it consists of adding together an independently determined land value and an independently determined building value. The land value is estimated using land schedules and the building value is obtained from an estimate of the current “replacement cost new” (RCN) of the structures less depreciation.

The cost approach works in the following manner:

- \* Land values are estimated
- \* An estimate of the current cost of constructing the buildings and improvements is made
- \* An estimate of depreciation is subtracted from the current cost estimate
- \* The estimate of “replacement cost new less depreciation” (RCNLD) is added to the land-value estimate (an estimate of the current market value of the property)

## *Determination of Depreciation*

Often, the most difficult aspect of the cost approach is the determination of depreciation. Depreciation is the loss in value to improvements due to any cause. Depreciation schedules within the State’s CAMA (Computer-Assisted Mass Appraisal) system are based on age and life of a structure and will require a market-derived adjustment from sales to ensure consistency and accuracy of the cost approach. This local multiplier will be derived by the computer when an adequate sales base has been established and will consist of the difference between the amount of actual depreciation and the amount of depreciation from the computer’s tables. The use of sales to arrive at this multiplier necessitates the need for accurate sales data.

**NOTE: Since the economic life of different structures can vary significantly, the County Assessor often needs to use different depreciation schedules to take these differences into account.**

## *Accurate Coding*

One essential factor in a cost approach is the accurate coding of building classes, types of construction, and various building features. The State's manual contains photographs, narrative descriptions, and specifications that assist the appraiser in accurate and consistent use of this information.

## *Building Characteristics*

Most building characteristics needed in the cost approach can be observed or estimated from the exterior of a building and cost of construction can be obtained. The cost approach is important in the appraisal of properties that are not income-producing and when no comparable sales exist. The cost approach is a useful market-value estimation.

## **Cost Approach in Mass Appraisals**

The cost approach tends to be the most frequently used in mass appraisals. Many properties must be appraised in a mass appraisal. The cost approach is most commonly used in a mass appraisal because all types of improved properties can be appraised.

## **Sales Comparison Approach to Value**

The sales comparison approach to value consists of estimating values of unsold properties on the basis of sales prices of sold properties. When enough sales information is available, the sales comparison approach is **usually** the most objective and accurate of the three approaches to value.

The following five basic steps are involved in the sales comparison approach:

1. Find recent sales, listings, and offers for properties that are comparable to the subject property.
2. Verify that the data obtained are accurate and valid.
3. Select relevant units of comparison to analyze each sale.
4. Compare the subject property and the comparable property using elements of comparison and adjust the sales prices of the comparable sales to reflect how they differ from the subject.
5. Reconcile the various value indications into a single value or a range of values.

**Within neighborhoods, benchmark sales or a model property may be used in distinguishing similarities or dissimilarities with other properties for valuation purposes.**

The sales comparison approach is beneficial in appraising all property types when adequate comparable sales exist. It is especially useful to the County Assessor in land valuation, verification of cost and depreciation information, and defense of assessment appeals.

## Sales Comparison Approach in Mass Appraisals

To apply the sales comparison approach in a mass appraisal program, the properties must be divided into groups based on similar characteristics that may be compared with one another for value estimation (stratification). Once such property groups have been defined, it becomes easier to group properties that have similar characteristics. These property groups may also serve as the basis for assessment–ratio studies and the identification of assessment biases.

## Income Approach to Value

In the income approach, the present value of the future benefits of property ownership is measured. In other words, the value of a property is directly related to its ability to produce income. The income approach is the process of converting income into value.

This approach to value is only used when appraising properties that produce an income. Income comparisons are developed from net income and gross income information about income–producing properties.

The following equation is the income model:

$$\text{Value} = \frac{\text{Income}}{\text{Capitalization Rate}}$$

## *Step 5: Correlation of Values, Testing, and Quality Control*

When the value indications from the three approaches have been reached, the final step in the appraisal process is to determine the final value estimate. It would be unusual, in actual practice, for the value indications resulting from the three approaches to be exactly the same.

These value indications must be judged based on the following criteria:

- The amount and reliability of data collected and used
- The strengths and weaknesses of each approach
- The appropriateness of each approach to the subject of the appraisal

After judging each approach and weighing the evidence, the appraiser must determine which is most accurate and make a final value indication. The appraiser **never, never, never** averages the three values into a final value.

In mass appraisal, the final steps are model testing and measuring the quality of values. Values generated from the mass appraisal models are compared with a representative sample of sales, preferably including some sales not used in the calibration phase of the model building process. A standard ratio study should be conducted to ensure the 11 percent to 13.5 percent assessment level and a coefficient of dispersion no greater than 20 percent.

## Chapter Twelve

# Agricultural Use Value

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## Assessment of Agricultural Land

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In Oklahoma, agricultural lands are assessed according to land use (see Chapter Nine, General Description of Ad Valorem Taxation, for a discussion of use value and agricultural use).

This chapter describes how land use multipliers are computed and applied to valuing a parcel of agricultural land for ad valorem taxation.

Agricultural land is defined according to its use in one of four sub-classifications:

- Cropland
- Improved pasture
- Native pasture
- Timberland and other unimproved lands

Depending under which use classification a parcel of land belongs, the County Assessor can determine its agricultural use value, which is the taxable value of agricultural land according to use. However, before the County Assessor can determine the use value, a land use multiplier must be used that is computed in dollars per productivity point per acre.

**Productivity points are part of a State Board of Equalization approved methodology and are expressed in dollar per point of soil productivity. They are numbers assigned to each soil based on productivity, potential rainfall, and other climactic conditions. Productivity points are actually expressed as an index.**

The State Board of Equalization adopted a methodology for deriving the price multipliers based on the productivity points in 1979. The methodology incorporates the following elements:

- A representative sampling of agricultural land rentals
- A representative sampling of agricultural land sales
- Soil types on each sale and rental
- Productivity level of each soil type
- Number of acres in each soil type of each use
- Capitalization rate

Oklahoma  
Constitution  
Article 10 § 21

68 O.S. § 2817(C)

These elements are built into a formula to derive the average value of a parcel of land. Values are expressed in “dollars per productivity point.” This value is then applied to all agricultural land of the same class within a county to estimate a taxable (use) value.

The formula gives 75 percent weight to the capitalized rental values and 25 percent weight to the sales of the agricultural land. A different land use multiplier is computed for the four agricultural uses.

## **Agricultural Land Use Multiplier Sample**

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The land use multiplier has to be derived for each of the four subclasses of agricultural land before the County Assessor can appraise and assess it for ad valorem taxation.

The first step for the County Assessor in deriving the land use multipliers is to build a sample for each of the agricultural land uses. Building a sample is the same as building a database: the County Assessor begins by collecting data within the survey area on the typical rentals and sales of agricultural land. These data include the sale price, rental fee, land use, acreage, soils, and other relevant information.

The sample should only include recent arm’s length (market) transactions. Also, the sample should be representative of the agricultural land uses in the county. The most ideal representative sample would come from within the county for which the study is being performed.

### ***Sample Selection Criteria***

**In selecting representative samples, the County Assessor should be careful not to rely on a predetermined value.**

The last step in building a sample database after collecting the representative samples is **verifying** the data. Valid rentals and sales are very important when building the sample database. The County Assessor should evaluate all the rental fees and sale prices on a per acre basis. Transactions that vary greatly from an acceptable per acre range should be verified further before being accepted as a valid transaction. These reasonable ranges of value can be obtained from Market Trend Sheets, which are available for any area in Oklahoma. If a market transaction has physical characteristics and economic forces that impact it, then the County Assessor should note them on the “Farm Data Sheet.”

Sales and rentals are eliminated that do not meet the following criteria:

- Representative and non-bias selection
- Arm’s length transaction
- Recently negotiated cash rent if a rental within two years
- Forty acres or more of the land in agricultural use

- At least 70 percent of the land in one use
- No structures on the land, except for wire fencing
- Representative of the agricultural land use in the county\*

**\* If a parcel of land has mixed use, the County Assessor must determine its predominant use to classify the land, which is the agricultural land use covering at least 70% of the parcel. For example, a parcel having a mixed use with 80% of the acreage in cropland, 15% in native pasture, and five percent in unimproved land/timberland would be classified as cropland. The land use criterion is satisfied in that more than 70% of the land is cropland. The greater the percentage of predominant use, the more representative the sample.**

## *Sample Size*

Sample size is also important in building a representative sample for each agricultural land use. The OTC Ad Valorem Division has established the following policy in building a sample:

- Optimum requirement
  - \* Ten rental transactions
  - \* Ten sales transactions
- Minimum requirement
  - \* Six rental transactions
  - \* Six sales transactions

The minimum requirement is based on the inability to find 10 transactions. For example, it may be difficult in some western counties to find 10 sales in the unimproved land/timberland sub-classification.

## *Sample Survey Area*

The appraisal field staff may be unable to find the six minimally required rentals and sales within the county. An alternative to overcoming this obstacle is to locate rentals and sales in either of the two following areas:

1. Any adjacent counties
2. Any counties within the region

These alternatives provide a larger survey area from which to work when building the sample database. The field staff first identifies the region where the county is located, and then searches for sales and rentals from counties within the same survey region.

The regions and counties within a region are listed in Table 12.1

**Table 12.1 Agricultural Land Survey Regions**

<b>Panhandle</b>	<b>Northwest</b>	<b>Southwest</b>	<b>North Central</b>
Beaver Texas Cimarron	Blaine Custer Dewey Ellis Harper Major Woods Woodward	Beckham Comanche Cotton Greer Harmon Jackson Kiowa Roger Mills Tillman Washita	Alfalfa Canadian Garfield Grant Kay Kingfisher Logan Noble Oklahoma Payne
<b>South Central</b>	<b>Northeast</b>	<b>East - Northeast</b>	<b>Southeast</b>
Caddo Carter Cleveland Garvin Grady Jefferson Love McClain Stephens	Craig Creek Lincoln Mayes Muskogee Nowata Okfuskee Okmulgee Osage Ottawa Pawnee Pottawatomie Rogers Seminole Tulsa Wagoner Washington	Adair Cherokee Delaware McIntosh Sequoyah	Atoka Bryan Choctaw Coal Haskell Hughes Johnston Latimer Leflore Marshall McCurtain Murray Pittsburg Pontotoc Pushmataha

Counties that had the following similar characteristics were grouped in a region:

- Overall mix of soils
- Climate
- Natural ground cover
- Agricultural production patterns
- County-wide income from agricultural production

When establishing the survey area, the County Assessor should understand the following terms:

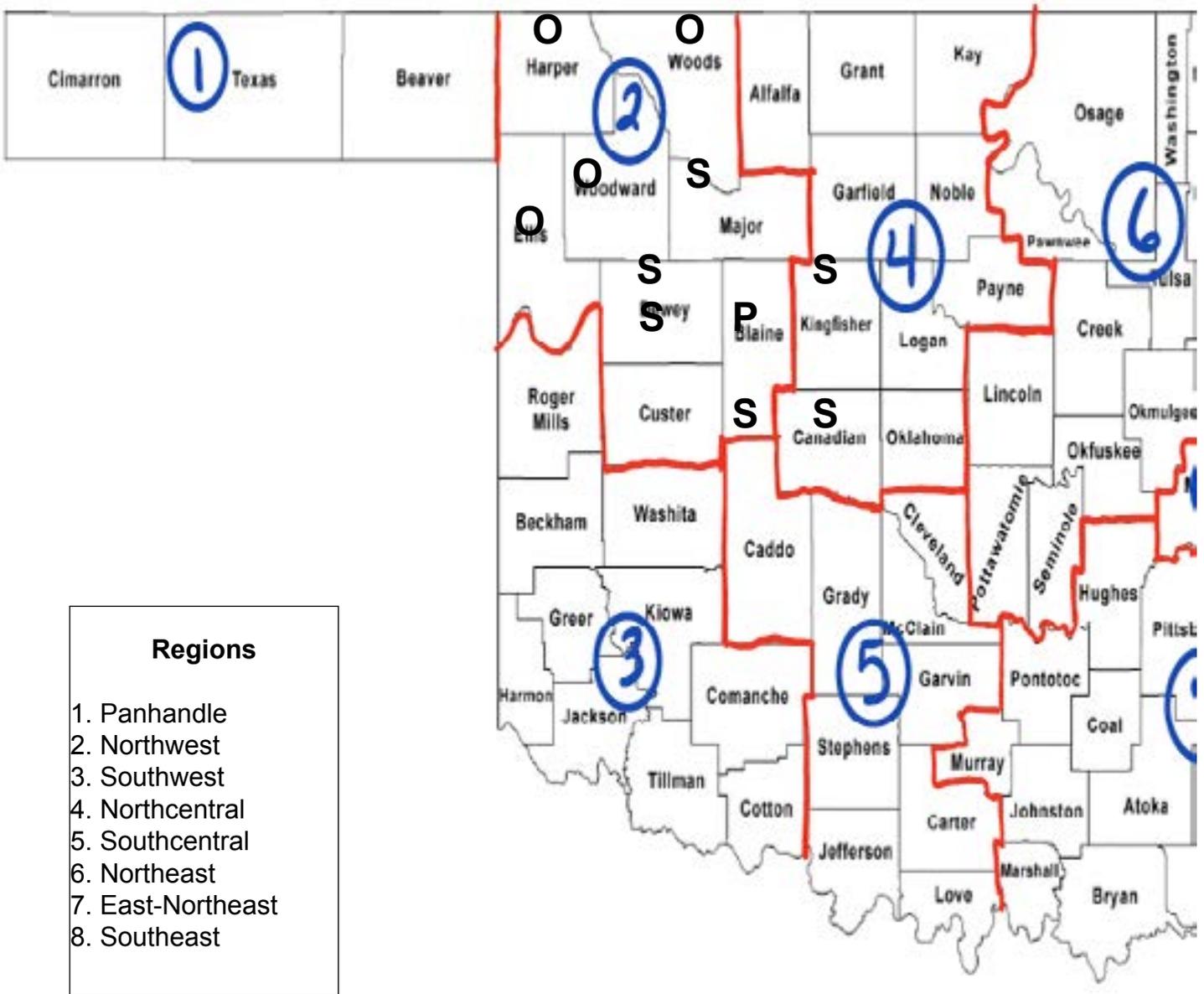
- Primary Survey Area
- \* The subject county (your county)
- Secondary Survey Area
- \* Counties adjacent to the subject county but not necessarily in the same region as the subject county
- Optional Survey Area
- \* Counties in the same region as the subject county

**NOTE: When establishing the survey area, the County Assessor should follow one important county selection rule: secondary survey areas take precedence over optional survey areas. This rule instructs the field staff to first look at sales and rentals from the adjacent counties. These counties are also called the contiguous counties or secondary survey area.**

The map in Figure 12-1 shows the agricultural survey regions. Using Blaine County as an example of a subject county can help determine the survey area from which a County Assessor would select representative samples. Blaine County is in Region 2 and is marked with a “P” to represent “primary county.” The adjacent counties of Major, Dewey, Custer, Caddo, Canadian, and Kingfisher are marked with an “S” to distinguish them as adjacent and thereby secondary counties. Counties marked with an “O” for optional counties are Woods, Harper, Ellis, and Woodward. These counties are in the same region as Blaine County, but not adjacent to it.

From the county selection rule cited above, samples would be sought from the secondary counties outside of Region 2 before going to the optional counties within the region. For example, sales and rentals would be sought from Caddo, Canadian, and Kingfisher before going to Woods, Harper, and Woodward.

## 12-1 Agricultural Survey Regions



- Regions**
1. Panhandle
  2. Northwest
  3. Southwest
  4. Northcentral
  5. Southcentral
  6. Northeast
  7. East-Northeast
  8. Southeast

- Survey Area Key**
- P: Primary Survey Area
  - S: Secondary Survey Area
  - O: Optional Survey Area

## Rental and Sales Data Sources

The county aerial map or the U.S. government conservation service aerial maps maintained by the County Assessor are good sources for identifying the agricultural lands in the county. The map resolution may be high enough to help distinguish cultivated land from uncultivated land. However, a map is no substitute for an actual inspection of the property. A photo may also help to calculate the number of acres within each use.

Agricultural rentals and sales can be identified from various sources, including the following items:

- County Assessor's office agricultural personal property file

Inquiries to personal property owners when annual personal property renditions are filed

- County Assessor's visual inspection field appraisers

Inquiries to land users when visually inspecting the property

- State Land Office's school land and state land leases from within the county
- Advertisements of land auctions in local newspapers
- County Clerk's office

All sales and a few leases are filed for public record

- County Extension office

Agricultural agents who work with farmers and ranchers

- Local property managers and real estate brokers
- Renters and agricultural land owners
- Sellers and purchasers of agricultural land
- Farm lending institutions

**All sales must be good arm's length transactions and the land must continue to be used for agricultural purposes.**

The State Land Office, as a courtesy, may furnish the County Assessor with a list of current leases of school- and state-owned land within the county. Upcoming auctions advertised in local newspapers are another good source for identifying agricultural rentals and sales. In most instances, an advertisement will list the farm or ranch location, number of acres, property characteristics such as ground cover or use, and cultivation capabilities.

After collecting an ample number of sales and rentals, verification from the buyer and seller or lessee and lessor is an important step in accepting valid transactions. Verification may be done through a questionnaire. A letter should be included with the questionnaire that explains how the information is useful for establishing equitable farmland use values.

## Trend Data

Trend data is helpful in understanding changes in market sales prices and rental fees for agricultural land. One example is price trends on agricultural commodities. Data on the changes through time in the prices of agricultural commodities may be helpful in evaluating the current value of agricultural land or the expected increases or decreases in the near future.

In addition, many state and federal reports provide useful information on agricultural land values and commodity prices. A good source of local data on agricultural commodities is *Oklahoma Farm Statistics*, published by the Oklahoma Crop and Livestock Reporting Service within the Oklahoma Department of Agriculture. The U.S. Department of Agriculture also publishes reports on a periodic basis that include data on agricultural production levels and prices, as well as land values across different regions within the country. Two particularly useful reports are the *Agricultural Land Values and Markets Outlook and Situation Report* and the *Census of Agricultural Oklahoma State and County Data*.

Oklahoma State University, as the state land grant institution, also publishes numerous reports from its researchers and cooperative extension faculty. These reports and publications from other state and federal agencies may be obtained from your local library or by contacting the OSU Cooperative Extension county office.

## Soils Identification and Productivity

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Key factors in the agricultural land use methodology are the soils covering the land and the productivity potential of each soil. Soil productivity can be defined as the potential capability of a soil to produce food products or to sustain livestock.

Field appraisers will generally observe parcels with more productive soils selling at higher prices than parcels with less productive soils.

### County Soil Books

Every County Assessor's office should have soil survey maps or a county soil book. The soil book is entitled *Soil Survey (County Name), Oklahoma*, and is published by the Soil Conservation Service of the U.S. Department of Agriculture in cooperation with the Oklahoma Agricultural Experiment Station. A copy of this book can be obtained from the Soil Conservation area office.

Additionally, a Soil Conservation Service Field Office is located in every county seat. Several counties throughout the state have another field office located elsewhere in the county. Specific questions such as soil classifications and changes in soil due to flooding should be directed to the field office that covers the portion of the county where the land is located.

### County Soil Maps

The county soil book contains a complete set of soil maps. The maps are by section, township, and range, and show the soil symbols and outlines of the soils covering the land. The soil symbol is an abbreviation for the name of a soil and, depending on the county, will be

abbreviated in one of the following ways:

- Alpha characters (letters of the alphabet)
- Numeric characters (numbers)
- Alphanumeric characters (combination of both letters and numbers)

## *County Soil Legend*

The Ad Valorem Division has furnished every County Assessor with a county soil legend. This legend is a one- or two-page summary that lists all the soils in the county along with a productivity index for each soil. A county's soil legend is arranged in the following manner:

- Soil symbol
- Soil name
- Soil productivity index

An example of a county soil legend is shown in Table 12.2.

The soil symbols and soil names in a county's soil legend match the soil symbols in the Soil Conservation Service county soil book. Each soil appearing in the book has a soil productivity index, which is a relative measure that compares the productivity potential of one soil to all the soil in the county. The index is in units of points per acre.

For example, in Table 12.2, soil "symbol 4" is Bethany Silt Loam, 0– 1% slopes. The productivity index is 78, which means that one acre of soil "symbol 4" has 78 points. Soil "symbol 20" is Grant– Kingfisher Silt Loams, 4–8% slopes. Its productivity index is 39. By relative comparison, soil "symbol 4" is twice as productive as soil "symbol 20."

Table 12.2 Example of a County Legend

Soil Symbol	Soil Name and Content	Soil Productivity Index
1	Aline Find Sand, 0-3% slopes	34
2	Attica Fine Sandy Loam, 0-3% slopes	60
3	Attica Fine Sandy Loam, 3-5% slopes	24
4	Bethany Silt Loam, 0-1% slopes	78
5	Carwile-Attica Complex, 0-2% slopes	53
6	Dale Silt Loam, 0-1% slopes, rarely flooded	83
7	Dale Silt Loam, 3-8% slopes	50
8	Drummond Loam, rarely flooded	40
9	Gaddy Loamy Find Sand, occasionally flooded	34
10	Gaddy Soils, frequently flooded	28
11	Goltry Fine Sand, 0-2% slopes	44
12	Goodnight Fine Sand, 5-15% slopes	20
13	Goodnight Loamy Fine Sand, 2-6% slopes	34
14	Gracemont Loam Saline, occasionally flooded	35
15	Grainola Silty Clay Loam, 1-3% slopes	32
16	Grainola Silty Clay Loam, 3-5% slopes	26
17	Grant Silt Loam, 1-3% slopes	65
18	Grant Silt Loam, 3-5% slopes	53
19	Grant Silt Loam, 3-5% slopes, eroded	48
20	Grant-Kingfisher Silt Loam, 4-8% slopes	39

The soil productivity index is based on physical characteristics, such as the mineral composition of a soil, texture, depth, topography, drainage, annual average temperature, annual number of sunny days, and annual rainfall level. Wheat was used as the referenced crop in establishing the soil indices.

**Soil productivity indices are not comparable across counties. Also, land management is not factored into the soil productivity index. Crop rotation, fertilizer application, and pesticide and herbicide applications are under land management and therefore are not considered.**

# Agricultural Land Use Multiplier

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Identical steps are taken to derive the price multipliers for cropland, improved pasture, native pasture, and timberland and other unimproved lands. Three main parts are involved in deriving the price multipliers for these land use sub-classifications. To aid the County Assessor in working through each part, the OTC Ad Valorem Division has approved a set of worksheets for this purpose. Contact the OTC Ad Valorem Division for detailed information.

## **Part 1 Farm Data Worksheet / Assign Total Productivity Points to a Farm**

A separate worksheet is used for each farm rental and farm sale to find the total productivity points for a farm. The County Assessor can record information for several samples of land per each worksheet.

In calculating the total productivity points of a parcel of land, the County Assessor must identify several characteristics, including the following elements:

- Agricultural Use
- Soil Symbol (from the county soil legend)
- Soil Productivity Index (points per acre)
- Number of Acres
- Total Productivity Points for a Soil
- Acres in Predominate Use
- Predominate Use Check

## **Part 2 County Summary Worksheet / Combine Farm Samples to Compute a Capitalized Average Rent Factor and an Average Sale Factor**

One worksheet is used to convert the productivity points and rental fees from the farm rentals into a county rent factor, and the productivity points and sale prices from the farm sales into a county sale factor.

For this worksheet, the County Assessor must identify several factors, including the following:

- Agricultural Use
- Capitalization Rate (provided annually by the Ad Valorem Division)
- Sample Number
- Rent Per Year
- Rent Factor
- Sample Number

- Sale Price
- Sale Factor
- Average Rent Factor
- Average Sale Factor
- Capitalized Average Rent

### **Part 3 Agricultural Land Price Multipliers Worksheet Calculate Dollars Per Productivity Point**

One worksheet is used to combine the county rent factor and the county sale factor into a price multiplier.

In this worksheet, County Assessor calculates the following multipliers:

- Cropland multiplier
- Improved pasture multiplier
- Native pasture multiplier
- Timber and other unimproved lands multiplier

## **Agricultural Land Appraisal**

Once the County Assessor has determined the four different multipliers, any agricultural property in the county can now be appraised. The following examples show the actual appraisal of agricultural properties:

$$\begin{array}{l} \text{Land Units x Productivity Index x Crop Per Acre = Land Value} \\ 4.00 \text{ acres x } 20.00 \text{ x } 5.35 = \$428.00 \end{array}$$

$$\begin{array}{l} \text{Land Units x Productivity Index x Crop Per Acre = Land Value} \\ 9.00 \text{ acres x } 38.00 \text{ x } 5.35 = \$1830.00 \end{array}$$

$$\begin{array}{l} \text{Land Units x Productivity Index x Crop Per Acre = Land Value} \\ 1.00 \text{ acres x } 57.00 \text{ x } 5.35 = \$305 \end{array}$$

## **Agricultural Land Exemption**

68 O.S. § 2817.2

Landowners are eligible for an agricultural buffer strips exemption if they use buffer strips, a conservation practice approved and managed by the National Resources Conservation Service. The approved buffer strip is exempt from taxes, and reimbursement may be made to the county by the state.

The landowner must apply at the conservation district in which the land is located. The approved application must be filed with the County Assessor by March 15 of each year. The County Assessor then notifies the OTC Ad Valorem Division of any applications.

AG Opinion 03-16

The application states the acreage qualified for the exemption. The value of the strip is determined by using the agriculture use value methodology. The buffer strip is listed separately on the assessment roll. The taxes exempted by the statutes are reimbursed by the OTC Ad Valorem Reimbursement Fund, if funds are available.

## Chapter Thirteen

# Appraising Real, Personal, and Public Service Corporation Property

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*This chapter defines real property, personal property, and public service corporation property and explains how each of these properties is valued and assessed.*

## Basis for Property Taxation in Oklahoma

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Two constitutional provisions establish the basis for property taxation in Oklahoma. The first law, Article 10, Section 5, requires uniform taxation of property. The second law, Article 10, Section 8, requires all property to be valued according to its actual use. In this chapter, a summary is provided on how these and several other statutory requirements impact the duties of the County Assessor.

## Uniformity in Ad Valorem Taxation

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The first provision that addresses property taxation in Oklahoma is Article 10, Section 5 of the Oklahoma Constitution. This provision states that all property within a class of property must be assessed equally, or assessed at one rate.

For example, the County Assessor should assess all real property at one rate and assess all personal property at one rate. However, the rate that the County Assessor applies to real property does not necessarily have to be the same rate applied to personal property. (See the McLoud [Oklahoma] Supreme Court Decision in Chapter Eight of this handbook.)

## Classes of Property

Ad valorem taxation comprises three classes of property:

1. Real property
2. Personal property
3. Public service corporation property

The County Assessor is responsible for appraising and assessing the first two property classes, real and personal property.

The County Assessor is **not** responsible for appraising and assessing the third class of property, public service corporation property.

Oklahoma  
Constitution  
Article 10 § 5

OK Decisions  
1918 OK 329  
173 P. 2D 442

Oklahoma  
Constitution  
Article 10 § 8

68 O.S. § 2819

These properties are the responsibility of the State Board of Equalization. The Ad Valorem Division values this third class of property and the State Board of Equalization certifies the fair cash value and certifies the assessment percentage.

The three classes include the following types of property:

- **Real property** 68 O.S § 2803  
68 O.S § 2806  
Land and all buildings, structures, and other improvements or permanent fixtures that add value to the land
- **Personal property** 68 O.S § 2803  
68 O.S § 2807
  - \* Tangible movable property, including household property
  - \* Business equipment and goods for sale
  - \* Livestock
  - \* Dormant and movable stock of nurseries, improvements on leased land that do not become part of the realty
  - \* Improvements on land owned by the United States or the State of Oklahoma, and other exempt jurisdictions
  - \* Improvements on land owned by a railway company or other corporation whose property is not subject to the same mode or rule of taxation as other property
- **Public Service Corporation Property** Oklahoma  
Constitution  
Article 9 § 11  
68 O.S. § 2803  
68 O.S. § 2808  
A corporation that is private or public in ownership. This type of property is made up of transmission and transportation companies, including gas, electric light, heat power companies; telephone, railroad, pipeline, and airline companies; and water works and water-power companies.

**Cable television companies are not considered public service companies in Oklahoma according to the Oklahoma statutes.**

### *How to Classify Improvements on Leased (Native American) Land*

Two Oklahoma Supreme Court cases are cited below that address how improvements on leased land are characterized as either real or personal property. The first case addresses both the definition and taxable status of improvements on leased Native American land.

#### **1. Native American Land as Personal Property**

Improvements placed on Native American land are personal property and subject to property taxation when either of the following conditions applies:

- The lessee of the land owns, controls, and receives benefits from the improvements during the term of the land lease
- The lease states that on the specified date the term of the lease expires

OK Decisions  
1992 OK CIV  
APP 21 827  
P.2D 909

If the term of the lease has expired, then the following conditions apply:

- The lessee's rights in the improvements cease
- The improvements are not to be removed
- The improvements become the property of the Native American Tribe

(Central Coal and Lumber Co. V. Board of Equalization of LeFlore County, No. 9,087, 1918)

## 2. Native American Land as Real Property

Improvements on leased land are real property and subject to property taxation when the following conditions apply:

- The land that is leased is owned and held in record title by a third party other than a railroad
- company or corporation whose property is not subject to the same mode of taxation as other property, or a Native American Tribe
- The lease is a long-term contract favoring the owner of the improvements
- The improvements take on the character of real property

(Keyes v. Penn Square Mall Ltd., Pacific Reporter, 173 p. 442)

## **Assessment Rates for Real, Personal, and Public Service Corporation Property**

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Oklahoma  
Constitution  
Article 10 § 8(A,B)

The Oklahoma Constitution states that no real property can be assessed at a value less than 11 percent or greater than 13.5 percent of its fair cash. For personal property, the statutes state that the assessment rate must be not less than 10 percent and not more than 15 percent.

As mentioned earlier in the section "Classes of Property," airlines, railroads, pipelines, telephone companies, and electrical utilities are known as public service corporations. Airlines and railroads are assessed at 11.84% while all other public service is currently assessed at 22.85% in keeping with the percentage limits in State Question 675.

## ***Use Value and Fair Cash Value***

In Oklahoma, use value is defined as the value a property has based solely on its current use. Fair cash value is the estimated price the property would bring at a fair voluntary sale. The Oklahoma Constitution requires real property to be taxed according to its fair cash value for the highest and best use for which the property was actually used, except for agricultural land. Agricultural land has a formula prescribed and mandated by the statutes and the State Board of Equalization to determine its use value. In this sense, agricultural property differs from residential and commercial/

68 O.S. § 2802

industrial property because if the agricultural property is sold, its selling price will more than likely differ substantially from its listed use value.

Effective in 1997, the fair cash value of any locally assessed real property cannot be increased by more than five percent (5 %) in any taxable year, unless sold or improved.

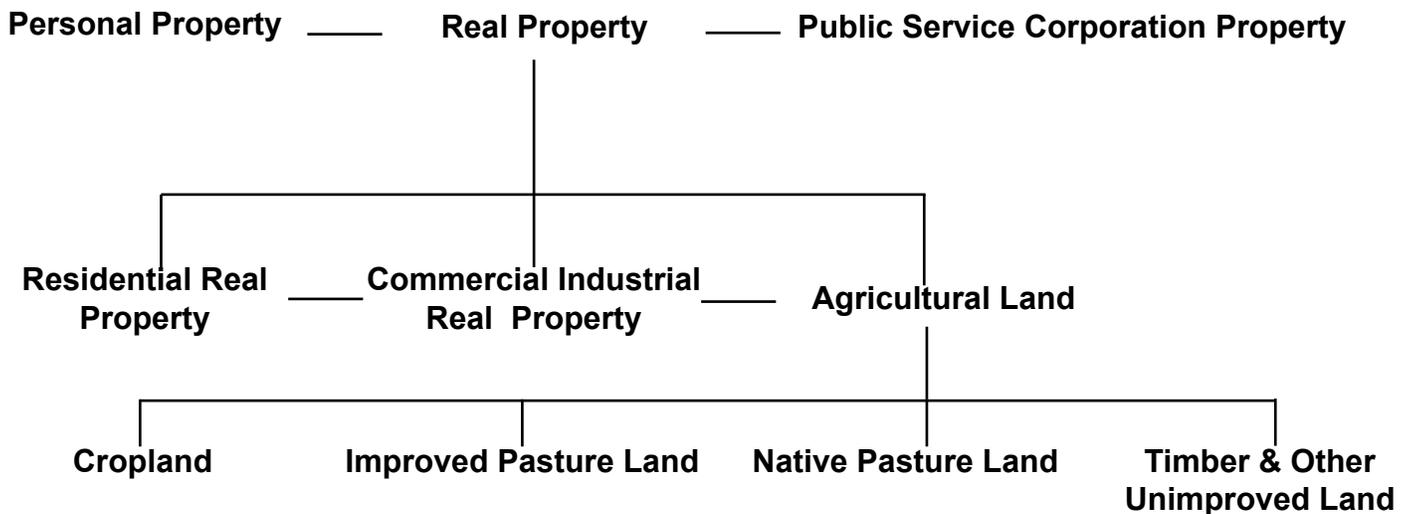
68 O.S. § 2817(H)

## Use Classifications

Three classes of property exist: real, personal, and public service corporation property. Real property is broken down further into three use classifications that tell County Assessors how the land is used, which in turn helps them to determine the land's fair cash value at current use. Figure 13-1 shows the relationship between use classifications.

State Board of  
Equalization  
Minutes,  
July 21, 1981

**Figure 13-1 Relationships Between All Use Classifications**



- **Residential real property**

Parcels of land, including improvements made on land, that is used for one to four unit-family residences, whether inside or outside a municipality.

- **Commercial/industrial real property**

Land, including improvements on land, that is used in commerce, trade, business, manufacturing, or other such mercantile pursuits. These mercantile pursuits involve the exchange of goods or property of any kind or services.

- **Agricultural real property**

Land, including improvements on land, that is necessary or convenient for agricultural purposes, which include residences for agricultural employees, and cultivation of land for the production of agricultural commodities, or the breeding and raising of stock, or any industry practiced by a cultivator of the soil

These activities are generally recognized as farming, ranching, dairying, or forestry.

State Board of  
Equalization  
Minutes,  
Feb., 20, 1990  
Amended

Agricultural land is further divided into the following sub-classifications:

\* **Cropland**

Land actually cultivated or was cultivated during the immediately preceding calendar year for the production of agricultural commodities including fruit and nut orchards. Cultivated land that is not being used and is placed in a “Conservation Reserve Program” and upon which an annual payment is received will continue to be classified as cropland.

\* **Improved Pasture Land**

Land actually cultivated or has been cultivated for the production of improved grasses.

\* **Native Pasture Land**

Pasture land that has not been improved.

\* **Timber and Other Unimproved Lands**

All other land in the state of Oklahoma that is not classified as cropland, improved pastureland, or native pastureland.

## *Assessing Real Property*

The County Assessor can use different appraisal methods to determine the fair cash value of different classes of property. Article 10 § 22 of the Oklahoma Constitution authorizes the County Assessor to classify property according to market value for current use or to use value that is used for agricultural land.

Oklahoma  
Constitution  
Article 10 § 22  
68 O.S. § 2817(B)

The County Assessor must assess all taxable real property according to its fair cash value as of **January 1**. The County Assessor must determine the fair cash value according to one of the following criteria:

1. The highest and best use for which the property was actually used during the preceding year
2. The highest and best use for which the property was last classified for use if not actually used during the preceding calendar year.
3. Within the scope of Oklahoma Constitution Article 10 § 8.

For real property, fair cash value is the estimated value the property would bring at a **fair voluntary sale** (also referred to as an arm’s length transaction). This means that the County Assessor typically uses the sales price of recently sold properties to establish market data. The County Assessor then uses this market data to appraise other properties that are similar to those that recently sold.

Oklahoma  
Constitution  
Article 10 § 8

Situations may arise when the fair cash value and the actual use value diverge. For example, a single family residence located in a commercial zone may have a higher market value as commercial property than as residential property. If the property is used as a single family residence, then the

County Assessor must appraise it according to its residential use.

## How Does Zoning Affect Use Classification?

68 O.S. § 2817(B)  
68 O.S. § 2817(I)

If a landowner or landowner's agent (such as a property manager or an attorney who handles a client's property) is granted a change in zoning, then the use classification of the property may change.

However, the County Assessor **must not** reassess the property until January 1 of the year following the change in use or classification or following a transfer of ownership.

68 O.S. § 2817(G)

## What Happens if a Change in Ownership Occurs?

When a property is transferred from one owner to another owner, the County Assessor shall reappraise or reassess the property as of the following January 1 date.

Oklahoma  
Constitution  
Article 10 § 8B

The Oklahoma Constitution states that if a transfer of property takes place, the County Assessor revalue the property based on current fair cash value for the following January assessment date.

Statutory law allows the County Assessor to apply professional discretion in determining use classification. The County Assessor can change the use classification if the County Assessor determines that either of the following conditions exists:

1. The use of the property changes after the transfer or change in ownership.
2. The amount of the sales price conflicts with what the market would indicate is the fair cash value of the property under its use classification prior to the sale.

## When to Assess Real Property

The County Assessor must assess **all taxable property** at its fair cash value as of **January 1**. For real property that becomes taxable after **January 1** of any year, the County Assessor should perform these steps:

68 O.S. § 2817(B)

1. Assess the property on **January 1 of the next year**
2. Place the property on the tax roll that will be prepared in **October of the next year**.

**Agricultural property is subject to State Board of Equalization guidelines, which are covered in Chapter Twelve, Agricultural Use Value.**

For example, if a new improvement is completed in May of 2010, the County Assessor assesses it on January 1, 2011, and places it on the tax roll in October of 2011.

## When to Assess Real or Personal Property Under Special Circumstances

68 O.S. § 2817(J)

The following situations require the County Assessor to take the designated actions:

### Assessing a Single Family Residence Under Construction

- If the property is conveyed to a purchaser or occupied before it is completed, the County Assessor must value the property for the next January 1 assessment date for full cash value.
- If the property is not conveyed to a purchaser or is not occupied, the County Assessor must assess it on January 1 according to the fair cash value of the land and the materials in place as of January 1.

## When to Assess Real or Personal Property Damaged by Natural Factors

68 O.S. § 2817(K)

If improvements on personal property are destroyed or the land value is impaired, damaged, or destroyed by fire, lightning, storm, winds, floodwaters, overflow of streams, or other causes **after January 1**, and before the County Board of Equalization adjourns, the County Assessor determines the damage amount and assesses the property for that year at its fair cash value. When assessing the property, the County Assessor must take into account the damage caused by any of the elements listed above.

## *Assessing Personal Property*

The general rule for the County Assessor to follow for assessing personal property is to list and assess the property at the price it would bring at a fair voluntary sale as of **January 1**. Exceptions to this rule are given below.

### Household Personal Property

68 O.S. § 2817(A)

The statutes address how household personal property shall be valued: “The fair cash value of household personal property shall be valued at 10 percent of the appraised value of the improvement to the residential real property, within which such personal property is located as of **January 1** each year.”

**As of 2020 all counties in Oklahoma have voted to not have household personal property valued as part of the residential real property and instead have voted to exempt household personal property.**

Oklahoma  
Constitution  
Article 10 § 8A

The taxpayer may take exception to this “10 percent” valuation by listing his or her personal property at its **actual** fair cash value, which may be lower than the fair cash value following the “10 percent” rule. If this is the case, the taxpayer may claim the lower value.

**The Oklahoma Constitution allows each county the option to exempt household personal property by a popular vote of the residents of that county.**

## Unmanufactured Farm Products

For unmanufactured farm products, such as bailed hay or any other agricultural product that is grown and not manufactured, the County Assessor must value the property according to its value on **May 31** of the **preceding year** rather than January 1 of the current assessment year. For example, a farmer **lists** unmanufactured farm products from January 1 to March 15 of the current assessment year. However, the **amount** listed and the property's value is the amount and value as of **May 31** of the **preceding year**.

## Business Personal Property

68 O.S. § 2817(A)

The property owner or the owner's agent should list stocks of goods and merchandise inventory according to the fair cash value of the average amount recorded during the previous year. Business equipment should be appraised according to its fair cash value as of **January 1** of the current assessment year.

## *Appraisal Assistance of Real & Personal Property*

68 O.S. § 2826

For residential property, the county assessor may appoint, or may request the Oklahoma Tax Commission to assign, an appraiser to assist the county assessor in valuation of the property. For non-residential property, after consultation with the Oklahoma Tax Commission, the county assessor may appoint an appraiser to assist the county assessor in valuation of the property.

While assistance can be given in the appraisal process any appeals of valuation will be the responsibility of the county assessor

## Chapter Fourteen

# Real Property: List, Appraise and Assess

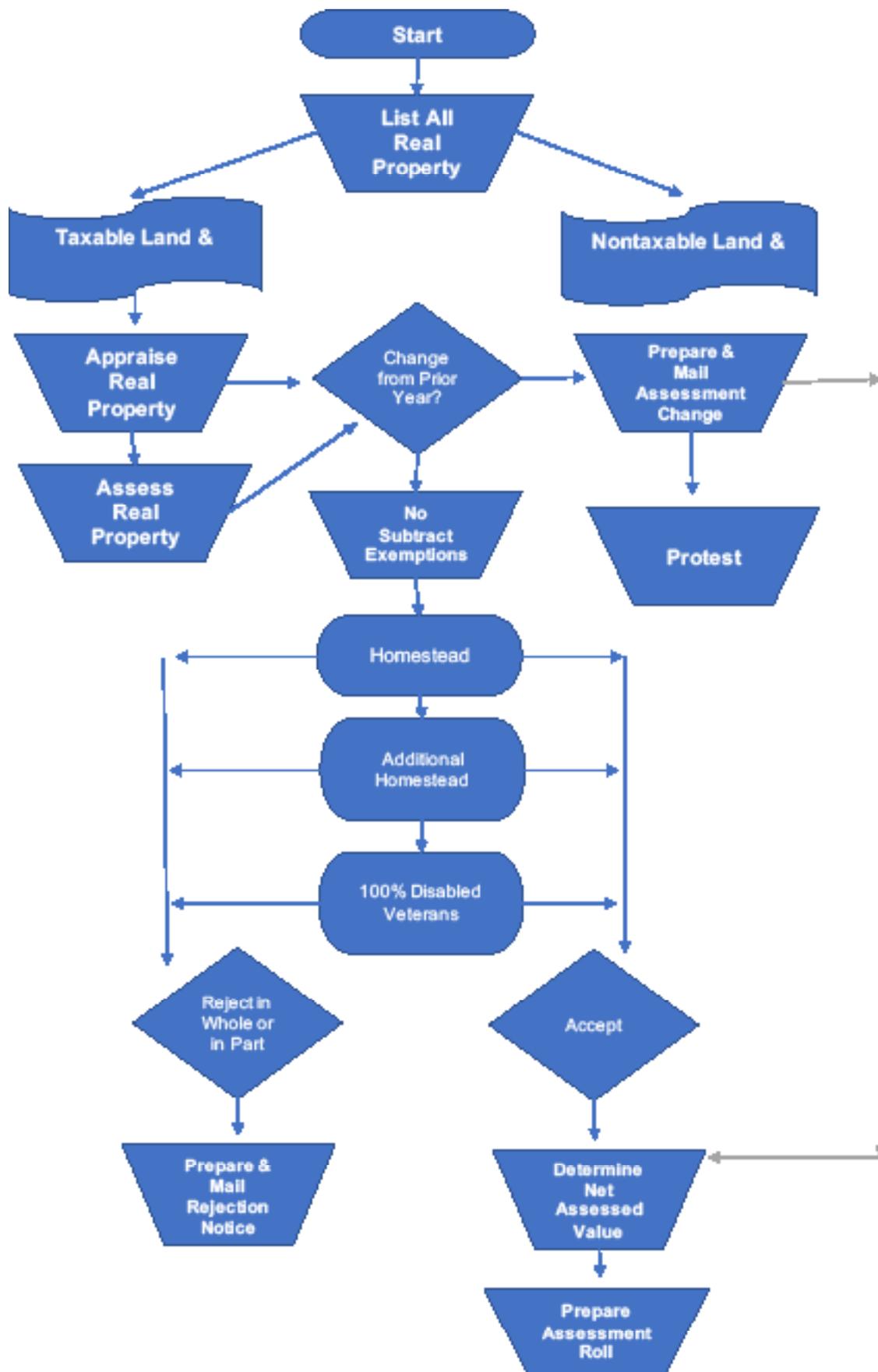
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## Listing, Appraising, and Assessing Real Property

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The County Assessor must follow a number of steps when performing the official duty of listing, appraising, and assessing real property. The flowchart shown in Figure 14–1 illustrates each of these steps in the sequence that the County Assessor must follow them. The sections in this chapter follow the steps outlined in the flowchart.

Figure 141. Listing, Appraising, and Assessing Real Property



## *List All Real Property*

68 O.S. § 2806  
68 O.S. § 2835(A)

Real property, for the purpose of ad valorem taxation, is the land itself and all the rights belonging to or connected to the land that add value to it. Some examples of real property are all building structures and other improvements and permanent fixtures.

Each County Assessor must prepare and keep a book known as a “land list” that must contain the following information:

68 O.S. § 2841

- Name of the owner
- Identification number sufficient for locating the property
- Number of acres of rural land
- Value of rural land
- Names of city and towns
- Number of lots in each city and town
- Value of the improvements in each city and town

The County Assessor is further required to correct the land list before starting to assess any property. The following information should be entered alongside the property on the land list:

- Transfer of property
- Identification of nontaxable property and reason for non-taxation

**The land list has been incorporated into the assessment roll in most or all counties. The assessment roll satisfies the land list requirement.**

68 O.S. § 2831

## **Taxable Land and Improvements**

On January 1 of each year, the County Assessor must list and assess all real taxable and nontaxable land and improvements in the county, school district, and municipal subdivision where the property is located.

68 O.S. § 2835(C)

The taxpayer is **not** required to annually list his or her real property. If a taxpayer chooses to list real property, then the list must show the following information:

- Taxpayer’s estimated value of each tract of land
- Taxpayer’s estimated value of the buildings and improvements on each tract

## *Permanent Records*

On or before January 1 of each year, the Ad Valorem Division prescribes the forms for listing real property. The format must be uniform throughout the state.

In addition to the land list, or assessment roll, the County Assessor is also required to build and maintain permanent records, either on property record cards or on the computer, on the taxable real property in the county. From these permanent records, the County Assessor builds the assessment roll. The permanent records must contain the following information:

68 O.S. § 2841

- Classification, grade, and value of each tract of rural land outside a subdivision
- Value of improvements on each tract of rural land outside a subdivision or addition
- Description and value of each tract of rural land in a subdivision or addition
- Value of improvements on each tract of rural land in a subdivision or addition
- Description and value of each lot and tract in a city or town
- Value of improvements on each lot and tract in a city or town

**The classification and description of the property mentioned in the list above refers to the use of the property. For example, the three use classifications within real property are residential, commercial/industrial, and agriculture. (See Chapter Thirteen, Appraising Real, Personal, and Public Service Corporation Property, for a more detailed discussion of use classifications and sub-classifications.)**

The County Assessor should arrange the permanent records in the following order:

68 O.S. § 2840(A)(2)

1. Lowest to highest township and range
2. Lowest to highest section number in a township and range
3. Lowest to highest subdivision number in a section

Not only is the County Assessor required to build and maintain the permanent taxable real property records, but the County Assessor is also required each year to correct and revise them. The revisions or corrections include adjusting the fair cash value and assessed value of the property.

68 O.S. § 2840(B)

The County Assessor is **not** required to maintain a record of the fair cash value of public service corporation land because the State Board of Equalization assesses this class of property.

## **Nontaxable Land and Improvements**

The County Assessor is also required to maintain permanent records on all the exempt property in the county, including records of the value of Native American land and other exempt property not cited below. The records must contain the same information and must be maintained in the same way as the permanent records on taxable property as discussed in the preceding section.

68 O.S. § 2840(A)(3)

For the following types of nontaxable property, the County Assessor is **not** required to maintain a

record on the value of the land or improvements:

- Property owned by the United States of America
- Property owned by the State of Oklahoma
- Property owned by cities, towns, and counties
- Property used exclusively and directly for religious, educational, and charitable purposes

Oklahoma  
Constitution  
Article 10 § 6

## ***Appraise Real Property***

After the County Assessor has listed taxable land and improvements, the next step is to appraise them. The County Assessor must appraise all real property at the fair cash value of the property in its current use. The fair cash value is an estimate of the price (which refers to the appraised value that the County Assessor determines using mass appraisal techniques based on similar properties) a buyer and seller would agree upon at a fair voluntary sale. (See Chapter Thirteen, *Appraising Real, Personal, and Public Service Corporation Property*, for a discussion of fair cash value and use value.)

68 O.S. § 2840(B)  
68 O.S. § 2817(B)

Each year, the County Assessor is required to value all taxable property in the county using the following criteria:

- Current cost, sales, and income data
- Acceptable mass appraisal techniques

68 O.S. § 2829

(Refer to Chapter Eleven, *The Appraisal Process*, for a discussion of the three approaches to value.)

The County Assessor must record annually the estimated fair cash value of a property on the permanent property record and the assessment roll. The annual revisions must reflect increases or decreases in the fair cash value of the properties within the county.

68 O.S. § 2829(C)  
68 O.S. § 2840(B)

The County Assessor should use the same appraisal techniques to appraise improvements on leased land as would be used to appraise similar types of real property.

The taxable fair cash value of any existing property cannot increase by more than five percent non-homesteaded or three percent homesteaded property in any taxable year unless sold or improved.

An exception to this appraisal process is when determining the value of facilities used for poultry production. Those values should be determined using the schedules found in Chapter Sixteen, *Business and Agricultural Personal Property: List, Appraise, and Value*.

68 O.S. § 2829(A)

## ***Assess Real Property***

After appraising all real property, the County Assessor's next step is to determine its assessed value. To do this, the County Assessor must multiply the taxable fair cash value of the real

68 O.S. § 2817.1  
OK Decisions  
1992 OK CIV APP 21  
827 P.2D 909  
68 O.S. § 2817(D)

property by the assessment percentage. The result is the gross assessed value of the property.

For example:

$$\text{Gross Assessed Value} = \text{Taxable Fair Cash Value} \times \text{Fractional Assessment Percentage}$$

The County Assessor applies the assessment percentage based on the Assessor's evaluation of the property. (See Chapter Thirteen, *Appraising Real, Personal, and Public Service Corporation Property*, for current assessment percentages.) If the property is not entitled to an exemption, then the gross assessed value becomes the taxable value of the property. Exemptions on real property are discussed in the section, "Subtract Exemptions," later in this chapter.

## *Change in Value from Prior Year*

### Prepare and Mail Assessment Change Notice

After determining the assessed value of the real property, the County Assessor must determine if a change has occurred in the appraised or assessed value of the property from the prior year and mail the taxpayer a notice if any of the following events have occurred:

- The appraised value increases from the prior year
- The taxable fair cash value increases from the prior year
- The fractional assessment percentage increases from the prior year
- The County Assessor has added property not listed by the taxpayer

The County Assessor must include at least the following information on OTC Form 926, *Change in Assessed Value*.

1. Taxable fair cash value of property for the **preceding year**
2. Taxable fair cash value of the property for the **current year**
3. Assessment percentage for the **preceding year**
4. Assessment percentage for the **current year**
5. Assessed value for the **preceding** and the **current year**
6. Legal description of the property

68 O.S. § 2876

68 O.S. § 2802

**The County Assessor may use the legal description or any other description that sufficiently identifies the property to the taxpayer.**

7. Date the notice is prepared

The County Assessor must mail or deliver the notice to the taxpayer at the taxpayer's last-known address and shall clearly be marked with the mailing date. The assessor shall have the capability to duplicate the notice, showing the date of mailing. Such record shall be prima facie evidence as to

the fact of notice having been given as required by statute.

A taxpayer has 30 calendar days from when the increase in assessed value notice was mailed or delivered to respond to it. Responses or complaints from the taxpayer are discussed in Chapter Twenty-Three, *Appeals Process*.

## ***No Change from Prior Year***

If the appraised value of the property or the assessed value does not increase, then the County Assessor must move on to the next two steps shown in Figure 14–1, in which the County Assessor must determine the net assessed value (by first subtracting all exemptions) and prepare the assessment roll.

## ***Subtract Exemptions***

In this step, the County Assessor must subtract any exemptions. Exemptions to real property include the following types:

- Homestead exemption
- Additional homestead exemption
- Storm Shelter exemption
- Military Service Disability exemption (100% disabled veterans)

In applying these exemptions, the Assessor must perform the following steps:

1. Determine if the property is eligible to receive an exemption
2. Determine the amount of the exemption
3. Subtract the amount of the exemption

## **Homestead Exemption**

The County Assessor must compute the net assessed value if a single-family residence is entitled to a **homestead exemption**, or to a homestead exemption and **an additional homestead exemption**. (See Chapter Nineteen, *Exemptions*.) The net assessed value or the gross assessed value is the taxable value of the property depending on whether or not the single-family residence is entitled to one or both exemptions.

68 O.S. § 2888

68 O.S. § 2889

A taxpayer must apply for a homestead exemption. Taxpayers obtain an *Oklahoma Application for Homestead Exemption*, OTC Form 921, from the County Assessor and then return it after the application is completed by March 15. A taxpayer need not reapply each year for a homestead exemption. Some County Assessors update their records each year by sending out an inquiry to verify whether the homestead is still eligible for a homestead exemption.

**Application can be made at any time, but it must be made by March 15 to effect the**

**current tax year.**

A parent may file a full homestead exemption if a child's name is also on the deed but the child does not live on the property.

68 O.S. § 2892(A,B)  
68 O.S. § 2812  
68 O.S. § 2890

**Taxpayers owning and living in mobile homes located on land that they own may be entitled to a homestead exemption.**

## **Additional Homestead Exemption**

Taxpayers eligible for an additional homestead exemption must apply **on, or before March 15** or within 30 days of receiving any increase of valuation notice of each year. Taxpayers need not reapply each year if they are 65 years of age or older and still meet the qualification requirements for approval.

68 O.S. § 2890

## ***Rejecting Homestead Exemptions***

The County Assessor has the authority to approve or reject the application for a homestead exemption or additional homestead exemption. The County Assessor also has the authority to determine the amount of the exemption, up to \$1,000 of assessed value. The County Assessor must present the applications to the County Board of Equalization before their adjournment.

68 O.S. § 2894  
68 O.S. § 2895

Some cases may exist where a taxpayer is not eligible for a full exemption because he or she owns only a portion of the residence or uses a portion of the residence as a business. If the County Assessor refuses or reduces the application for a homestead exemption, then the County Assessor must notify the taxpayer by mail. The County Assessor should prepare the notice on the form that is prescribed by the Oklahoma Tax Commission. The County Board of Equalization reviews all applications for homestead or additional homestead exemptions after they have been filed with the County Assessor.

**Adding a child to the homestead deed does not affect the amount of the exemption.**

## **Protests**

A taxpayer can protest the County Assessor's decision to approve or deny an entire or partial homestead exemption. The taxpayer must file the protest with the County Board of Equalization prior to adjournment.

68 O.S. § 2889  
68 O.S. § 2890

## ***Accepting Homestead Exemptions***

If the County Assessor approves the homestead exemption, then the homestead exemption and additional homestead exemption must be subtracted from the gross assessed value to determine the net assessed value. Then, the County Assessor's next step is to total the gross assessed value of the land and the gross assessed value of the improvements, and from this sum subtract the dollar amount of the exemption. For example:

Gross Assessed Value of Land + Gross Assessed Value of Improvements = \$\$

\$\$ - Exemption = Net Assessed Value

Net Assessed Value = Gross Assessed Value of Land + Improvements - Exemptions

To determine whether a taxpayer is eligible for a homestead exemption, an additional homestead exemption, or no exemption, the County Assessor should complete the following steps:

- **If entitled to a Homestead Exemption:**
  1. Subtract up to \$1,000 from the gross assessed value to derive the net assessed value.
  2. The net assessed value is the taxable value, unless there is an additional exemption.
  3. If a negative number results, **no tax is due**.
- **If entitled to a Homestead Exemption and Additional Homestead Exemption:**
  1. Subtract an additional \$1,000 from the assessed value to derive the net assessed value.
  2. The net assessed value is the taxable value.
  3. If a negative number results, then **no tax is due**.
- **If not Entitled to a Homestead Exemption:**
  1. No deduction is taken from the assessed value.
  2. The gross assessed value is the taxable value.

The final step for the County Assessor is to enter the property on the assessment roll.

## Storm Shelter Exemptions

State Question 696 adopted in November of 2002, provides exemptions from ad valorem taxation for storm shelters up to 100 square feet in size that were constructed after January 1, 2002. Applications for this exemption are made on OTC Form No. 905, *Oklahoma Storm Shelter Exemption Application*.

Oklahoma  
Constitution  
Article 10 § 6

**If the county does not add additional value for storm shelters, no record is required.**

## Military Service Disability Exemption (100% Disabled Veterans)

The constitutional amendment that was created by State Question 715 entitles honorably discharged veterans with a 100% permanent disability to claim an exemption on the full amount of the fair cash value of their homestead. The law was effective on January 1, 2006.

Oklahoma  
Constitution  
Article 10 § 8E

The taxpayer applies for the exemption on OTC Form No. 998, *Oklahoma Application for 100% Disabled Veterans Real Property Tax Exemption*.

68 O.S. § 2876

If the county assessor determines that a mailing to property owners exempt from payment of ad valorem tax pursuant to Sections 8E & 8F of Article X of the Oklahoma Constitution would create an undue burden, then the county assessor may suspend notifications of those property owners.

## *Duties and Deadlines*

Table 14.1 summarizes important dates and deadlines in the listing, appraising, and assessing of real property.

**Table 14.1 Duties and Deadlines for the County Assessor and Taxpayer**

<b>Duty for County Assessor, Taxpayer &amp; Manufacturing Establishment</b>	<b>Deadline or Date for Completion</b>
<i>County Assessor</i>	
List & assess all real taxable property in county, school district & municipal subdivision where the property is located.	On January 1
Maintain, correct & revise permanent taxable real property records & exempt records.	Annually
Record estimated market value of a property on the permanent property record & the assessment roll.	Annually
Mail or deliver <i>Change in Assessed Value</i> , OTC Form 926 to taxpayer.	Within one working day from when form was prepared
<i>Taxpayer</i>	
Respond to notice entitled Change in Assessed Value, OTC Form 926.	Within 30 calendar days from when the notice was mailed or delivered
Apply for a homestead, additional homestead, senior valuation freeze, vegetative filter strip, storm shelter or military service disability exemptions.	By March 15
Apply for a military service disability exemption (100% disabled veterans)	Between January 1 and March 15  However, if the County Assessor becomes aware of an otherwise-qualified applicant at any time during the current year, the County Assessor may, upon compliance with all qualification criteria, make the appropriate adjustment.

## Chapter Fifteen

# Household Personal Property: List, Appraise, and Assess

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**\*\*\*It should be noted that all counties in Oklahoma no longer list, appraise or assess Household Personal Property since all counties have approved the adjusted millage rate - computation procedure - maximum rate that was allowed in the *Oklahoma Constitution Article 10, Section 8A*.**

## Household Personal Property

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The County Assessor is responsible for listing, appraising, and assessing household personal property.

**County Assessors in counties that have passed the household personal property exemption are not required to list or assess household personal property.**

Oklahoma  
Constitution  
Article 10 § 8A

The following properties must be listed and assessed each year at their fair cash value, estimated at the price they would bring at a voluntary sale, as of January 1:

- All taxable personal property, except intangible personal property
- Personal property exempt from ad valorem taxation
- Household personal property

68 O.S. § 2817(A)

The fair cash value of household personal property must be valued at 10 percent of the appraised value of the improvement to the residential real property where the personal property is located.

The taxpayer may alter the household personal property assessment by listing the property at its actual fair cash value as of January 1 of each year. Other methods are not statutorily compliant.

### *Items Defined as Household Personal Property*

The County Assessor is responsible for listing, appraising, and assessing all **tangible** household personal property in the county. Tangible household personal property, or “chattels,” is also taxed ad valorem. All movable property that is used by individuals and families inside and outside of the home is considered tangible household personal property. This property includes the following items (refer to the statutes for more detailed descriptions):

- All goods, chattels and effects including, but not limited to, the following items:
  - \* Recreational and sporting equipment including unlicensed and non-tagged vehicles
  - \* Collections such as art, coins, and antiques
  - \* Lawn and gardening equipment
  - \* Tools and hobby equipment
  - \* Computers and audio-visual equipment
  - \* Unlicensed vehicles, including trailers, all-terrain vehicles
- All household furniture including gold and silver plate, musical instruments, watches and jewelry
- Personal, private, or professional libraries

68 O.S. § 2807

## *Records and Taxable Situs of Household Personal Property*

The County Assessor must maintain a record of all of the household personal property in the county. In addition, the County Assessor must update these records annually, beginning on the first working day following **January 1**. In updating the records, the taxable situs, or taxable location, of the property is determined as follows:

- In the county, school district, and municipality where the property is located as of **January 1**
- In the case in which property is moved into a county between **January 1** and **September 1**, unless already taxed elsewhere in Oklahoma.

68 O.S. § 2831(B)

**The objective is to ensure that all taxable property is being assessed. If the 10% rule is not used, the burden of proof lies with the taxpayer to show if the property is assessed elsewhere.**

The owner of personal property or the **agent** of the owner is responsible for rendering all household personal property. Agents of another person can be one of the following individuals:

- Guardian of a minor child or incapacitated person
- Trustee overseeing personal property in a trust
- Executor or administrator of the estate of a deceased person

68 O.S. § 2832

An agent of the owner must list the property in the owner's name. In an estate, the undivided property of the heirs may be listed as belonging to the heirs without including their names.

## *Household Personal Property Renditions*

If the 10% rule is not used, the major steps that the County Assessor should follow in listing, appraising, and assessing household personal property correspond to the flowchart shown in Figure 15-1.

68 O.S. § 2832(C)

### **Meet Taxpayers**

As soon as practical, **after January 1 and until the last day in February**, the County Assessor must establish meeting locations and office hours in different locations in the county. These temporary offices are for taxpayers to meet with representatives of the County Assessor's office to list their household personal property and obtain homestead exemption, and other applicable applications, if the 10% rule is not used.

68 O.S. § 2836

**The taxpayers may meet with a representative to list (render) their household personal property OR they can mail the list.**

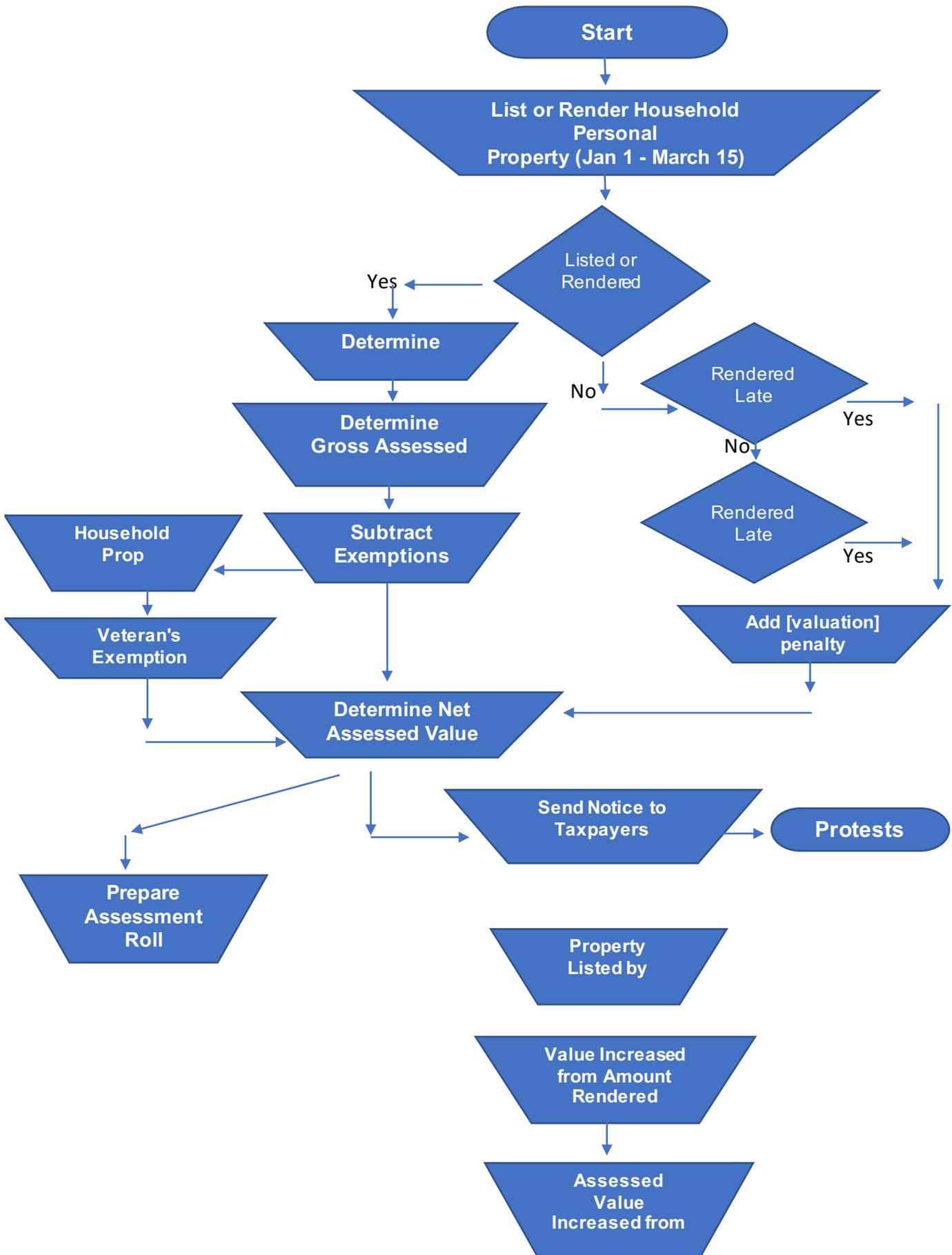
From **March 1 to March 15**, the County Assessor must be at the courthouse to receive household personal property lists that have yet to be rendered for the current year.

The County Assessor must follow these guidelines:

- Spend at least one day in every city and incorporated town
- Give notice of the location and office hours at least ten days prior to the scheduled meeting date

Figure 15-1. Steps for Listing, Appraising, and Assessing Household Personal Property

Figure 15.1 Steps for Listing, Appraising and Assessing Household Personal Property



## Publish a Notice

68 O.S. § 2836(A)

By law, the County Assessor must publish a notice in the legal section or in a commercial advertisement in at least one newspaper having general circulation in the county. For the taxpayers' convenience, the County Assessor should consider publishing a notice in every widely distributed newspaper in the county. If a commercial advertisement is used, then the county may pay no more than the prevailing advertisement rate in the area.

## Provide Personal Property Forms

68 O.S. § 2835

The County Assessor must furnish the form entitled, Household Personal Property Rendition, OTC Form 935, to taxpayers, upon request, for them to list their household personal property. The form contents, as prescribed by the Ad Valorem Division, must contain the following information:

- Appropriate instructions
- Categories of household personal property to be listed
- A sworn statement as to the correctness of the list along with a line for the taxpayer's signature

A taxpayer must file this listing, signed and sworn to, by March 15 with the County Assessor if the 10% rule is not used.

## *Render Household Personal Property*

### Household Personal Property List Rendered on Time

A household personal property list is rendered on time if it is filed **OR** postmarked in the County Assessor's office by **March 15**. A taxpayer has the option to mail the list in rather than to meet with a representative from the County Assessor's office. Once the office has the list and it is considered on time, the County Assessor's next step is to verify the list and determine the property's market value.

### Household Personal Property Rendered Late

68 O.S. § 2836(A,B)

For all household personal property that is listed late, the County Assessor is responsible for adding a penalty. Household personal property that is listed **after March 15** is considered late and is charged a late filing penalty. For complete information on charging penalties, see the section "Determine Market Value and Add Penalty."

### Household Personal Property Not Rendered

68 O.S. § 2817(A)

For any persons who **do not** list their personal property for the current assessment year and the 10% rule is not used, the County Assessor must employ one of the following two steps:

- Estimate the fair cash value of the household personal property at 10 percent of the fair cash value of the residential improvement in which the personal property is located as

of January 1.

For example:

Fair cash value of improvements	\$ 58,000
Times ten percent	<u>X .10</u>
Estimated fair cash value of personal property	\$ 5,800

68 O.S. § 2843(A)

- Determine from the best information obtainable what a person owns and its fair cash value.

68 O.S. § 2836(C)

**NOTE: If the owner is unknown, then the County Assessor may list and assess the property in the party’s name who is serving as the owner’s agent. If neither is known, then the property may be listed and assessed to an “unknown owner.”**

Oklahoma  
Constitution  
Article 10 § 8D

### 100% Permanently Disabled Veterans Exemption

Each head of household who has been honorably discharged from active service in any branch of the Armed Forces of the United States or Oklahoma National Guard, and who has been certified by the United States Department of Veterans Affairs, or its successor, to have a 100% permanent disability sustained through military action or accident or resulting from disease contracted while in such active service, or the surviving spouse of such head of household shall be entitled to claim an exemption for the full amount of all household personal property which is subject to ad valorem taxation. This law applies to County Assessors in counties who have not abolished household personal property taxation.

### *Determine Market Value of Household Personal Property*

68 O.S. § 2819  
68 O.S. § 2817(A, B)

After the County Assessor has determined whether all household personal property was rendered on time and charged appropriate late penalties, the next step is to determine the market value of the property. To establish the value of household personal property, according to the Oklahoma Constitution, the percentage of value for the household personal property shall be presumed to constitute its fair cash value of or the price the property would bring at a fair voluntary sale as of **January 1** of the current assessment year.

68 O.S. § 2818(A)

By law, if the amount and value of property returned by the taxpayer is not conclusive, the County Assessor has the authority and duty to raise or lower the value the taxpayer lists if necessary. The County Assessor also has the authority to examine a person under oath to determine the value of his/her household personal property.

Although the County Assessor **does not** have the authority to enter a private residence alone and determine the market value of the property, the County Assessor may enter the residence and perform a visual inspection **at the request of the taxpayer**. The notice of increase is sent in the same manner as the notice of increase for real property.

68 O.S. § 2818(C)

## *Add Valuation Penalty*

The County Assessor must add a late penalty to the assessed value of household personal property listed beyond a certain date. The following penalties apply when household personal property is listed beyond March 15:

- **Property Listed after March 15 but by April 15:**
  - \* Add 10 percent of the assessed value to the assessed value.
- **Property Listed after April 15:**
  - \* Add 20 percent of the assessed value to the assessed value.

To illustrate how these penalties are applied, consider a situation in which a taxpayer's assessed value of his/her household personal property is \$1,000. The taxpayer filed after March 15 but by April 15, so the assessed value with a late penalty added is computed as follows. Note that the penalty is derived from the **gross** assessed value.

### **Amount of Penalty Calculation**

Gross Assessed value	\$ 696
Times percent penalty factor	<u>X .10</u>
Amount of the penalty	\$ 70

### **Assessed Value with Penalty Added**

Gross Assessed Value	\$ 696
Plus penalty	<u>+ 70</u>
Assessed value with penalty	\$ 766

In this example, the late filing penalty changes the taxable value of the personal property for the current tax year from \$696 to [\$766.00.]

### **The following steps apply to all penalties:**

1. They are computed after the assessed value is determined
2. They are added to the assessed value

68 O.S. § 2836(D)

## **Failure to Assign Penalty**

**WARNING: If the County Assessor fails, neglects, or refuses to add the valuation penalty, the County Assessor shall be liable on the official bond for the amount of the penalties.**

## *Determine Gross Assessed Value*

After determining the market value of all household personal property, the County Assessor's next step is to compute the gross assessed value of the property. This can be done by calculating the following elements:

$$\text{Gross Assessed Value} = \text{Fair Cash Value} \times \text{Assessment Rate}$$

The examples below show how the County Assessor would calculate the gross assessed value of personal property at a 12 percent assessment rate in the following two situations:

### **1. When the household personal property is unlisted and the fair cash value is based on 10 percent of the value of the residential improvements**

Fair cash value of improvements	\$ 58,000
times 10 percent	<u>X .10</u>
Estimated fair cash value of personal property	\$ 5,800
times assessment rate	<u>X .12</u>
Gross assessed value of personal property	\$ 696

### **2. When the fair cash value is based on the personal property listing**

Fair cash value of personal property	\$ 5,800
times assessment rate	<u>X .12</u>
Gross assessed value of personal property	\$ 696

**The Oklahoma Constitution has set the assessment rate for personal property at 10 to 15 percent.**

68 O.S. § 2836(A)

## *Subtract Exemptions*

Before beginning this step, the County Assessor must complete the following actions:

1. Determine if the property is eligible to receive an exemption
2. Determine the amount of the exemption
3. Subtract the amount of the exemption from the gross assessed value to calculate the net assessed value

If the taxpayer is eligible for an exemption but was late in filing a household personal property list with the County Assessor, then the County Assessor replaces action 3 above with the following actions:

1. Multiply the “percent penalty factor” by the gross assessed value to derive the dollar amount of the penalty
2. Add the dollar amount of the penalty to the gross assessed value to derive the gross assessed value with penalty
3. Subtract the amount of the exemption from the gross assessed value with penalty to derive the net assessed value

68 O.S. § 2887(12)

**NOTE: The net assessed value and the taxable value are not the same when a penalty is added. In this case, the taxable value is greater than the net assessed value due to the late filing penalty.**

Oklahoma  
Constitution  
Article 10 § 6

## Household Property Exemption

For persons maintaining a household in Oklahoma, up to \$100 of the gross assessed value of household goods, tools, implements, and livestock are exempt from ad valorem taxation. The exemption is automatically deducted from the gross assessed value. The County Assessor must apply the following formula to derive the final net assessed value:

Oklahoma  
Constitution  
Article 10 § 8A

**Net Assessed Value = Gross Assessed Value - \$100**

**This exemption is not in effect for counties that have abolished the household personal property tax.**

## Veteran’s Exemption

68 O.S. § 2887(12)

If a person served in the military for a minimum of 90 days **during a national emergency** and was honorably discharged, then the individual is entitled to a \$200 exemption. If both the husband and wife are veterans, were in the military for a minimum of 90 days **during a national emergency**, and were honorably discharged, then each one qualifies for the exemption. **Periods of national emergency** are outlined in Chapter Sixteen, Exemptions.

For specific dates for veteran’s exemptions, refer to 72 O.S. § 67.13.

A line is included on OTC Form 935, *Household Personal Property Rendition* for taxpayers to check if they are eligible for the veteran’s exemption. For verification, the County Assessor may request a copy of the taxpayer’s discharge papers.

The veteran’s exemption is in addition to the household property exemption that was discussed in the “Household Property Exemption” section above. The following steps are used to derive the net assessed value after a household property exemption and a veteran’s exemption:

1. Deduct \$100 from the gross assessed value for the household exemption for counties with household personal property tax
2. Also deduct \$200 from the gross assessed value for the veteran’s exemption or deduct \$400 if both spouses qualify for the veteran’s exemption

## *Determine Net Assessed Value*

68 O.S. § 2887(12)

The County Assessor computes the net assessed value to determine the taxable value of the household personal property. The net assessed value is calculated with the following formula:

AG Opinion 78-125

$$\text{Net Assessed Value} = \text{Gross Assessed Value} - \text{Personal Property Exemptions}$$

Household personal property is entitled to a household property exemption and in some cases a veteran's exemption. (For further information on exemptions, see Chapter Sixteen, *Exemptions*.)

## *Send Notice to Taxpayer*

68 O.S. § 2876

68 O.S. § 2843

After subtracting the applicable exemptions, the County Assessor must notify the taxpayer if any of the following actions have occurred:

- The property was listed by the County Assessor
- The fair cash value was increased from the dollar amount listed by the taxpayer
- The fair cash value or assessed value increased from the prior year

The law does not require the County Assessor to notify the taxpayer of a late filing penalty. However, it is recommended that the County Assessor notify a taxpayer through a mailed or published notice when a late filing penalty has been added.

Oklahoma  
Constitution  
Article 2 § 7  
AG Opinion 88-14

A notice begins the appeals process. The taxpayer must file a protest for the opportunity to discuss any differences regarding applicable exemptions. Through the informal protest process, most differences can be explained and rectified without a hearing before the County Board of Equalization.

**NOTE: The County Assessor must maintain duplicate copies of all notices in a file that should be organized by the type of notice. Every duplicate copy should have entered on it the date the notice was mailed or delivered to the taxpayer.**

## *Notice of Property Listed by County Assessor*

68 O.S. § 2843

One section of the law states that the assessment of unlisted household personal property must not be final until ten days after the County Assessor has mailed a copy of the assessment sheet to the last known address of the owner or agent of the owner. Another section of the law states that a notice must be sent to the taxpayer if the County Assessor has added property not listed or has increased the market value listed by the taxpayer. The taxpayer has 30 days to respond to the notice.

68 O.S. § 2876(A)

AG Opinion 00-23

68 O.S. § 2876(D)

68 O.S. § 2817(A)

When the fair cash value of household personal property is based on 10 percent of the fair cash value of the improvement, then the notice of unlisted property must contain the following information:

68 O.S. § 2843(C)

- A statement that the property was not listed by the taxpayer
- A statement acknowledging that the County Assessor estimated the market

value of unlisted household personal property at 10 percent of the market value of the residential improvement in which the taxpayer's property is located

- The estimated market value of the household personal property
- The assessed value of the household personal property
- A statement indicating the owner has the option of letting the assessment stand as is or alter it by listing the property

The County Assessor must keep a duplicate copy of the notice on file and enter on the copy the date the notice was mailed or delivered.

68 O.S. § 2876(D)

### ***Notice of Fair Cash Value Increased from Amount Rendered***

The County Assessor must notify a taxpayer when the fair cash value of household personal property is increased above the amount listed. The notice must show the following information:

- The date that the notice was mailed
- A description of the property
- The fair cash value rendered by taxpayer
- The fair cash value derived by the County Assessor

68 O.S. § 2876(A)

68 O.S. § 2876(C)

The County Assessor must keep a duplicate copy of the notice and enter on the copy the date the notice was mailed or delivered.

68 O.S. § 2876(D)

### ***Notice of Assessed Percentage Increased from Prior Year***

By law, the County Assessor is not required to send a notice when the assessment percentage applied to household personal property has increased from the prior year. It is recommended, however, that the County Assessor send a notice to the taxpayers or publish a public notice in the newspaper to inform taxpayers of the change.

68 O.S. § 2876(C)

AG Opinion 00-23

**NOTE: The assessment percentage of real or tangible personal property within a county cannot be increased except by approval of a majority of the registered voters of the county, voting in an election called for that purpose.**

Oklahoma  
Constitution  
Article 10 § 8(B)

## Chapter Sixteen

# Business and Agricultural Personal Property: List, Appraise, and Assess

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## Business and Agricultural Personal Property

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Ad valorem taxes are levied on business personal property and agricultural personal property.

**All public service properties, both real and personal, are centrally assessed by the state.**

Business personal property includes movable items and inventories that are part of a business, retail, manufacturing, or other commercial establishment, and which have a taxable situs (location) in Oklahoma as of January 1 of each year. Agricultural personal property includes livestock and movable farm and ranch equipment, which has a taxable situs in Oklahoma.

Every year, business operators, farmers, and ranchers are required to list their business and agricultural personal property with the County Assessor, who must then list, appraise, and assess such property. Figure 16-1 shows the major steps the County Assessor must take in this process.

### *Items Defined as Business and Agricultural Personal Property*

Numerous items are identified as business and agricultural personal property. The following list includes examples of these items: 68 O.S. § 2807(2)

68 O.S. § 2806(A)

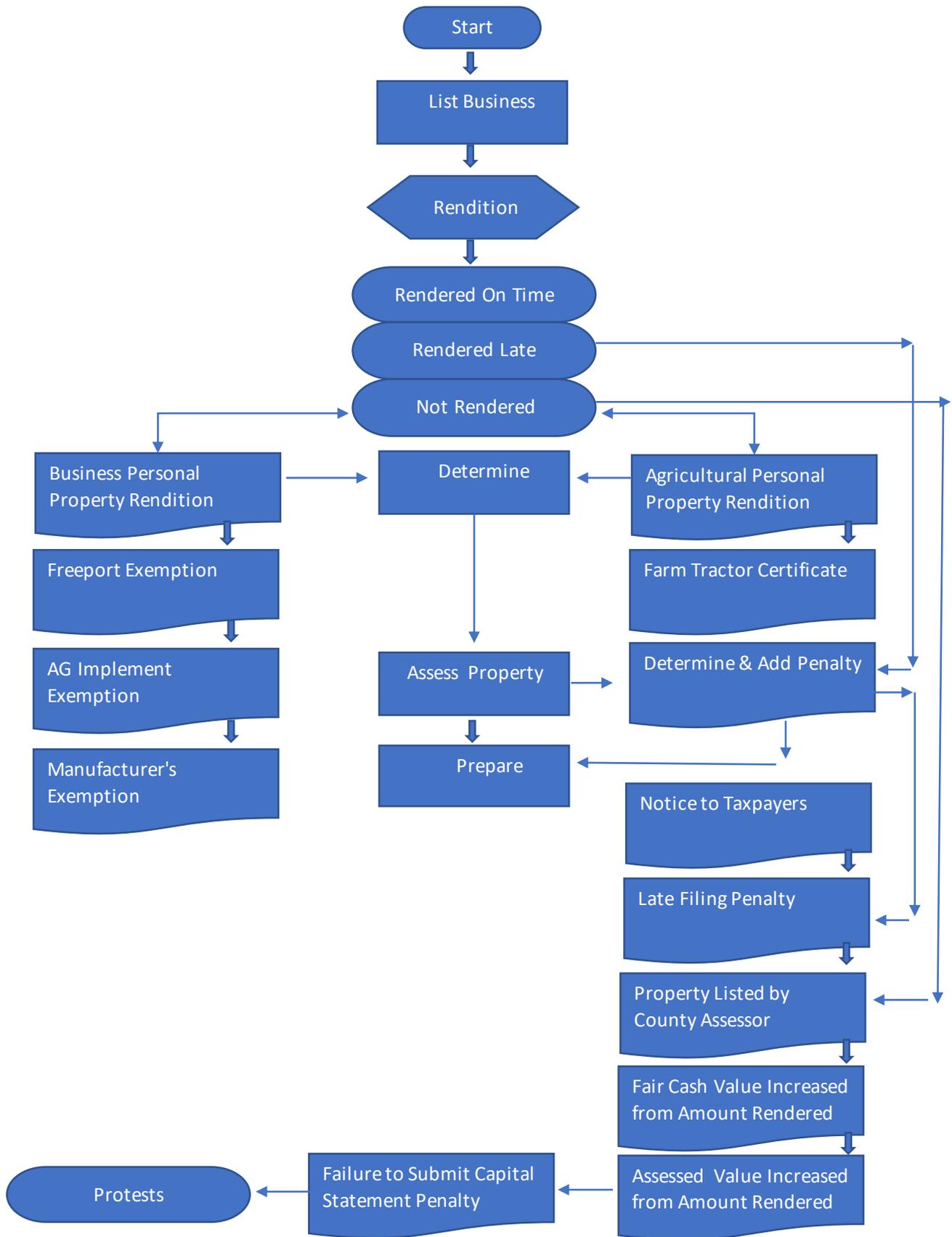
- Improvements a renter makes on land or buildings leased from any other entity where the lessee and lessor are not the same entity
- Dormant and other nursery stock, including trees, shrubs, and plants that have been dug and placed in bins or storage and are ready for sale

**Trees, shrubs, and plants grown at a nursery are considered personal property rather than “growing crops” if they are removed from the ground and stored in a manner that will inhibit their continued growth.**

- Livestock, including horses, cattle, mules, donkeys, swine, goats, game animals, performance animals, such as dogs and horses, and poultry that are part of a commercial business or agricultural activity

**In those counties passing the county option to exempt household personal property and livestock, all livestock owned by individuals in support of the family is exempt.**

**Figure 16-1 Steps for Listing, Appraising, & Assessing Business & Agricultural Personal Property**



- Agricultural vehicles and equipment located on a farm or ranch such as the following items: 68 O.S. § 2807(7)
  - \* Tractors and other non–tagged vehicles 68 O.S. § 2809
  - \* Untagged equipment and livestock trailers
  - \* Mowing machines
  - \* Harvesters
  - \* Wagons and carriages
  - \* Implements and machinery
  - \* Motors, grinders, irrigation pumps, and other irrigation equipment
- Facilities used for poultry production 68 O.S. § 2817(D)
 

**For real property, a 10 year depreciation schedule is used, with the residual value at the end being 20% of the value of the facility. For personal property, a five-year depreciation schedule is used, with the residual value at the end being zero.**
- Goods and capital equipment in a merchandise or restaurant establishment 68 O.S. § 2807(9)
- Records and files such as abstractor’s records and files of a credit reporting establishment 68 O.S. § 2807(10)
- Professional libraries, such as legal and medical that include books, journals, and manuals owned by professionals or tradespeople such as attorneys, investment brokers, appraisers, abstractors, computer programmers, engineers, pharmacists, electronic technicians, electricians, and plumbers 68 O.S. § 2807(6)
- Machinery and equipment used by manufacturers 68 O.S. § 2807(8)
- Oil and petroleum products in storage including the storage tanks and containers 68 O.S. § 2807(12)
- Personal property leased from a bank or credit union by a non–banking business or individual 68 O.S. § 2370(B)(3)  
AG Opinion 80-183
- Medical and dental equipment as part of a private office or commercial facility\*
- Video games used commercially\*
- Recreational equipment used commercially or as part of a private club\*
- Office equipment and records\*

\*Ad Valorem Division, OTC, *Personal Property Valuation Schedule*. The Ad Valorem Division annually publishes a price schedule entitled *Personal Property Valuation Schedule* that includes numerous business and agricultural personal property items along with their current fair cash value. A copy of this schedule is sent to every County Assessor by or after **January 1**. If questions arise as to whether an item should be classified as business or agricultural personal property, then the Ad Valorem Division should be consulted.

## Public Service Property as Personal Property

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The Ad Valorem Division inventories and appraises public service property for the State Board of Equalization. Any structure on land owned by a public service corporation is defined as personal property. Examples of such property are electrical transmission and telephone lines, gas pipelines, and railroad tracks.

Other improvements, such as farm structures that are located on land owned by a public service corporation, are also defined as personal property.

At any time, a County Assessor may discover and document the following types of property:

- The type of property located on public service land
- The type of public service property located on leased land

By adopting this practice, the County Assessor and the Ad Valorem Division work together to ensure that all taxable public service property is identified and listed.

## Business and Agricultural Personal Property

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The County Assessor maintains a record of all the business and agricultural personal property in the county. Every year on the **first working day following January 1**, the County Assessor begins updating these records. When updating the records, the **taxable situs** of the property is determined or verified. The taxable situs is the taxing jurisdiction where the business personal property is taxed.

One of the following criteria is used when determining taxable situs of business personal property:

68 O.S. § 2831(A)

- The property is taxable in the county, school district, and municipality where located as of **January 1**.
- The property is taxable in the county, school district, and municipality where moved into **between January 1 and September 1**.
- The property is taxable in the county where located prior to **September 1** when moved to another county on or after this date.

68 O.S. § 2831(B)

68 O.S. § 2831(B)

Cases may occur where the taxable situs of business or agricultural personal property is unclear because a company has movable equipment at different locations throughout the state, such as oil well drilling equipment and road construction equipment. When the taxable situs of business or agricultural personal property is unclear, one of the following criteria is used:

68 O.S. § 2831(A, D)

- The property is located in the county, school district, and municipality where the movable property is located as of **January 1**.
- The property is located in the county of the owner's domicile if owner lives in Oklahoma.
- The property is located in the county where the owner's principal business is located if the owner does not live in Oklahoma.



**Step 3: Multiply the number of livestock kept on the parcel by the proportion of acres in each county.**

**Example:**

**Table 16.1 Determining Taxable Situs for Livestock Grazed in Overlapping Counties/State Lines**

Total Number of Livestock by Weight	Number Taxed in County A (Total number x .75)	Number Taxed in County B (Total number x .25)	Check (Sum across both counties equals total)
Steer			
400 lbs. - 10	7.50	2.50	7.50 + 2.50 = 10
500 lbs. - 17	12.75	4.25	12.75 + 4.25 = 17
Heifers			
400 lbs. - 8	6.00	2.00	6.00 + 2.00 = 8
500 lbs. - 16	12.00	4.00	12.00 + 4.00 = 16
Bull Calves			
500 lbs. - 1	.75	.25	.75 + .25 = 1
Bulls			
1800 lbs. - 2	1.50	.50	1.50 + .50 = 2
2000 lbs. - 1	.75	.25	.75 + .25 = 1
Cows			
1100 lbs. - 20	15.00	5.00	15.00 + 5.00 = 20
1300 lbs. - 30	22.50	7.50	22.50 + 7.50 = 30
1400 lbs. - 10	7.50	2.50	7.50 + 2.50 = 10
Grand Total 115	86.25	28.75	86.25 + 28.75 = 115

This example shows 86.25 animals are taxable in County A and the remaining 28.75 animals are taxable in County B. It further shows that cattle are appraised by **type** and **weight** of the animal when taxed ad valorem. A valuation schedule for livestock is included in the *Personal Property Valuation Schedule* updated annually by the Ad Valorem Division.

## Persons and Corporations Required to List Property

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68 O.S. § 2832(A)

68 O.S. § 2837

The owner or owner's agent lists business personal property and agricultural personal property. An owner's agent can be defined as one of the following individuals:

- Officer or owner of a corporation or joint stock association 68 O.S. § 2832(B)(1)
- Partner of a partnership 68 O.S. § 2832(B)(2)
- A minor child or insane person, by the guardian or the person having such property in charge 68 O.S. § 2832(B)(3)
- A person for whose benefit it is held in trust, by the trustee 68 O.S. § 2832(B)(4)
- The estate of a deceased person, by the executor or administrator 68 O.S. § 2832(B)(5)
- Agent or officer of a body politic\* or corporate 68 O.S. § 2832(B)(6)
- Principal officer or agent of the principal officer of a manufacturing establishment 68 O.S. § 2832(B)(7)
- Receiver of a company that is in receivership 68 O.S. § 2832(B)(8)
- Dealer of merchandise consigned by a manufacturer or jobber 68 O.S. § 2832(B)(9)

**\* A body politic is a social compact where all the people involved are governed for the common good. Examples of body politics are rural water districts and rural sewer districts. Rural water districts are exempted from ad valorem taxation. The laws should be carefully researched to determine whether a particular body politic is or is not taxed ad valorem. When uncertain, the district attorney and the Ad Valorem Division should be consulted.**

68 O.S. § 2903

## Business and Agricultural Personal Property Renditions

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### *Meet Taxpayers*

68 O.S. § 2836

As soon as practical, **after January 1 and until the last day in February**, the County Assessor must establish meeting locations and office hours in different locations in the county. These temporary offices are for taxpayers to meet with representatives of the County Assessor's office to list their business or agricultural personal property and obtain homestead exemption applications.

**NOTE: The taxpayers can meet with a representative to list (render) their business or agricultural personal property OR they can mail the list.**

From **March 1 to March 15**, the County Assessor must be at the courthouse to receive business and agricultural personal property lists that have yet to be rendered for the current year.

68 O.S. § 2836(C)

The County Assessor must follow these guidelines:

- Spend at least one day in every city and incorporated town
- Give notice of the location & office hours at least 10 days prior to the scheduled meeting date

## ***Publish a Notice***

68 O.S. § 2836(A)

By law, the County Assessor must publish a notice in the legal section or in a commercial advertisement in at least one newspaper having general circulation in the county. For the taxpayers' convenience, the County Assessor should consider publishing a notice in **every** widely distributed newspaper in the county. If a commercial advertisement is used, then the county may pay no more than the prevailing advertisement rate in the area.

## ***Provide Personal Property Forms***

68 O.S. § 2835(A,D)

68 O.S. § 2838(A)

The County Assessor shall have rendition forms available. Businesses use *Business Personal Property Rendition*, OTC Form 901. An oath is included on the forms when they are printed. The owner or owner's agent reporting the property signs the oath and thereby attests that the information entered on the form is correct. A line is included for the owner's or agent of the owner's signature.

Agricultural personal property is reported on the *Oklahoma Agricultural Personal Property Rendition*, OTC Form 924. This form is prescribed by the OTC and is the same form used for reporting household personal property. The form contains a section for agricultural personal property and another section for household personal property.

**NOTE: Do not use this form for corporate agricultural personal property; use the OTC Form 901, *Business Personal Property Rendition*.**

68 O.S. § 2835

Agricultural personal property shall be listed in the following manner:

### **Type of Agricultural Personal Property**

68 O.S. § 2807

- Number of livestock by type of animal
- Farm tractors
  - \* Make of tractor and model
  - \* Year made
  - \* Engine number
  - \* Horsepower
- Farm trailers
- Other vehicles and wagons
- Farm machinery, equipment, and implements

### **Number of Items and Value of Agricultural Personal Property**

- Number of items owned
- Year each item was acquired
- Original cost of each item

## *Render Business or Agricultural Personal Property*

### **Business or Agricultural Personal Property Rendered on Time**

68 O.S. § 2836(C)

Business personal property and agricultural personal property renditions are due by **March 15**. The County Assessor must receive the rendition in the office by this date or post marked by this date.

68 O.S. § 221.1

### **Business or Agricultural Personal Property Rendered Late**

A rendition is late if it is received after **March 15**. The County Assessor must add a late filing penalty to the assessed value of the property when the rendition is filed.

### **Business or Agricultural Personal Property Not Rendered**

68 O.S. § 2836(D)

If a rendition is not filed, then the County Assessor must determine from the best information available the amount and value of the property owned by the business. Additionally, the Assessor must list and assess the property under the name of the owner of the business, farm, or ranch. If the owner is unknown, then the property must be listed and assessed under the name of the owner's agent, or to "unknown owner." An assessment is legal and binding even if the owner's name is not known.

## *Add Late Penalties*

The County Assessor must add a late penalty to the assessed value of business and agricultural personal property listed beyond a certain date. The following penalties apply when business and agricultural personal property is listed beyond March 15:

- **Property Listed after March 15 but by April 15:**
  - \* Add 10 percent of the assessed value to the assessed value.
- **Property Listed after April 15:**
  - \* Add 20 percent of the assessed value to the assessed value.

To illustrate how these penalties are applied, consider a situation in which a taxpayer's assessed value of his/her household personal property is \$1,000. The taxpayer filed after March 15 but by April 15, so the assessed value with a late penalty added is computed as follows. Note that the penalty is derived from the **gross** assessed value.

### **Amount of Penalty Calculation**

Gross Assessed Value	\$ 696
<u>Times percent penalty factor</u>	<u>X .10</u>
Amount of the penalty	\$ 70

## Assessed Value with Penalty Added

Gross Assessed Value	\$ 696
Plus penalty	+ 70
Assessed value with penalty	\$ 766

In this example, the late filing penalty changes the taxable value of the personal property for the current tax year from \$696 to \$766.

### The following steps apply to all penalties:

- They are computed after the assessed value is determined.
- 
- They are added to the assessed value.

## Failure to Assign Penalty

**WARNING: If the County Assessor fails, neglects, or refuses to add the valuation penalty, the County Assessor shall be liable on the official bond for the amount of the penalties.**

## Determine Market Value of Business or Agricultural Personal Property

68 O.S. § 2817(A,B)

After the County Assessor has determined whether all business or agricultural personal property was rendered on time and charged appropriate late penalties, the next step is to determine the market value of the property. To establish the value of business or agricultural personal property, according to the Oklahoma Constitution, the percentage of value for the business or agricultural personal property shall be presumed to constitute its fair cash value or the price the property would bring at a fair voluntary sale as of **January 1** of the current assessment year.

68 O.S. § 2818(A)

68 O.S. § 2818(C)

By law, if the amount and value of property returned by the taxpayer is not conclusive, the County Assessor has the authority and duty to raise or lower the value the taxpayer lists if necessary. The County Assessor also has the authority to examine a person under oath to determine the value of the business or agricultural personal property. The County Assessor also has the authority to enter a business or other enterprise and determine the market value of the property after requesting permission from the business owner. The notice of increase is sent in the same manner as the notice of increase for real property.

## Agriculture Exemption Permit

The County Assessor must issue OTC Form MVI0007, *Agriculture Exemption Permit*, at the request of farmers or ranchers. This certificate is proof that the farm equipment has been assessed for ad valorem taxation and the taxpayer has no delinquent tax.

The County Assessor and the County Treasurer must sign the form and the Assessor submits a copy of the permit to the OTC.

## *Using Price Schedules*

68 O.S. § 2817(A)

68 O.S. § 2819

The County Assessor's next step is to determine the fair cash value of the property, which is the market value of the property as of **January 1** of the current assessment year.

Price schedules are included for some business and agricultural personal property in the *Oklahoma Personal Property Valuation Schedule*, which are prepared annually by the Ad Valorem Division.

These schedules are a guide to assist in the valuation process. Not all items may be found in the schedule. The County Assessor, at times, may have to determine the fair cash value of an item by using any available information.

## *Verifying Information on a Rendition*

68 O.S. § 2818(A)

The County Assessor has the authority to verify the information entered on a rendition. In verifying the rendition, the County Assessor shall have the authority to change the amount and value of the property listed. If the value of the property is changed, a notice of change must be sent.

68 O.S. § 2818(C)

Furthermore, an assessor or a deputy has the authority to enter a business to view, inspect, and appraise the property belonging to the business establishment. If the reason for entering the property is to discover unlisted property, then the County Assessor shall state this and obtain permission to enter in advance. If permission is denied, the Assessor could obtain a search warrant.

68 O.S. § 2818(E)

## *Market Value of Business Personal Property*

68 O.S. § 2817(A)

The County Assessor shall value stocks of goods, wares, and merchandise according to the average amount of such items on hand during the preceding year. These items are defined in the following categories:

- Inventory of consumables, such as raw materials, used by a manufacturer in producing another good
- Goods in process of being produced
- Finished goods that are ready for sale or distribution
- Such items belonging to a retail establishment are defined as inventory of goods owned or on consignment that are for sale

The OTC Form 901 series, *Assets of Business Concerns*, provides a 12 month inventory of stocks, goods, and merchandise to be entered in the following manner:

- Beginning inventory is as of **January 1** of the **prior calendar year**
- Ending inventory is as of **December 31** of the **prior calendar year**

An average is taken of the amounts listed for the beginning and ending inventory that is reflective of the typical inventory the business has on hand throughout the year.

## Market Value of Certain Types of Agricultural Property

68 O.S. § 2807(4)

Speculative value is not included when determining the market value of livestock or poultry. For livestock, speculative value refers to the higher price at which an animal could be sold due to it being registered or eligible for registration with a livestock association.

Crops that have been harvested for sale are listed and appraised according to the amount on hand and the fair cash value as of **May 31** of the **previous calendar year**.

68 O.S. § 2817(A)

**Growing crops are exempt.**

68 O.S. § 2887(15)

## Determine Gross Assessed Value

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After determining the market value of all business or agricultural personal property, the County Assessor's next step is to compute the gross assessed value of the property. This can be done by calculating the following elements:

Oklahoma  
Constitution  
Article 10 § 8(A)(1)

**Gross Assessed Value = Fair Cash Value x Assessment Rate**

The examples below show how the County Assessor would calculate the gross assessed value of personal property at a 12 percent assessment rate in the following two situations:

- **When the household personal property is unlisted and the fair cash value is based on 10 percent of the value of the residential improvements**

Fair cash value of improvements	\$58,000
times 10 percent	<u>X .10</u>
Estimated fair cash value of personal property	\$ 5,800
times assessment rate	<u>X .12</u>
Gross assessed value of personal property	\$ 696

- **When the fair cash value is based on the personal property listing**

Fair cash value of personal property	\$ 5,800
times assessment rate	<u>X .12</u>
Gross assessed value of personal property	\$ 696

**Note: The Oklahoma Constitution has set the assessment rate for personal property at 10 to 15 percent.**

## Subtract Exemptions

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Before beginning this step, the County Assessor must complete the following actions:

- Determine if the property is eligible to receive an exemption
- Determine the amount of the exemption
- Subtract the amount of the exemption from the gross assessed value to calculate the net

assessed value

If the taxpayer is eligible for an exemption but was late in filing a business or agricultural personal property list with the County Assessor, then the County Assessor replaces action 3 above with the following actions:

- Multiply the “percent penalty factor” by the gross assessed value to derive the dollar amount of the penalty.
- Add the dollar amount of the penalty to the gross assessed value to derive the gross assessed value with penalty.
- Subtract the amount of the exemption from the gross assessed value with penalty to derive the net assessed value.

**Note: The net assessed value and the taxable value are not the same when a penalty is added. In this case, the taxable value is greater than the net assessed value due to the late filing penalty.**

## *Manufacturer’s Exemption*

Oklahoma  
Constitution  
Article 10 § 6B  
68 O.S. § 2902

For the exemption for a new or expanding manufacturing facility, the County Assessor subtracts the amount of the exemption from the fair cash value of the property.

A new or expanding manufacturing establishment applies for a manufacturer’s exemption by completing the *Application for a Five-Year Ad Valorem Tax Exemption on Manufacturing or Research and Development Facilities*, OTC Form 900 XM, between **January 1** and **March 15**. If the manufacturer receives a notice of change, the application can be submitted within 30 days after receiving the notice.

68 O.S. § 2902(D)

The application is obtained from, and returned to, the County Assessor. The County Assessor and the County Board of Equalization review the application and determine whether to accept or reject it. If necessary, the County Assessor or the County Board of Equalization may request additional information to better evaluate the application.

68 O.S. § 2902(E)

After reviewing the application, the County Assessor must prepare an OTC Form 900 XMA-B, *Notice of Approval or Disapproval by County Board of Equalization and County Assessor of Manufacturer’s Ad Valorem Tax Exemption*, and submit to the OTC to identify whether any of the following actions occurred:

68 O.S. § 2902(E)

- The whole exemption applied for was approved.
- Only a portion of the exemption applied for was approved.
- The entire exemption applied for was rejected.

If the application was rejected in part or in whole by the County Assessor or the Board of Equalization, the County Assessor must send notification to the manufacturing establishment with an explanation of the rejection.

## Protests

68 O.S. § 2902(F)

The manufacturing establishment has the right to file a protest with the County Board of Equalization if it does not agree with the Assessor's decision to reject its application for an exemption. Furthermore, the County Board of Equalization has the authority to overturn the County Assessor's decision to approve or deny an application for a manufacturer's exemption. If the County Board of Equalization rejects the entire application or a portion of it, then the Board must prepare and mail OTC Form 900 XMA-B. (Protests are discussed in more detail in Chapter Twenty-Three, *The Appeals Process*.) Whether the County Assessor approves or rejects the application, all applications for a manufacturer's exemption are reviewed by the County Board of Equalization.

68 O.S. § 2902(E)

Copies of all applications for manufacturer's exemptions are sent to the Ad Valorem Division by June 15. By law, the Ad Valorem Division appraises the property to determine its fair cash value. Once this is done, the County Assessor must assess the manufacturing facility by performing the following steps:

68 O.S. § 2902(F)

- Subtract the portion of exempt fair cash value from the fair cash value of the entire facility
- Multiply the remaining fair cash value by the assessment rate to derive the assessed value
- Enter the assessed value, which becomes the taxable value, on the assessment roll

The final step for the County Assessor is to enter the manufacturing facility on the assessment roll. The County Assessor should identify the account on the assessment roll with "XM" along with the number of years the exemption has been allowed. For example, if the exemption has been allowed for five years, then the County Assessor would enter "XM5" on the assessment roll. The manufacturer's exemption amount should be listed separately on the assessment roll as a separate account.

## *Freeport Exemption*

Freeport exemption application must be made on the *Oklahoma Freeport Exemption Declaration*, OTC Form 901 F. Items are considered interstate commerce and eligible for a freeport exemption if they meet the following criteria. Please refer to Chapter Nineteen, Exemptions.

Oklahoma  
Constitution  
Article 10 § 6A

68 O.S. § 2831(E)

- The items are moving through Oklahoma and are in the state for no more than 90 days
- The items are imported into Oklahoma and they are in the state for no more than nine months

68 O.S. § 2902.2

**Note: The County Assessor has the authority to require the owner or an owner's agent to show documentary proof that the property is in transit and will be in Oklahoma for no longer than 90 days or nine months.**

- The items are imported into Oklahoma and they are used in assembling, manufacturing, or fabricating, and are exported within nine months
- The items are imported into Oklahoma and the final product is consigned for sale outside of Oklahoma

When applying for an exemption on raw materials imported into Oklahoma for use in manufacturing a product for sale outside of the State, business operators fill out the *Freeport Exemption Declaration*, OTC Form 901 F. This form is extensive and includes a section for entering the inventory of raw materials and intermediate or final goods produced. This application must be submitted annually by March 15 or within 30 days of a notice of increase.

## ***Agricultural Implements In-Lieu Tax***

68 O.S. § 5401

Inventories of new and used farm equipment listed for sale at \$500 or higher are not taxed ad valorem. This tax only applies to dealers and other retailers selling farm equipment. An “in lieu” (in place of) tax is levied at the time the equipment is sold.

The dealership maintains a sales record that includes the serial number of each item sold that is exempt from ad valorem taxation. The record shall be available for inspection by the County Assessor. A County Assessor may establish a policy requiring that a copy of the sales record be included with the business personal property rendition. This will serve as an additional check when verifying the information on the business personal property rendition.

**Note: The dealer does not have an option to use in lieu stamps.**

## ***Agricultural Land Exemption***

68 O.S. 2817(C)

Landowners are eligible for an agricultural buffer strips exemption if they use buffer strips, a conservation practice approved and managed by the National Resources Conservation Service. The approved buffer strip is exempt from taxes, and reimbursement may be made to the county by the state.

Please refer to “Agricultural Land Exemption” in Chapter Twelve, *Agricultural Use Value* for more information.

## **Notice to Taxpayer**

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The County Assessor should notify the owner or owner’s agent when the County Assessor has performed any of the following actions:

68 O.S. § 2876

- Added property to the assessment roll that was not listed
- Increased the fair cash value from the amount listed Personal
- Increased the assessed value from the previous year Real
- Added a penalty for failure to submit a statement of capital invested

68 O.S. 2839

Regardless of whether the property is real, household personal, business personal, or agricultural personal, the County Assessor should use the same procedures when notifying the owner. The County Assessor mails the notice and keeps a copy for the office records with the date it was mailed recorded on it. The taxpayer is given an opportunity to respond to the notice.

## *Notice of Property Listed by County Assessor*

68 O.S. 2843(C)

When assigning unlisted personal property, the County Assessor shall notify the owner or owner's agent of business or agricultural property when property has been listed. The law states that the "assessment shall not be final" until **10 days** after a copy of the assessment sheet has been mailed. The following information should be included:

- Itemization and description of the property added by the County Assessor.
- Fair cash value of the property as estimated by the County Assessor.
- Assessed value of the property as computed by the County Assessor.
- Statement that the taxpayer or one's agent has 10 days to respond.

68 O.S. § 2876(C)

Once the owner or owner's agent has responded to the assessment sheet, then the County Assessor shall schedule an informal hearing. The County Assessor has five working days from when the informal hearing was held to mail a "notice of final action" to the taxpayer.

68 O.S. § 2863(B)

This notice is prepared on the form entitled *County Assessor Notice of Informal Decision*, OTC Form 975. At this point, the owner or owner's agent has 10 working days to file a protest with the County Board of Equalization if he or she still does not agree with the County Assessor. (See Chapter Twenty, *Protest Process*, for a further discussion of protests and examples of forms.)

## *Notice of Fair Cash Value Increased from Amount Rendered*

Owners of any property shall be notified if the County Assessor raises the fair cash value from the amount rendered. The County Assessor shall include the following information on the notice:

- Description of the property
- Fair cash value reported
- Fair cash value derived by the County Assessor
- A statement that the taxpayer has 30 days to respond to the notice

As was true in the previous section, once the owner or owner's agent has responded to this notice, the County Assessor shall schedule an "informal meeting" with taxpayer after the notice has been mailed.

**NOTE: The law does not require the County Assessor to mail a notice when the assessed value of the real or personal property has decreased from the previous year. As suggested for personal property in Chapter 13, the County Assessor may publish a short article in the local newspapers on the reason for the increase.**

## *Failure to Submit Capital Statement Penalty*

The County Assessor has the authority to request that the owner or owner's agent of business or agricultural personal property submit a "Statement of Capital Invested," which is in addition to the personal property rendition. The owner or owner's agent has 10 days to respond to the request. If the taxpayer does not reply within **10 days**, then the County Assessor performs the following

actions:

- Value the property from the best information available
- Add 10 percent penalty to the assessed value of the property
- Notify the owner or owner's agent that
  - A. The penalty will be added
  - B. The owner has 10 days to respond to the notice of the penalty

## Assess Business and Agricultural Personal Property

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The County Assessor's next step is to assess the business and agricultural personal property. The assessed value is found by multiplying the fair cash value of the property by the assessment rate. For example:

$$\text{Assessed Value} = \text{Fair Cash Value} \times \text{Assessment Rate}$$

## Something New in Personal Property Appeals

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68 O.S. § 2899.2

The County Assessor's on or before the first day of June of each year shall prepare and mail to each school district and recipient tax jurisdiction a report listing protests filed by taxpayers pursuant to subsection F of Section 2876 of Title 68 of the Oklahoma Statutes which concern a fair cash value of personal property as determined by the county assessor that exceeds Three Million Dollars (\$3,000,000). The report shall be sent, in writing, to the treasurer or chief financial officer of each school district and each recipient tax jurisdiction of ad valorem tax revenue. At the county assessor's discretion, in lieu of regular mail, the county assessor may instead send the report to a school district or recipient tax jurisdiction by electronic mail provided the treasurer or chief financial officer of the school district or recipient tax jurisdiction has submitted a written request to receive such reports by electronic mail instead of regular mail.

## Chapter Seventeen

# Manufactured Home

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## Manufactured Housing

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A portion of the information in this chapter was taken directly from Oklahoma Tax Commission Rules, Title 710, Chapter 10, Sub-chapter 9, Manufactured Housing. For additional reference material on ad valorem taxation of manufactured housing, see the OTC Manufactured Home Quick Reference Guide, Published January 2020, prepared by the Ad Valorem Division and refer to Oklahoma Statutes Titles 47 and 68.

On **January 1** of each year, the County Assessor is responsible for listing and assessing all manufactured housing in the County Assessor's county either as real or personal property. According to Oklahoma statutes, manufactured housing means "a residential dwelling built in accordance with the National Manufactured Housing Construction and Safety Standards Act of 1974, 42 U.S.C., Section 5401 et. seq., and rules promulgated pursuant thereto and the rules promulgated by the Oklahoma Used Motor Vehicle and Parts Commission pursuant to Section 582 of title 47."

A travel trailer, which is "any vehicular portable structure built on a chassis, used as a temporary dwelling for travel, recreational or vacation use, and, when factory-equipped for the road, shall have a body width not exceeding eight (8) feet and an overall length not exceeding forty (40) feet, including the hitch or coupling,"

47 O.S. § 1102(14, 16)  
47 O.S. § 1102(31)  
47 O.S. § 581(10)  
68 O.S. § 2811  
68 O.S. § 2812  
68 O.S. § 2813

Tiny homes can be classified as a recreational vehicle (RV) if they meet certain criteria, they must be on wheels and 400 total square feet or less.

Both travel trailers and park model recreational vehicles are **not** assessed by ad valorem taxation, but are tagged as a Motor Vehicle.

When listing the value of real property on which manufactured housing is located, and when the taxpayer owns this property, the County Assessor describes and identifies separately the value of the manufactured housing, apart from the real property and the value of other improvements on the property. In keeping with this requirement, the records that the County Assessor keeps on the manufactured housing must adhere to the following requirements:

- Locate the calculation of fair cash value in an area on the real property identification card, separate and apart from other improvement calculations.

The manufactured housing must be described separately and the value set separately from the land and other improvements located on the property.

- Show the Vehicle Identification Number (VIN) on the assessment record.

## Placing Manufactured Homes on the Assessment & Tax Rolls

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### *Placing Manufactured Homes on the Assessment Rolls*

An additional column on the real estate section of the assessment roll, contiguous to the land and improvement assessment, shows the assessed value of the manufactured home. The assessment roll also contains the TITLE number and VIN of the manufactured home.

The manufactured homes section of the personal property portion of the assessment roll shall be prepared by the method prescribed by law for the personal property assessment roll. This portion of the assessment roll also contains the TITLE number and the VIN number of a manufactured home listed on the assessment roll.

### *Placing Manufactured Homes on the Tax Rolls*

The tax roll shows the presence of a manufactured home, including the following information:

- The taxes for the manufactured home are calculated separately and apart from the land and other improvements
- The VIN of the manufactured home is also placed on the tax roll

## Transfer of Registration, Title, and Form 936

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Upon the purchase of a non-registered, manufactured home, the owner must provide the tag agent with *OTC Form No. 936, Oklahoma Manufactured Home Certificate*, which includes the following information:

- Receipt or release for taxes paid
- Type of manufactured home transaction
- Date to be moved
- Name of current manufactured home owner(s)
- Seller's current mailing address
- Seller's new mailing address
- Name of manufactured home buyer
- Buyer's current mailing address
- Buyer's new mailing address
- Information describing where the manufactured home is being moved from, such as the following data:

- \* Landowner's or mobile home park's name
- \* City
- \* County
- \* Legal description of situs description
- Current physical address
- Real property account number or personal property account number
- Information describing where a manufactured home is being moved to, such as the following data:
  - \* Landowner's or park's name
  - \* City
  - \* County
  - \* Legal description or situs description
- New physical address
- School district
- Certificate of Title information, consisting of the following information:
  - \* Vehicle identification number (VIN)
  - \* Year of manufacture
  - \* Size
  - \* Make
  - \* Title Number
  - \* Body type
  - \* Model
  - \* Agent number
  - \* Factory delivered price
  - \* Total delivered price
  - \* Fair cash value
- Total current estimate taxes due
- Taxes due from prior years, if unpaid
- Signature of applicant and date
- Certification by County Assessor's office, evidenced by signature and date
- Certification by Treasurer's office that all current and prior years' taxes have been paid, as evidenced by signature, date, and the following statement: "This document shall not

be certified by the Treasurer's signature unless all spaces have been completed with the information requested.”

- Column for remarks
- Instructions as to who receives copies of [OTC Form No. 936](#):
  - \* Issuing County Assessor
  - \* Receiving County Assessor
  - \* Homeowner or applicant
  - \* Issuing County Treasurer
- Legal certification of the [OTC Form 936](#) **requires the signatures of the County Assessor and the County Treasurer.**
- Other information necessary for CAMA valuation
- Other information as may be required by the Oklahoma Tax Commission (OTC)

## Registration of Manufactured Homes

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### *Required Registration*

OTC Rule  
710: 10-9-6

The following persons shall apply for registration and original certificate of title with the OTC, or a motor license agent:

- A person who purchases **new manufactured home** that acquires taxable situs in Oklahoma
- A person who purchases **used manufactured home** that acquires taxable situs in Oklahoma
- A nonresident owner of a **manufactured home who obtains taxable situs** by the presence of the manufactured home in Oklahoma, **in excess of 60 days.**

### *Registration of Manufactured Homes of Nonresident Owners*

A manufactured home properly registered or improperly registered in another state, that remains in Oklahoma **in excess of 60 days**, shall be registered under the same terms and conditions as an Oklahoma resident. A manufactured home **improperly** registered, that remains in Oklahoma **in excess of 60 days**, establishes taxable situs and is assessed ad valorem taxes for failure to properly register the manufactured home.

### *Required Registration Information*

When a manufactured home is registered in Oklahoma, the tag agent collects the following information and enters it into the computer:

- The name and address of the owner of the manufactured home
- The serial number or VIN of the manufactured home
- The registration number (title number) given to the manufactured home by the Motor Vehicle Division of the OTC
- The tag number/validation decal number
- The situs (physical address) or legal description where the manufactured home is to be located
- The actual retail selling price of the manufactured home, excluding Oklahoma state taxes
- Any other information necessary to enable the County Assessor to list and assess the proper ad valorem taxes for the manufactured home for the following year.

## *Steps in Proper Registration*

Proper registration of manufactured housing involves the following steps: 47 O.S. § 1117

47 O.S. § 1117

1. A person lawfully filing an application for registration and original certificate of title for a manufactured home is required to make payment for the following items:

- License fee
- Excise tax, if applicable

OTC Rule  
710: 10-9-6 B1

**NOTE: The owner of a used manufactured home who brings the manufactured home into Oklahoma, who formerly lived in another state, and who has owned and registered said vehicle in the previous state of residence at least 60 days prior to the time it is required to be registered in Oklahoma, is exempt from excise tax.**

2. The OTC or motor license agent shall, upon the proper application and payment of required fees, issue to the owner of the manufactured home the following items:

- A certificate of original title
- A manufactured home registration receipt
- A manufactured home registration decal
- A manufactured home license plate
- An excise tax receipt, if applicable

OTC Rule  
710: 10-9-2

## **Paying an Excise Tax In Lieu of Ad Valorem Tax**

The owner of a manufactured home who pays the license fee and excise tax, as discussed above, and who presents the documents listed in item 2 above, is not required to pay ad valorem taxes for

the year of registration of the manufactured home. The manufactured home shall be valued and assessed for ad valorem taxes on **January 1** of the year following registration.

## Failing to Register and Pay Excise Tax

OTC Rule  
710: 10-9-12C

The owner of a manufactured home, who fails to register the home and pay the fees and excise tax required by the Motor Vehicle Code, shall have the manufactured home listed and assessed as omitted property. The property is entered on the assessment and tax rolls for prior years, not to exceed three years.

If the owner subsequently registers the manufactured home, as required by the Motor Vehicle Code, **after** the County Assessor lists and assesses the manufactured home as omitted property, then the owner is **not** entitled to a one-year refund on the ad valorem taxes. **The duties mandated by the Motor Vehicle Code and the Ad Valorem Tax Code are mandatory and mutually exclusive;** that is, they operate independently of each other, which requires the proper late registration fees and ad valorem taxes be paid.

## Proof of Registration

The County Assessor of the county where a manufactured home is located shall require proof of the following, to assure proper payment of ad valorem taxes:

- Proof of proper registration
- Proof of payment of excise taxes, if applicable
- Proof of payment of ad valorem taxes (OTC Form No. 936)

## Failure to Present Proof of Registration

**WARNING: Any person who owns a manufactured home and fails to present satisfactory proof of registration of the manufactured home or payment of ad valorem taxes upon demand by the County Assessor of the county in which the manufactured home is located, is guilty of a misdemeanor.**

## *Loss of Registration and Certificate of Title*

The following procedure is followed when an owner of a manufactured home seeks to render the home as personal property, or the County Assessor, while listing and assessing property, discovers that the owner has rendered the property as personal property, and the owner cannot produce the registration and certificate of title.

- The County Assessor is required to list and assess all taxable property located in the county on an annual basis. The lack of registration papers does not relieve the County Assessor of that duty.
- The County Assessor shall place the manufactured home on the assessment and tax rolls as omitted property, unless one of the following conditions applies:

**NOTE: Refer to Attorney General Opinion 00-23 for the proper omitted property procedure.**

- The County Assessor ascertains the manufactured home is on the assessment and tax rolls of the county.
- The owner of a manufactured home presents the County Assessor with an Oklahoma Manufactured Home Certificate (receipt of taxes paid – OTC Form No. 936) from another county, showing that no taxes are due for current or prior years. Thereafter, the County Assessor values the manufactured home as of **January 1** of the subsequent year, if its taxable situs is still within the county.
- The owner of a manufactured home presents the County Assessor an Oklahoma Manufactured Home Certificate (release of taxes paid – OTC Form No. 936) from another county for the current year. Thereafter, the County Assessor values the manufactured home as of **January 1** of the subsequent year, if its taxable situs is still within the county.
- The County Assessor shall refer those owners of a manufactured home who have failed to present their registrations and certificates of title to the local motor vehicle agent, or to the OTC, upon determining the housing's taxable situs and assessment, according to the above. If the title has been lost, the **owner must apply for a duplicate title**. (A 936 **IS NOT** required to request a duplicate title) A new registration will **not** be issued by the local motor vehicle agent.

## **Transfer of Manufactured Home with Real Property**

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### *Transfer of Ownership*

When ownership of the manufactured home is transferred with the land upon which it is located with real property, the registration and certificate of title are transferred to the new ownership in the following manner:

- The new owner obtains an *Oklahoma Manufactured Home Certificate* (OTC Form No. 936) from the County Assessor's office.
- The new owner presents this certificate to the OTC, or a motor license agent (tag agent), who prepares the registration and certificate of title pursuant to the rules and regulations of the Motor Vehicle Division of the OTC. A registration is not issued unless the initial registration fee was never collected.
- All taxes due, including the current year's ad valorem taxes, are collected before issuing the Oklahoma Manufactured Home Certificate (OTC Form 936).
- However, no excise tax is due on the change in registration and certificate of title if the manufactured home is listed by vehicle identification number, year, and make on the deed listing.

### *Title Surrender Conversion to Real Estate*

As of July 2002, manufactured home owners and finance companies are now able to surrender the titles on manufactured homes if the home is permanently attached to real property.

Since 1985, Oklahoma law has allowed manufactured homes to be classified as real or personal property. If the housing is situated on land owned by the owner of the manufactured home, it is classified as real property. If the home is located on land owned by someone else, it is classified as personal property. In either case, the manufactured home is still subject to title and registration and must be designated as a manufactured home (MH) on the assessment roll and valued as a separate line item.

Oklahoma law now allows a homeowner or lender to surrender the title and have the home classified as real property. If the title has been properly surrendered, the manufactured home is no longer subject to title and registration under the motor vehicle code.

Homeowners or lenders must make application on *Oklahoma Tax Commission Motor Vehicle Division Application for Title Cancellation of a Manufactured Home Permanently Affixed to Real Estate, OTC Form No. 756*.

When a manufactured home is listed with the County Assessor as real property, the County Assessor is required to separate the account into three line items:

- Land
- Manufactured Home
- Improvements

When the home is listed as personal property, the owner is assessed only on the home and other improvements that may have been made on the site. The person who owns the land is responsible for payment of the tax on the land only.

When an owner or finance company properly surrenders the title to the manufactured home, the Motor Vehicle Division notifies the County Assessor (*Notice to County Assessor of Cancellation of Oklahoma Certificate of Title to a Manufactured Home, OTC Form No. F.L.-756*) that the home is now permanently affixed to the real estate and the title has been surrendered. The home is now assessed as any other property being land and any and all improvements, and is no longer classified as a manufactured home.

47 O.S. § 1110(E)

**NOTE: When valuing manufactured homes that have had titles surrendered, the appraiser should be aware of market conditions and adjustments that may affect the value of the assets. Conventional mass appraisal techniques may be used as with any other real property asset using proper market data and adjustments for this type of asset.**

## License Plates and Decals for Manufactured Homes

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### Requirements to Obtain a License Plate

Beginning on **January 1**, the following manufactured home requires a license plate:

- Any manufactured home that enters Oklahoma that requires registration under the

Motor Vehicle Code, or establishes taxable situs

- Any manufactured home previously registered and subject to ad valorem taxation
- Any manufactured home that remains in Oklahoma in excess of **60 days**
- Any manufactured home with taxable situs in Oklahoma, for which the owner has not applied for registration and a certificate of title under the Motor Vehicle Code.

## Initial Decal and License Plate Requirement

Beginning on **January 1**, the initial decal is affixed to the license plate issued by the tag agent. New or used manufactured homes receive a license plate and validation decal upon registering with the Motor Vehicle Division of the OTC.

47 O.S. § 1125(B)

**NOTE: Any full-time student of an institution of higher learning, who is paying nonresident tuition, is not required to purchase an Oklahoma license plate for a manufactured home, provided that the state of residence of the student affords a similar exemption to Oklahoma students attending institutions of higher learning in that state.**

The initial decal is issued after the following actions are taken:

- The taxpayer obtains an *Oklahoma Manufactured Home Certificate* (OTC Form No. 936) from the County Assessor of the county in which the manufactured home was assessed and taxed.
- The taxpayer brings registration papers and a certificate of title to the County Assessor's office, and then to the County Treasurer's office, to complete the *Oklahoma Manufactured Home Certificate* (OTC Form No. 936).
- The County Treasurer collects all current and delinquent ad valorem taxes due on the manufactured home, and any delinquent special assessments due, before issuing an *Oklahoma Manufactured Home Certificate* (OTC Form No. 936).

Before the County Treasurer can issue a decal as prescribed by the Motor Vehicle Division of the OTC, the taxpayer must pay all current and delinquent ad valorem taxes levied on the manufactured home, and any delinquent special assessments due. The decal shall be obtained on an annual basis from the County Treasurer in the county where the manufactured home is located.

## Affixing the Decal

The decal shall be affixed to the manufactured home license plate as evidence of the ad valorem tax paid, and shall remain on the license plate **while the manufactured home is in transit**.

It is a misdemeanor for any person to transport, or cause to be transported, a manufactured home without the decal affixed as stated above.

The decal shall be of such size, color, design, and numbering as OTC may direct. Furthermore, OTC shall issue decals to the various County Treasurers of Oklahoma. The County Treasurer then issues the decals when taxes are paid.

If the initial license plate is lost, a replacement license plate is \$1.00. An additional \$2.25 may be charged for a license plate purchased from a motor license agent (tag agent) as a processing fee for a total cost of \$3.25.

## **Manufactured Homes as Omitted Property**

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### ***Adding Omitted Manufactured Homes to Assessment & Tax Rolls***

The following procedure is followed for adding manufactured homes to the ad valorem assessment and tax rolls that have been omitted for previous years:

1. **Notice of Assessment:** The County Assessor values the omitted manufactured home and gives notice of the property, as prescribed by law.
2. **Certificate of Assessment:** (extension of taxes against tax rolls) The County Assessor completes a certificate of assessment to the County Treasurer.
3. **Calculation:** Taxes are calculated in the following manner:
  - a. A fair cash value is placed on the manufactured home for each of the omitted years, not to exceed three years.
  - b. The fractional assessment percentage of the years omitted is applied to the fair cash value of the years omitted.
  - c. The mill levy of the appropriate years omitted is placed against the assessment for that particular year.
  - d. If the manufactured home is omitted for more than one year, a certificate of the assessment of omitted property is calculated by the County Assessor.
  - e. The County Assessor places the amount of taxes due on the appropriate tax roll. The amount is noted by the year omitted. The County Treasurer prepares a separate tax statement for each taxable year, not to exceed three years.

**NOTE:** Refer to **Attorney General Opinion 00-23** for the proper omitted property procedure.

### ***Manufactured Homes Not Registered or Assessed for Ad Valorem Taxation***

#### **Assessing Manufactured Homes that Escaped Ad Valorem Taxation**

If a manufactured home has escaped ad valorem taxation for previous years, the following actions are taken:

- The County Assessor values and assesses all manufactured homes in the county at fair

cash value (market value).

- The County Assessor, or a duly appointed and authorized deputy, is empowered to view and appraise any manufactured home.
- The County Assessor, or a duly appointed and authorized deputy, may examine a person under oath in regard to the value of a manufactured home.
- A manufactured home shall not be valued and assessed for any assessment year in which the manufactured home was previously assessed for ad valorem taxation in any other county in this state.

## Assessing Omitted Manufactured Housing

AG Opinion 00-23

- The County Assessor shall place a value on a manufactured home for each prior year it was omitted from the assessment and tax rolls. Once valuation for each prior omitted year is determined, the County Assessor assesses the manufactured home by applying the assessment percentage of the applicable omitted prior year, against the valuation of the applicable prior years that were omitted. (See Chapter Eleven, *Appraisal Process*, for further information on assessment.)
- When presented to the County Assessor, the County Treasurer or the motor license agent, a properly completed [OTC Form No. 936](#) shall be conclusive as to the proper payment of ad valorem taxes for the current year of issuance, and all prior years.

**NOTE: A tax receipt shall not be conclusive as to the payment of current or prior years' taxes. Only [OTC Form No. 936](#) verifies payment.**

## Calculating the Proper Mill Levy

OTC Rule  
710: 10-9-13(4)  
OTC Rule  
710: 10-9-6

The prior year(s)' taxes are calculated using the omitted year's mill levy from the assessment and tax roll. The current year's taxes are calculated using the preceding year's mill levy, unless the Excise Board has set the mill levy for the current year.

## Assessing Improperly Registered Manufactured Housing

A manufactured home that was improperly registered, according to the Motor Vehicle Code, is entered on the assessment roll and tax roll as omitted property. A manufactured home improperly registered is treated as omitted property for the prior years, not to exceed **three years** preceding the current year.

## Manufactured Homes as Personal Property

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Manufactured homes are valued and assessed as personal property when one of the following circumstances exist:

- The record owner of the land is not the owner of the manufactured home.
- The manufactured home is registered, and the certificate of title indicates that ownership is in the name of an individual other than the record owner of the land.
- The manufactured home is omitted from the assessment and tax rolls.

The following are examples of instances where the manufactured home is treated as personal property:

- The manufactured home owner rents space in a manufactured home park.
- The manufactured home owner rents acreage in a platted or unplatted subdivision.
- Manufactured home owner places manufactured home on the land of a son, daughter, or other relatives.

The County Treasurer is authorized to collect **all taxes due** on the manufactured home before signing a Manufactured Home Certificate (OTC Form 936). Taxes due include the following taxes:

- Current year's taxes due on a manufactured home
- Previous year's taxes due from being omitted from the assessment and tax rolls
- Taxes on the manufactured home that are due and owing from previous years

68 O.S. § 3102

## *Personal Property Tax Lien*

The personal property lien shall be a lien on **all** real and personal property of a delinquent taxpayer for **seven years**, when the following conditions are completed:

1. Within **60 days** after taxes on personal property become delinquent as of April 1, the County Treasurer shall perform the following actions:
  - Mail the notice to the delinquent taxpayer to the last known address as of April 1.
  - Publish one time in a newspaper of general circulation in the county.
2. Within 30 days of publication, if the taxes remain unpaid, then the taxes due are entered on the personal property lien docket.

**NOTE: Personal property liens are superior to all other liens, conveyances, or encumbrances filed subsequent on real and personal property.**

## *Deeds in Lieu of Foreclosure*

The owner of a mortgage, contract for deed, or other instrument showing lien on the title of real property, who accepts a deed in lieu of foreclosure, may have tax liens upon the real property if the following conditions apply:

- The grantor is delinquent upon real property taxes.

- The grantor is delinquent upon personal property taxes. Any delinquent personal property taxes entered on the personal property tax lien docket become a lien on all property of the taxpayer, and may become a defect on the title of real property.

Taxes on real property are a lien for **seven years**, from the date upon which a tax becomes due and payable. All taxes levied upon an ad valorem basis for each fiscal year shall become due and payable on **November 1**.

## *Personal Property Tax Lien Against Manufactured Housing*

68 O.S. § 2913

The Ad Valorem Tax Code allows the holder of a perfected security interest to pay the delinquent taxes of the repossessed manufactured home, separate and apart from the land and other improvements.

### **Household Personal Property Liens**

Manufactured homes become subject to personal property liens, including household personal property liens, once the personal property is entered on the personal property lien docket by the Treasurer.

## **Listing and Assessing New Manufactured Homes**

**New** manufactured homes sold and properly registered between **December 1** and **December 31** are exempt from ad valorem taxes for the assessment period prior to January 1.

**NOTE: New manufactured homes sold or homes that are moved in from out-of-state on or after December 1 of any year receives a decal for the following calendar year.**

The purchaser of a **new** manufactured home is not subject to ad valorem taxes until **January 1** of the following year, if the **new** manufactured home is properly registered, titled, and tagged.

## **Manufactured Home Exemptions**

### *Homestead Exemptions*

### **Registration and Certificate of Title**

68 O.S. § 2812

Before approving the homestead application, the County Assessor should refer any applicant for a homestead exemption who presents improper registration of title to the local motor licensing agent. The applicant must present **OTC Form No. 936** for proof of all taxes paid to the agent.

## Qualification for Homestead Exemption for Real Property

68 O.S. § 2888

68 O.S. § 2892

If the manufactured home and the land are owned by the same person, who resides on the property, an owner of a manufactured home may apply for a homestead exemption on OTC Form No. 936, *Application for Manufactured Home Personal Property Exemption*.

An owner of a manufactured home may apply for a homestead exemption if all the following requirements are met:

OTC Rule  
710: 10-9-9

1. The land and the manufactured home are in the ownership of the same person; or,
2. The applicant for homestead exemption is residing in a manufactured home that is owned by someone else. The applicant must own the land that the manufactured home is located on to qualify for the homestead exemption. The owner or agent of the owner must render the manufactured home to the county assessor as personal property.
3. The owner of the land and manufactured home is residing upon the property and domicile thereon; and
4. The owner meets the record ownership requirements for the land as set out in the Ad Valorem Tax Code to qualify for the homestead exemption; and
5. The land, improvements and manufactured home are valued and assessed as real property.

**NOTE: For information on how to calculate homestead exemptions, see Chapter Nineteen, *Exemptions*.**

## Additional Homestead Exemption

68 O.S. § 2890

Owners of manufactured homes who have a total gross household income of less than \$20,000 are eligible for an additional deduction on the assessed value of the homestead. The owner must file for this additional exemption between January 1 and March 15, or within 30 days of receiving a notice of increase of assessment, whichever is later.

## *Refund for Elderly or Disabled*

68 O.S. § 2904-2911

Any manufactured home owner who meets the following requirements may file a claim for property tax relief (circuit breaker refund) on taxes actually paid on the property occupied by that person the entire preceding calendar year:

- The owner is 65 years or older or is totally disabled.
- The owner's total annual gross household income does not exceed \$12,000.
- The owner is the head of a household.
- The property was owner's primary place of residence for the entire preceding calendar year.

The claim must be at the OTC on or before June 30 of the year after the taxes were due. For more information about this refund, see Chapter Nineteen, *Exemptions*.

## *Manufactured Home Exemption*

Certain people who own manufactured homes on leased land and who meet the following criteria are allowed an exemption.

- The head of household is 62 years or older.
- The total household income is \$10,000 or less.
- The manufactured home must be located on land not owned by the owner of the manufactured home.
- The head of household must have owned and lived in the manufactured home for the entire preceding calendar year.
- The application for the exemption must be made each year on or before March 15 or within 30 days of receiving an increase in valuation notice, whichever is later.

Any person 65 years or older who continues to live in the manufactured home and whose total gross income does not exceed the requirement does not have to reapply for the exemption each year. However, that person must notify the County Assessor's office if any of the qualifying conditions change.

68 O.S. § 2949

## *Exemption for Manufactured Housing Owned by Members of the Armed Forces*

The manufactured home of active duty, non-resident, military persons residing in Oklahoma, in compliance with military orders, is exempt from ad valorem taxation, and is to be registered annually with the Motor Vehicle Division of the OTC, for a fee of \$20. A [US Armed Forces Affidavit \(OTC Form No. 779\)](#) must be submitted with the OTC copy of the registration receipt.

47 O.S. § 1127

Snappy V. Neal  
382 US 397 (1966)  
86 S. Ct. 485

## **Personal Property**

Section 574 of the Civil Relief Act of 1940 exempts household personal property from ad valorem taxation for military persons who qualify under this act.

**NOTE: Neither the ad valorem or personal property exemption applies when a military person establishes residency by filing a homestead exemption.**

**NOTE: National Guard or Reserve on Active Duty do not qualify as active duty, non-resident, military persons, unless serving on active duty during war-time national emergencies.**

**NOTE: The spouse or parents of an active duty, non-resident, military person can register on behalf of the military person if that person is unable to register the manufactured home at the appropriate time.**

## Moving Manufactured Homes

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The following requirements apply to the **initial move** of a manufactured home by the owner:

- The County Assessor shall value and assess the manufactured home if the manufactured home is not listed on the assessment rolls. A manufactured home which has not been placed on the assessment rolls, obtained a license plate and annual decal, or has not been properly registered as required by law, shall be treated as omitted property for prior years, not to exceed three years. However, a manufactured home shall not be treated as omitted property past the last valid [OTC Form No. 936](#) presented to the County Assessor.
- The County Assessor uses the following procedure to determine the assessed valuation and taxes due for the current year on a manufactured home:
  - \* The manufactured home is valued and assessed separately from the land and other improvements
  - \* The County Assessor completes [OTC Form No. 936](#).
- Ad valorem taxes and special assessments are paid prior to a move within a county, or to another county within Oklahoma, or out of state. The County Treasurer collects the following taxes (except for lawful repossession and certain dealer trades):
  - \* The estimated taxes due for the current year
  - \* Any taxes due for prior years as omitted property for up to three years
  - \* Any taxes due for prior years that are delinquent
  - \* Any other taxes due because of special assessments as prescribed by law
- The County Treasurer shall affix the tax receipt number and the decal number, sign [OTC Form No. 936](#) upon payment of all ad valorem taxes and special assessments due, and issue a current year decal. This form is the owner's **receipt of taxes paid**. (See more information on receipt of taxes paid in the section "Requirements for Obtaining a 'Receipt of Taxes Paid'.")
- The DPS shall not issue a permit to any person to transport or move a manufactured home, with the exception of holders of dealer's license tags ("M" tags), without evidence of payment for all of the following "M" tags:
  - \* The required registration
  - \* The excise tax due on the manufactured home, if applicable
  - \* Current year tag and decal

## *Moving Manufactured Housing to Another County*

68 O.S. § 2813(C)

If a manufactured home is to be moved from one county to another within Oklahoma between **January 1 and December 31**, any County Treasurer shall collect from the person owning the home **prior to the change of location** the ad valorem taxes due for the full year. The Treasurer

must then issue to the owner a **receipt of taxes paid** [OTC Form No. 936](#), and a tax payment decal.

68 O.S. § 2813(D)

If the owner of a manufactured home makes a subsequent move in the same year, after payment of taxes and in possession of a current year [OTC Form No. 936](#) and decal, no additional tax is paid.

After the County Treasurer issues a receipt of taxes paid and a tax payment decal, and notifies of the payment, the County Assessor of the **originating** county shall furnish to the County Assessor of the county **after** the move, the following information:

- The name of the owner of the manufactured home
- The serial number or identification number of the manufactured home
- The registration number given to the manufactured home by the OTC.
- The address or legal description where the manufactured home is to be located
- The actual retail selling price of the manufactured home, excluding Oklahoma state taxes
- Any other information necessary to enable the Assessor to list and assess the proper ad valorem taxes for the manufactured home for the following year

68 O.S. § 2813(E)

All of the above information is contained on [OTC Form No. 936](#).

## ***Unauthorized Moving of Manufactured Home***

If a manufactured home owner does not have a current tag and decal when moving a manufactured home, the move is considered unauthorized, and the homeowner, and/or the mover, is subject to penalty. The following procedure shall apply in the event of unauthorized moving of a manufactured home:

1. The County Assessor, upon request, notifies the County Treasurer of the following information, available upon locating the real and personal property of the owner of a manufactured home that is entered upon the personal tax lien docket:
  - Legal description of any real property located in the county
  - Location of any personal property located in the county
2. The County Treasurer forwards a copy of the record of an existing personal tax lien with a demand that a warrant be issued to the County Treasurer of the county where the delinquent taxpayer resides; the delinquent manufactured home is located; or any other real or personal property of the taxpayer is located.

The County Treasurer of the county to which the personal tax lien and demand are forwarded completes the statutory procedure by issuing a tax warrant for the collection of delinquent personal property taxes to the sheriff of that county.

The tax warrant commands the sheriff to collect the taxes due, with interest,

penalties, and cost.

3. The County Sheriff executes the tax warrant by levy upon the taxpayer in the following manner:
  - A sheriff's sale is conducted of the manufactured home, (unless it is exempt from sale as the principal residence of the delinquent taxpayer or as homestead personal property) subject to any perfected security interest, liens, and encumbrances that are prior to the personal tax lien.
  - If the sale of the personal property is insufficient to cover taxes, interests, and costs, a sheriff's sale of all real property is conducted unless it is exempt as the homestead of the delinquent taxpayer.
4. The tax warrant is returned by the sheriff within 60 days after it was issued.
5. Upon receiving the total amount due from the sheriff, the County Treasurer releases the personal tax lien and forwards the sum, less the lawful fees for collection, to the County Treasurer of the county where the tax lien originated.

**NOTE: The County Treasurer uses substantially the same procedure, as outlined in this section, for the levy and execution within a county on personal tax liens.**

### *Unclaimed Warrants on Tax Refunds*

60 O.S. § 651

The funds held by the County Treasurer as a refund of taxes on a manufactured home will be governed by the Uniform Unclaimed Property Act. This act states that: "Intangible property held for the owner by a court, state, or other government, governmental subdivision or agency, public corporation, or public authority which remains unclaimed by the owner for more than one year after becoming payable or distributable, is presumed abandoned."

60 O.S. § 657

### *Obtaining a "Release of Taxes Paid"*

If a manufactured home is moved more than once within any given tax year, a current [OTC Form No. 936](#) or current tag and decal is required for a release of ad valorem taxes paid.

### **Release of Taxes Paid**

The following requirements apply for obtaining a release of taxes paid:

1. Payment of ad valorem taxes due for the current year and prior years
2. Possession of a current year [OTC Form No. 936](#) showing receipt of taxes paid, signed by an County Assessor and treasurer
3. Current tag and decal

## Requirements for Issuing a Release of Taxes Paid

The following procedure is used for issuing a release of taxes paid:

1. The County Assessor determines the assessment of the manufactured home apart from the real property and other improvements on the property.
2. The County Assessor determines the amount of taxes due upon the manufactured home apart from the real property and other improvements on the property.
3. The County Assessor determines the valuation and assessment of the manufactured home for any prior years omitted and calculates the taxes due on the manufactured home for those prior years.
4. The County Assessor completes [OTC Form No. 936](#), ensures that the applicant's signature (or written authorization to sign) is affixed to the certificate, and forwards the certificate to the Treasurer.
5. The County Treasurer checks for any tax warrants from another county and any special assessment or taxes delinquent on the manufactured home and adds any delinquent taxes.
6. The County Treasurer collects any outstanding taxes or assessments due on the manufactured home.
7. If no taxes are due, the County Treasurer places "NTD" in the space designated for total estimated taxes due.
8. The County Treasurer signs and returns the [OTC Form No. 936](#) to the County Assessor.
9. The County Assessor signs the [OTC Form No. 936](#) and forwards a copy of the release of taxes paid to the County Assessor of the county in which the new taxable situs of the manufactured home is to be located.

## Requirements for Obtaining a Receipt of Taxes Paid

68 O.S. § 2813(E)

The following requirements apply when obtaining an OTC Form No. 936 as a receipt of taxes paid on a repossessed manufactured home valued and assessed as personal property:

- The reposessor must be a holder of a perfected security interest on the manufactured home.
- The reposessor or the agent must be lawfully repossessing a manufactured home.
- The manufactured home is valued and assessed as personal property and currently on the personal property assessment rolls.

## Procedure for Collection of Taxes in another County

1. Collecting Treasurer: Takes information from the applicant and transmits the information to the home county treasurer/assessor to complete an original Form 936.

2. Home Treasurer/Assessor: Complete an original 936 based on the information from the collecting treasurer. The 936 must be signed by the home assessor (the home treasurer does not sign the original 936). A copy of the completed 936 is then faxed/ emailed back to the collecting treasurer.
3. Collecting Treasurer: After payment of taxes, the applicant is issued a trust deposit receipt, current decal, and a copy of the completed 936.

**\*The treasurer retains a copy of the 936 and mails a copy with the trust voucher to the home treasurer.**

4. Home Treasurer: Attach a signed copy of the 936 from the collecting treasurer to the original 936 to complete the procedure. The voucher is then deposited in the treasurer's trust account. The treasurer and assessor make the appropriate record entries.

**NOTE: Refer to MH Quick Reference Guide**

## ***Calculating and Collecting Taxes on Repossessed Property***

The Ad Valorem Tax Code allows the County Treasurer to collect taxes due on a repossessed manufactured home, separate from the land and improvement, for the current assessment year and the previous tax years.

**NOTE: Owners of repossessed or trade-in homes have up to 30 days after the repossession affidavit is issued, or a dealer trade addendum, to pay all taxes due.**

### **Calculating Taxes for Current Year**

The County Treasurer is authorized to collect taxes due for the current assessment year from a lawful reposessor of a manufactured home, who holds a perfected security interest based on the value of the manufactured home, apart from land and improvements when valued and assessed as real estate. The County Treasurer should calculate the following information for the current year:

- The assessed value of the manufactured home, apart from land and improvements
- The homestead exemption
- The mill levy for the previous year is applied to determine the amount of taxes due for the current year, if the current year's mill levy is not calculated when the application for an Oklahoma Manufactured Home Certificate, [OTC Form No. 936](#) is made.
- The calculation of the current year's taxes for a manufactured home, using the current mill levy, is substantially the same as outlined in the first three bullets above.

68 O.S. § 2813(E)

**NOTE: No authority exists to increase the previous year's levy to cover a millage shortfall for the current year.**

- The reposessor has up to 30 days to pay all taxes from the date that the repossession affidavit is issued.

## Calculating Taxes from Previous Year

The County Treasurer is authorized to collect taxes on the manufactured home, apart from the land and improvements, when valued and assessed for a previous year. This does not relieve the Treasurer of the duty to assess any interest and penalties due on the portion of taxes allocated to the manufactured home.

## Determining Taxes After Issuing A Tax Certificate

The County Treasurer shall issue a tax certificate to a successful bidder at an original tax sale if the following conditions are met:

- The ad valorem taxes are unpaid as of January 1 of the subsequent year.
- The County Treasurer shall give notice of the sale of tax lien for delinquent taxes by publishing a notice of the lien in some newspaper in the county, once a week, for two consecutive weeks immediately prior to the third Friday in September following the year the taxes were first due and payable. The County Treasurer should designate the newspaper. The sale begins the second Monday in June.
- If a manufactured home is involved in the original sale, the notice of sale published by the Treasurer shall contain the following statements: “The sale hereby advertised involves a manufactured home, which may be subject to the right of a secured party to repossess. A holder of a perfected security interest in such manufactured home may be able to pay ad valorem taxes based on the value of the manufactured home, apart from real property. If a secured party exercises this right, the holder of the tax sale certificate will be refunded the amount of taxes paid on the value of the manufactured home.”
- The record owner, as reflected by the tax rolls, is given notice by certified mail of the original sale.
- The original sale is held on the second Monday in June, between 9 a.m. and 4 p.m. by the Treasurer
- The person bidding on the property pays the full amount of the taxes, penalty, interest, and costs due and unpaid. If there is no successful bidder, the county acquires all rights, both legal and equitable, that any other purchaser could acquire by reason of the purchase. A person may acquire the county’s legal and equitable right on the property, by paying to the Treasurer the amount of all taxes, penalties, interest, cost of sale, and transfer. Upon payment, the County Treasurer assigns and delivers a certificate of assignment to the purchaser. The county’s right to the tax certificate is subject to a holder of a perfected security interest right to redeem the manufactured home for the sale by paying a “pro rata” sales of the taxes, interest, penalties, and cost due and unpaid.

68 O.S. § 3105

The County Treasurer is authorized to prorate the payment of taxes, interest, penalties, and cost due and unpaid, for a holder of a perfected security interest exercising his/her right to redeem a manufactured home apart from the land and other improvements. The County Treasurer is further authorized to collect taxes, interest, penalties, and cost from a person redeeming a tax certificate from a successful bidder, or the certificate in the name of the county. In cooperation with the

County Assessor, the County Treasurer transmits a quarterly report of all manufactured housing, with a decal, listed on the tax roll of the county. The information is transmitted either on a form prescribed by the OTC, or by computerized data compatible with the OTC computer and formatted as prescribed by the OTC.

The following information must be submitted to the OTC:

- Title number
- VIN
- Decal number
- Tag number

### ***Calculating Taxes on Manufactured Homes to be Moved***

The amount of taxes due on manufactured home being moved by the owner located on real property who is also the record owner and who is lawfully granted a homestead exemption will be calculated in the following manner:

1. The assessed valuation of the manufactured home, land, and improvements is determined.
2. The amount of the homestead exemption granted against the real property is deducted, resulting in a net assessed valuation.
3. The appropriate mill levy is applied against the net assessed valuation to determine the taxes due
4. The total tax is paid for the account on which the manufactured home is located.

### ***Requirements on Permits to Move Manufactured Home***

The Department of Public Safety (DPS) shall not issue a permit to any person to transport or move a manufactured home without evidence of payment of the required registration fees OTC Form No. 936 and a current tag and decal as proof that all ad valorem taxes for prior and current years or excise taxes on the manufactured home are paid. The following situations are exceptions:

- The DPS may issue a permit to the holder of a dealer's license plate ("M" tag), which is issued by the OTC.
- The DPS may issue a permit to the holder of a transporter's in-transit license plate ("K") tag, which is issued by the OTC for moves that do not involve a repossession or dealer trade.
- The DPS may issue a permit to the holder of a lawful repossession affidavit or dealer trade affidavit.

## “M” Tag

The “M” tag is issued to dealers. An “M” tag can only be used for purchasing and delivery for the dealer’s place of business. The “M” tag cannot be used for repossessing a manufactured home. There is no statutory authorization for the use of an “M” tag repossessed with an in-transit license plate (“K” Tag).

## “K” Tag

The use of a “K” tag, by a repossession company’s manufactured housing transporter (who is authorized by the Oklahoma Corporation Commission and the OTC), does not relieve the holder of a perfected security interest of the ultimate responsibility for paying ad valorem taxes in the county of origin. The repossession lender must obtain a [Repossession Affidavit \(OTC Form No. 737\)](#) from Motor Vehicles. The “K” tag may also be used by a mobile home mover for bringing a mobile home from out of state into Oklahoma, or if moving a new mobile home for a dealer.

## Documentation Required

In all instances other than those described in the previous section, the DPS requires that a current tag and decal be presented.

## Application for Moving Permit

Application for a moving permit on a manufactured home, which is in the state of Oklahoma for **less than 60 days**, must be accompanied by the tax receipts in which out-of-state residency is claimed, or by following the rules and regulations prescribed for residents in Oklahoma.

## Qualifications for Licensed Manufactured Housing Dealers

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A licensed manufactured home dealer must meet these qualifications:

- A lawful dealer’s license is obtained from the Used Motor Vehicle and Parts Commissions. The license permits the buying, selling, or exchanging of manufactured homes.
- The licensed manufactured homes are bought, sold, and exchanged at an established place of business in Oklahoma. An established place of business includes the sales lot where the following actions occur:
  - \* The licensed manufactured home dealer places his inventory.
  - \* The licensed manufactured home dealer maintains his books and records on the sale of manufactured home.
  - \* The licensed manufactured home dealer buys, sells, and exchanges used manufactured home for resale.

If a manufactured home dealer does not meet the following guidelines and restrictions, the Used Motor Vehicle and Parts Commission shall deny an application for a license, or revoke or suspend a license after it has been granted:

- The dealer must provide a display area for manufactured homes that is easily accessible, with sufficient parking for the public.
- The dealer must provide an office for conducting business where the books, records, and files are kept, with access to a restroom for the public.
- The place of business shall meet all zoning occupancy and other requirements of the appropriate local government, and it shall be regularly occupied by a person, firm, or corporation engaged in the business of selling manufactured homes.
- The place of business must be separate and apart from any other dealer's location.

**NOTE: For a more complete list of reasons for a license denial, see 47 O.S. § 584.**

### ***Exempting Used Manufactured Homes Held for Resale***

Used manufactured homes shall be exempt from ad valorem taxation if all the following requirements are met:

- The used manufactured home is registered or assigned to a licensed manufactured home dealer.
- The used manufactured home is held for resale on a sales lot by a licensed manufactured home dealer by **January 1** of the current assessment year. The dealer shall be required to obtain a current certificate of title, which must be in the dealer's name, and a registration decal for any used manufactured home held for resale by **January 31**, in lieu of payment of ad valorem taxes. No certificate of title and registration decal shall be issued to the dealer without a completed Manufactured Home Certificate in the dealer's name from the County Assessor's office in the county where the manufactured home is located.

**NOTE: A manufactured home held for resale without a current certificate and registration decal is subject to ad valorem tax by January 1 of the assessment year. See OTC Rule 710:10-9.4, 3 for the qualifications a manufactured home dealer must have to obtain a dealer's license.**

The Ad Valorem Tax Code allows the County Treasurer to collect taxes due on a repossessed manufactured home, separate from the land and improvement, for the current assessment year and the previous tax years.

### **County Assessor Manufactured Home Quick Reference Guide**

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For a general reference to the administrative oversight of manufactured homes, refer to the latest revision of the Manufactured Home Quick Reference Guide, Publication Number 09-05-MH-01, published by the OTC Ad Valorem Division. This document is available on the OTC website at <http://www.oklahoma.gov/tax.html>.

## Chapter Eighteen

# Special Assessments & Special Assessment Districts

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## Definition of Special Assessments and Special Assessment Districts

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Constitutional law allows special assessment levies to support special assessment districts. A **special assessment** is defined as a tax authorized by statutory law that is levied for a common beneficial project and is proportionate to the benefits that all other properties in the district receive. A **special assessment district** is defined as a local improvement project that benefits the property within the district itself.

Levies that support special assessment districts are **not** considered ad valorem taxes because they are authorized by statutory law, not constitutional law, which authorizes ad valorem tax levies. Also, only political subdivisions can levy ad valorem taxes; a special assessment district is **not** a political subdivision. **However, a special assessment is a form of taxation on property.**

## Role of County Assessor for Special Assessments & Special Assessment Districts

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Special assessments are levied on the property benefiting from the local improvement. For some special assessment districts, statutory law requires the County Assessor to provide information from the County Assessor's records before the assessment can be levied. Based on the County Assessor's value applied to the special assessment of a property located within a special assessment district, the Board of County Commissioner orders the special assessment and calculates the levy.

This chapter provides a review of what information the County Assessor needs to provide for special assessment districts. Table 18.1 provides pertinent information on special assessment districts.

## Special Assessment Districts

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### *Fire Protection Districts*

A fire protection district is a local improvement that benefits the property within the district. For a fire protection district, the County Assessor is required to report to the District Clerk of the fire protection district the gross assessed value of the real and personal property within the district. Statutory law requires the County Assessor to report the following information:

- The owner's name and the improvements on the owner's land as they appear on the tax roll instrument of title.
- A description of all the property in the district subject to ad valorem taxation, including public service property.
- The gross assessed values placed on the taxable property within the district.

**Table 18.1 Special Assessment Districts**

District Type	Purpose	Millage	Residing Area of Liability	Authoriza-tion	Fund Mgmt	Legal Citation
<b>Fire Protection District</b>						
Fire Protection District	Operations and maintenance	7 maximum	Fire Protection District	Three-fifths approval of the voting electorate to create district	District Board	19 O.S. § 901.4 19 O.S. § 901.19
Fire Protection District Sinking Fund	Construction costs & purchase of fire protection vehicles & equipment	Sufficient to provide funds for bonded indebtedness	Fire Protection District	Majority of voting electorate	District Board	19 O.S. § 901.15 19 O.S. § 901.19
<b>Rural Road District with Annual Special Assessment Tax</b>						
Incorporated Area Road Improvement District	Operations and maintenance	3 maximum	Road Improvement District	Three-fifths approval of the voting electorate	District Board	19 O.S. § 902.5 19 O.S. § 902.16
<b>Rural Road District Without Special Assessment Tax</b>						
Unincorporated Area Road Improvement District	Improve existing roads	Cost proportionally distributed by benefits received	Road Improvement District	Legislated	Board of County Commissioners	19 O.S. § 1247
<b>Sewer Improvement District</b>						
Sewer Improvement District	Operations and maintenance	10 maximum	Sewer Improvement District	Majority vote of the voting electorate	District Board	19 O.S. § 873 19 O.S. § 890
Sewer Improvement District Sinking Fund	Construction costs of sewage treatment plant & main sewer lines	Sufficient to provide funds for bonded indebtedness	Sewer Improvement District	Majority vote of the voting electorate	District Board	19 O.S. § 884 19 O.S. § 890
Sewer Improvement District Special Assessment Fund	Construction costs of sub-district and private sewer lines	Special assessment to cover all expenses associated w/ construction sub-district sewer lines & private sewer lines	Sewer Improvement District	Legislated	District Board	19 O.S. § 880 19 O.S. § 881

**NOTE: The millage assessed for the support of a fire district or other special assessment districts shall be computed on the assessed valuation of the real property without being reduced by homestead exemptions, storm shelter exemptions, and veterans' exemptions, as such assessment is not a form of ad valorem taxation.**

## **Procedures for Fire Protection Districts**

19 O.S. § 901.15

An election is held in the proposed district to obtain voter approval to form a fire protection district. At least three-fifths of the votes cast in an election within a district must approve the formation of a fire protection district. A later election is held to obtain voter approval to incur public indebtedness through a bond issue.

Up to 7 mills can be levied annually to operate the fire protection district. An additional annual assessment is levied to cover the public indebtedness. The amount of the levy is set by the revenue needed for the annual interest payments and deposited into a sinking fund for retiring the debt.

19 O.S. § 901.19

The District Clerk computes the dollar amount of the fire protection district assessments within 20 days after the State Board of Equalization has certified the county's valuation. In this time frame, the District Clerk also certifies the special assessments to the County Treasurer. The County Treasurer sends out the special assessment statements and collects the assessment payments.

19 O.S. § 901.20

A.G. Opinion 81-9

## ***Rural Road Improvement Districts***

Two sets of legislation authorize the creation of rural road improvement districts within the areas of a county. One set of legislation allows the district to levy an annual millage for operating the district and paying off the debt from a bond issue. The second set of legislation requires property owners to pay for the road improvements through annual installments over a set number of years.

### **Rural Road Improvement District with Annual Special Assessment Tax**

19 O.S. § 902.2

19 O.S. § 902.3

A road improvement district can be organized under the Oklahoma Rural Road Improvement Act to provide safe travel within an unincorporated area of the county.

This type of district is formed after an election is held within the proposed area, and approval is obtained from three-fifths of the votes cast. A second election is held to obtain voter approval to sell bonds to derive revenue for constructing roads and maintaining the district.

19 O.S. § 902.5

Revenue is obtained for operating the district from a three mill or less levy on the ad valorem taxed property in the district, including the ad valorem taxed property of public service corporations.

19 O.S. § 902.12

19 O.S. § 901.15

Up to five mills can be levied to meet the annual interest payments along with the annual sinking fund deposits for retiring the bonds. The District Board sets the levies and establishes the rules for collecting the rural road district assessments.

19 O.S. § 902.16

In addition, the Road Improvement District Board is responsible for levying the rural road assessment tax. The assessments are made from a "rural road improvement district property record," which is maintained by the Secretary of the District Board. This record is similar to the assessment roll that the County Assessor maintains.

19 O.S. § 902.11

The County Assessor must obtain the following information from this record:

- The names of the landowners as they appear on the tax roll or instrument of title
- The description of all the property subject to ad valorem taxation
- The assessed value of all the taxable property as shown on the County Assessor's records

## **Rural Road Improvement District with Special Assessment Installments**

19 O.S. § 1230

A rural road improvement district can be organized in an unincorporated area of the county without an election and a special assessment tax levy. A rural road improvement district of this type can be formed in one of the following ways:

19 O.S. § 1232

1. By the Board of County Commissioners whenever the Board finds it necessary to upgrade the roads
2. Through a petition to the Board of County Commissioners that is signed by the record title holders of more than 60 percent of the land in the proposed district.

**NOTE: Either method requires the Board of County Commissioners to hold public hearings before a district is formed.**

19 O.S. § 1244

**NOTE: A school district, city, or town holding title record to land within the district must also be assessed its share of the costs.**

Once a Rural Road Improvement District is formed, the Board of County Commissioners will direct the County Assessor to perform the following actions:

- **Prepare a preliminary assessment roll**
- **Appraise the lots and tracts in the district**
- **\*Apportion the benefits of the road improvements over the lots and tracts of land in the district.**

19 O.S. § 1232

19 O.S. § 1240

**\*\*“Apportioning the benefits” is another way of saying that the costs of the rural road improvements are distributed among the properties in proportion to the benefits received from the improvements. By law, the Board of County Commissioners is to levy the landowners for their share of the costs of the road improvements so that the assessments conform to the appraisements and apportionments.**

19 O.S. § 1232

19 O.S. § 1247

Courts from outside of Oklahoma have ruled that special assessments are valid when imposed proportionally on the whole of the land benefited within the district. Therefore, the benefits apportioned to a particular property must be proportional to the benefits apportioned to all other properties.

A standard methodology is necessary in order to ensure that all benefits are proportional. This methodology may be based on such elements as the value of the respective tracts as enhanced by the (road) improvement, or their position or location, area, or frontage. Any one of these methods would require the Assessor to apply the basic principles of land appraisal.

The Board of County Commissioners orders the special assessments, which are payable in ten equal annual installments. The annual installments are collected by the County Clerk and paid to the County Treasurer.

19 O.S. § 1247

19 O.S. § 1249

19 O.S. § 1250

### *Time Limitations for Appraising and Apportioning Benefits*

From the time the County Assessor receives the notice from the Board of County Commissioners, the County Assessor must meet the following requirements:

19 O.S. § 1241

- Within five days, begin to appraise the property in the rural road improvement district, and apportion the benefits
- Within 10 days, file with the County Clerk a written report of the appraisals and apportionments

### *Sewer Improvement Districts*

At least 50 residents, or the majority of the landowners in a district, can petition the Board of County Commissioners to form a sewer improvement district. The Board then holds a public hearing followed by an election within the proposed district's boundaries. Once voters approve the district, the Board appoints a Board of Directors to manage it.

The Board of Directors of the sewer improvement district is empowered to call a special election to obtain voter approval for the following actions:

19 O.S. § 890

- To issue bonds for construction of the sewage treatment plant
- To install the main sewer lines

The Board levies an annual special assessment tax to meet the annual interest payments along with the annual sinking fund deposits required for retiring the bonds.

Additionally, the Board can levy up to 10 mills to operate a sewer improvement district. The assessments are levied only on real property within the district. The District Clerk then certifies the assessments to the County Treasurer, who sends out the assessment statements and collects the assessment payments.

### **Valuing Real Property in a Sewer Improvement District**

19 O.S. § 887

19 O.S. § 888

The County Assessor is responsible for assessing all the real property in a sewer improvement district and preparing an annual assessment book for the district's use. The County Assessor must begin this process before the **first Monday in May** and deliver the assessment book to the Clerk of the Board of Directors of the sewer improvement district by **May 15**.

The sewer improvement district assessment book is organized by subdivision with the following information in column format:

- Name of the landowner

- Township, range, and section number
- Subdivision, block, and lot numbers
- Cash value of non-platted land and improvement
- Cash value of the lots in a subdivision
- Cash value of all the improvements on the land
- The total value of the property after equalization
- Other items deemed necessary by the Board of Directors

19 O.S. § 888

19 O.S. § 889

The sewer improvement district board performs the equalization of assessments.

### **Costs Incurred from Sub-district Sewer Lines**

19 O.S. § 879

Any costs incurred from installing sub-district sewer lines are charged to the individual lots within the sub-district's boundaries. The assessments are by lot size in proportion to the sub-district's entire area (public highways are excluded in determining the area).

19 O.S. § 880

19 O.S. § 881

A special tax is assessed (levied) to meet the costs from installing the sewer lines. If the special tax is not paid, then the Board of Directors shall have a special assessment bond issued against a lot. The assessment for the bond is payable in five annual installments.

In addition, the district may construct private sewer lines. These costs are charged directly to the property owner requesting the connection.

### **Tax Increment Financing**

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Tax Increment Financing (TIF) is a local financing tool that captures tax revenue generated by a new project in a designated area. These funds are then used to pay for improvements associated with the project.

The local government (city, county, or town) prepares a project plan that details the project's costs, methods of financing, and other pertinent information.

62 O.S. § 861

TIF captures the taxes generated from the incremental growth in the designated area and allocates this portion back to a special fund to pay for project expenses.

For TIF purposes, a local government may use ad valorem taxes and any portion of sales taxes, other local taxes, or local fees.

### ***County Assessor Responsibilities***

Once a plan has been approved that contains apportionment financing, the County Assessor shall, within 90 days, determine the total assessed value of all taxable real property and all taxable personal property within the boundaries of an increment district.

Any school district located within the boundaries of an increment district may file a protest with the governing body of the city, town or county as to the amount certified by the County Assessor as the “base assessed value” of the increment district. Such a protest shall be filed within 30 days after the “base assessed value” is certified by the County Assessor. The governing body of the city, town or county shall notify the County Assessor of the protest.

Within 30 days after being notified of the protest, the County Assessor shall re-determine the total assessed value of all taxable real property and all taxable personal property within the boundaries of the increment district and shall certify to the governing body of the city, town or county the re-determined amount as the “base assessed value” of that district.

After the County Assessor has certified the “base assessed value” of the taxable real property and the taxable personal property in the increment district, then in respect to every taxing jurisdiction receiving taxes levied in the increment district, the County Assessor or any other official required by law to ascertain the amount of the equalized assessed value of all taxable property within such an increment district for the purpose of computing the tax levy to be extended upon taxable property within such increment district, for the purpose of calculating the general state school aid formula, or for the purpose of computing any debt limitation, shall in every year that the tax apportionment is in effect ascertain the amount of value of taxable property in such increment district by including in such amount the certified “base assessed value” of all taxable real property and all taxable personal property in such increment district in lieu of the equalized assessed value of all taxable real property and all taxable personal property in such an increment district.

The tax levy determined shall be extended to the current equalized assessed value of all property in the increment district in the same manner as the tax levy is extended to all other taxable property in the increment district.

The method of extending taxes established under the provisions of this section shall terminate when the governing body adopts an ordinance or resolution dissolving the tax apportionment financing. The provisions of this act shall not be construed as relieving property owners within an increment district from paying a uniform rate of taxes upon the current equalized assessed value of their taxable property as required by Section 5 of Article X of the Oklahoma Constitution.

## **Housing Reinvestment Districts**

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The Oklahoma Housing Reinvestment Program Act was passed in 2002 to allow the creation of housing reinvestment districts. These districts may only be created in a municipality or county with a population of less than 300,000, and in which the percentage change in population is less than the national average.

A municipality or county may provide an exemption from ad valorem taxes in a housing reinvestment district. **However**, the governing body of the district must obtain the written consent of each taxing entity (such as counties) levying ad valorem taxes upon property located in the proposed district. If such written consent is not obtained, the district cannot be created.

The governing body of the district must also enter into a contractual arrangement with the governing bodies (the Board of County Commissioners for counties) of all affected taxing entities to provide relief from ad valorem taxes.

## Chapter Nineteen

# Exemptions

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## Ad Valorem Taxation

Oklahoma  
Constitution  
Article 10 § 8

Both the Oklahoma Constitution and the Oklahoma Statutes address ad valorem taxation. The Oklahoma Constitution states that “the legislature shall pass no law exempting any property within Oklahoma from taxation, except as otherwise provided in this Constitution.”

The Oklahoma Statutes state that all property in Oklahoma, whether real or personal, shall be subject to ad valorem taxation.

68 O.S. § 2804

## *Exemptions*

However, both the Oklahoma Constitution and the Oklahoma Statutes specifically exempt certain entities from paying ad valorem taxes.

## *Self-Executing Constitutional Exemptions*

Oklahoma  
Constitution  
Article 5 § 50

Property is only exempt from taxation by special and definite provisions of law. The Legislature may qualify, curtail, or annul any exemption unless the constitutional provision that grants the exemption is **self-executing**.

(City of Hartshorne v. Dickinson, 207 Okla. 305, 249 P. 2d 422, 424 [1952]).

A self-executing provision means that the provision is operative without enabling or supplemental legislation. Constitutional provisions are considered self-executing that exempt certain classes of property or direct that the Legislature shall not tax designated property.

(City of Hartshorne v. Dickinson, 207 Okla. 305, 249 P. 2d 422, 424 [1952])

Before a provision can be considered self-executing and operative, the necessary legislation must be enacted. The Legislature cannot grant exemptions that are constitutionally unrecognized or enlarge constitutional exemptions.

(Williams v. City of Norman, 85 Okla. 230, 205 P. 144, 147 [1922])

Furthermore, the Legislature may not change or extend a Constitutional provision that is a self-executing grant of power to the taxpayers if the provision is self-complete.

(County Assessor, Okla. County v. United Broth. of Carpenters and Joiners of America Local

Self-executing constitutional provisions are not subject to taxation and any tax assessed would be illegal and void. Even voluntary payment by the taxpayer of an invalid tax does not constitute a waiver or ratify the tax if a timely application for refund is filed pursuant to law.

## Property Exempt from Taxation

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Some property is exempted from ad valorem taxation by law because of use or ownership, and some property is exempted by reason of payment of an in lieu (in place of) tax.

**NOTE: The taxpayer always has the burden of proof as to the exempt status of the property.**

### *Properties Exempt by Use or Ownership*

Oklahoma  
Constitution  
Article 10 § 6  
68 O.S. § 2887

The following properties are free from taxation as defined in the constitution because of use or ownership and are covered by self-executing provisions. These exemptions are also defined by statute.

- All property used for free public libraries
- All property used for free museums
- All property used for free public schools
- All property used for public cemeteries

(Arlington Memory Gardens v. E. Melvin Porter, Okla. County Assessor and Joe B. Barnes, Okla. Co. Treasurer: 874, P.2d 68 [Okla. App. 1994]; Okla. 87, P.2d 1147. [1994]; OTC Bulletin 95-46)

- Property used exclusively for non-profit schools and colleges

This category includes all property of any college or school that is devoted exclusively and directly to the appropriate objects of such college or school within Oklahoma.

- Property used exclusively for religious purposes

Application is made on [OTC Form No. 987, Oklahoma Application for Ad Valorem Tax Exemption for Religious Entities](#).

(In Re Park College, 170 Okla. 132, 39 P.2d 105 [1953]; Comanche County v. Central Baptist Church, 136 Okla. 99, 276 [1929]; Baptist Building Corp. V. Barnes Okla. App. 874, P.2d. 68 [1994]; OTC Bulletin 95-46)

- Property used exclusively for charitable or non-profit purposes

68 O.S. § 2887(8)

**NOTE: The charity using such property must not pay any rent or compensation to the owner of the property unless the owner is a charitable institution as defined in Section 501(c)(3), by the Internal Revenue Service.**

This category includes all property of any charitable institution organized or chartered under the laws of Oklahoma as a nonprofit or charitable institution.

**NOTE: The net income from such property must be used exclusively within Oklahoma for charitable purposes and no part of the income must be used by a private stockholder for personal benefit.**

Application is made on *OTC Form No. 988, Oklahoma Application for Ad Valorem Tax Exemption - Charitable.*

- All property of the United States except property for which a federal agency obtains title through foreclosure, voluntary or involuntary liquidation or bankruptcy unless federal law prohibits the taxation of such property

(Davidson v. Camtel Okla. App 876 P.2d 725 [1993])

**NOTE: If the property was previously subject to ad valorem taxation, the property may continue to be assessed for ad valorem taxes the federal agency agrees to pay.**

(West v. Okla. Tax Commission, 68 S. Ct. 1223 [1948])

- All property of the State of Oklahoma and of counties and municipalities of Oklahoma and various other political subdivisions within the state

(Commissioners of Land Office v. Gaylon 154 Okla. 204, 7P.2d 484 [1932])

This category includes property acquired for the use of such entities according to the terms of a lease-purchase agreement.

68 O.S. § 2887(2)

**NOTE: A lease-purchase agreement provides the passage of title or the release of security interest, if applicable, upon payment of all rental payments and an additional nominal amount. The lease acts as a mortgage. An option to purchase does not qualify. The agreement must be a closed end lease.**

(Hoover Equipment v. Board of Tax Roll Corrections 436 P.2d 645 [Okla. 1947]; State. Cartwright v. Dunbar, 618 P.2d 900 [Okla. 1980]; Cox v. Dillingham 184 P.2d 976 [Okla. 1947]; Attorney General Opinion 270 [1969])

- Household goods of the heads of families and tools, implements, and livestock employed in the support of the family that do not exceed \$100 in value

In addition, the further sum of \$200 shall be exempt from taxation on personal property to all enlisted and commissioned personnel, whether on active duty or honorably discharged, who served in the Armed Forces of the U.S. during the following altercations:

- \* The Spanish–American War
- \* The period beginning on April 6, 1917, and ending on July 2, 1921
- \* The period beginning on December 6, 1941, and ending on such a date as the state of national emergency as declared by the President of the United States shall cease to exist

\* Any other future period during which a state of national emergency shall have been declared to exist by congress or the President of the United States

A.G. Opinion 78+125

**NOTE: All widows or widowers of such enlisted or commissioned personnel who are bona fide residents of Oklahoma shall be entitled to this additional \$200 exemption.**

**NOTE: Neither the ad valorem or personal property exemption applies when a military person establishes residency by filing a homestead exemption.**

**NOTE: National Guard or Reserve on Active Duty do not qualify as active duty, non-resident, military persons.**

**NOTE: The spouse or parents of an active duty, non-resident, military person can register on behalf of the military person if that person is unable to register the manufactured home at the appropriate time.**

Please refer to Chapter Seventeen, *Manufactured Homes*, “Exemption for Manufactured Home Owned by Members of the Armed Forces” for information on how this exemption applies to manufactured housing.

- All growing crops
- All property owned by the Murrow Native American Orphan Home located in Coal County
- All property owned by the Whitaker Orphan Home located in Mayes County

68 O.S. § 2807(3)

**NOTE: These properties are exempt as long as they are used exclusively as free homes or schools for orphan children and for poor and indigent persons.**

(Hoover Equipment Co. V. Board of Tax Roll Corrections 436 P.2d 645, Okla. [1947] Attorney General Opinion 82-182)

- All fraternal orphan homes and other orphan homes along with their charitable funds

## ***Native American Property***

Some property may be exempt because of treaty stipulations that exist between the Native Americans and the United States government, or by federal laws.

Refer to Oklahoma Tax Commission Ad Valorem Division Publication, *Ad Valorem Tax Exemptions*, for more detailed information on exemptions on Native American property.

## **Non Self-Executing Constitutional Exemptions**

The following exemptions are listed in the Oklahoma Constitution, but are not covered by self-executing provisions.

### ***Property Exempt by Special Election***

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The Board of County Commissioners of any county may call a special election to determine

whether or not household goods of the heads of families and livestock employed in support of the family located within the county shall be exempt from ad valorem taxation. The Board must also call an election if no less than 25 percent of the registered voters of the county sign a petition requesting an exemption. If the voters pass the exemption, it becomes effective on January 1 of the following year.

Oklahoma  
Constitution  
Article 10 § 6(B)

## ***Tangible Personal Property Moving Through the State (Freeport Exemptions)***

All property moving through Oklahoma, which is not detained with the state for more than 90 days is considered interstate commerce and is exempt from taxation.

Oklahoma  
Constitution  
Article 10 § 6(A)

These exemptions are filed with the County Assessor by any person, firm or corporation on or before March 15 of the year in which the exemption is requested or within 30 days from receipt of notice of valuation increase, whichever is later on [OTC Form No. 901-F, the Oklahoma Freeport Exemption Declaration](#).

A.G. Opinion 03-23

68 O.S. § 2902.2

Goods, wares and merchandise held for assembly, storage, manufacturing, processing or fabricating purposes, which is not held in the state for more than nine months, is exempt from taxation.

**NOTE: Personal property consigned for sale within Oklahoma must be assessed as any other personal property.**

## ***Intangible Personal Property Exemptions***

Intangible personal property, as defined below, shall not be subject to ad valorem taxation or to any other tax in lieu of ad valorem tax within Oklahoma:

Oklahoma  
Constitution  
Article 10 § 6(A)

- Money and cash on hand, including currency, gold, silver, and other coins, bank drafts, certified checks, and cashier's checks
- Money on deposit in any bank, trust company, or other depository of money, within or without Oklahoma, including certificates of deposit
- Accounts and bills receivable, including brokerage accounts, and other credits, whether secured or unsecured
- Bonds, promissory notes, debentures, and all other evidences of debt, whether secured or unsecured; except notes, debentures, and other evidences of debt secured by real estate mortgages that are subject to the Mortgage Registration Tax under Sections 12351A.G. Opinion 03-16 – 12362, inclusive, Oklahoma Statutes, 1931 (68 O.S. 1961, Sections 1171-1182).
- Shares of stock or other written evidence, or proportional shares of beneficial interests in corporations, joint stock companies, associations, syndicates, express or business trusts, special or limited partnerships, or other business organizations
- All interests in property held in trust or on deposit within or without this state, and whether or not evidenced by certificates, shares, or other written evidence of beneficial ownership

- Final judgments for the payment of money
- All annuities and annuity contracts

## *Manufacturing Establishments and Public Utilities Exemptions*

The legislature may authorize any incorporated city or town, by a majority vote of its voting electors, to exempt manufacturing establishments and public utilities from municipal taxation for a period not exceeding five years, as an inducement to their location.

### *Qualifying Manufacturing Concern Exemptions*

For purposes of this section, a “qualifying manufacturing concern” means a concern that meets one of the following criteria:

Oklahoma  
Constitution  
Article 10 § 6(B)  
68 O.S. § 2902

- A concern that **is not** engaged in business in Oklahoma or does not have property subject to ad valorem taxation in Oklahoma and does one of the following:
  - \* Constructs a manufacturing facility in Oklahoma
  - \* Acquires an existing facility that has been unoccupied for 12 months prior to acquisition
- A concern that **is** engaged in business in Oklahoma or has property subject to ad valorem taxation in Oklahoma and does one of the following:
  - \* Constructs a manufacturing facility in Oklahoma at a different location from present facilities and continues to operate all of its facilities
  - \* Acquires an existing facility that has been unoccupied for 12 months prior to acquisition and continues to operate all of its facilities

For the purposes of inducing any manufacturing concern to locate or expand manufacturing facilities within any county of this state, a manufacturing concern shall be exempt from the levy of any ad valorem taxes upon new, expanded, or acquired manufacturing facilities for a period of five years. This type of exemption applies to expansions of existing facilities. In addition, the exemption shall be limited to the amount of the increase in ad valorem taxes that results from the expansion.

The Legislature defines the term “manufacturing facility” for purposes of a qualifying manufacturing concern exemption in order to promote full employment of labor resources within the state. If an exemption is in effect, the original terms of qualification are not effected by future legislative changes.

However, the continuing exempt status remains contingent upon the company’s maintaining the operation of all facilities, including the expanded portion each year that an exemption is sought.

## Reimbursing Lost Revenues

62 O.S. § 193

Furthermore, the Legislature shall reimburse all common schools, county governments, cities and towns, emergency medical service districts, vocational–technical schools, junior colleges, county health departments, and libraries for revenues lost to such entities as a result of a qualifying manufacturing concern exemption.

A.G. Opinion 03-16

## Adding Assessed Valuation

68 O.S. § 2902

The assessed valuation of property owners exempt from this type of exemption shall be added to the assessed valuation of taxable property in computing the limit on indebtedness of political subdivisions. A qualifying manufacturing concern, as it relates here, is further defined in the statutes.

## *Exemptions for Tax Relief for Historic Preservation, Reinvestment or Enterprise Areas*

Oklahoma  
Constitution  
Article 10 § 6C

The Legislature, by law, may grant incorporated cities, towns, or counties the ability to provide incentives, exemptions, and other forms of relief from taxation for historic preservation, reinvestment, or enterprise areas that show economic stagnation or decline. Relief from taxes imposed by other local taxing jurisdictions shall only be allowed by contractual arrangement with the municipal or county governing body. The law requires public hearings before such relief may be granted, and further provides for the local initiative power and referendum of the people.

The legislature may set limitations on the cumulative incentives and relief provided by the Oklahoma Constitution.

- Cumulative incentives and relief provided in the Oklahoma Constitution
- Time period for the exemptions
- Geographical area of the jurisdiction covered
- Percentage of the tax base of the jurisdiction eligible for the relief programs
- Threshold limits of investment credits and jobs created

## *Exemptions for Public Investments*

Oklahoma  
Constitution  
Article 10 § 6C(B)

The Legislature, by law, may authorize that cities, towns, or counties may specifically use local taxes and local assistance in development financing, or as a specific revenue source for other public entities in the area in which the improvements take place. In addition, the Legislature may direct the apportionment of the taxes and fees specified in the constitution for the purposes specified.

## *Exemptions for Development or Redevelopment of Unproductive Areas*

Oklahoma  
Constitution  
Article 10 § 6C(C)

The Legislature, by law, may authorize any city, town, or county to plan, finance, and implement the development or redevelopment of areas determined to be unproductive, undeveloped,

62 O.S. §§ 850-863

underdeveloped, or blighted. The authority of the county shall be limited to the unincorporated areas of the county. However, any city, town, or county may, by agreement, jointly plan, finance, or carry out a development plan with any other public or private entity for one or more development project within their respective boundaries.

68 O.S. § 2887

**NOTE: Any city, town, or county may exercise the provisions of this section separately or in combination with powers granted by any other laws of Oklahoma.**

## ***Exemption for Military Service Disability (100% Disabled Veterans)***

Oklahoma  
Constitution  
Article 10 § 8E

OTC Rules  
710:10-14-1 to  
710:10-14-8

This constitutional amendment provides an exemption on the full amount of the fair cash value of the homestead real property for eligible veterans who are honorably discharged and permanently disabled. The exemption was added to the Oklahoma Constitution after voters approved State Question No. 715 on November 2, 2004. The law was effective on January 1, 2006.

In order to be eligible for the exemption, the individual is required to prove residency within the state of Oklahoma and must have previously qualified for the homestead exemption authorized by law or be eligible for the homestead exemption pursuant to law.

The taxpayer applies to the County Assessor for a veteran's exemption on [OTC Form No. 998, Oklahoma Application for 100% Disabled Veterans Real Property Tax Exemption](#). The County Assessor approves or rejects the form based on the taxpayer's proper documentation of proof.

The individual must be certified by the United States Department of Veterans Affairs to have a permanent disability compensated at the 100 percent rate. The certification must be in effect for the year in which the individual is applying for the exemption.

The exemption is also available to their surviving spouses. Applications filed for previous years are null and void.

Oklahoma  
Constitution  
Article 10 § 22A

## **Statutory Exemptions**

The following exemptions are defined in the Oklahoma Statutes:

68 O.S. § 2887

- Books, papers, furniture, and scientific or other apparatus pertaining to any institution, college, or society referred to in the statutes and which are devoted exclusively and directly for the use of students in such an institution, college, or society for educational purposes

(Chapman v. Draughon's School of Business 287 P.2d 903 [Okla. 1955])

- All property used exclusively for fraternal or religious purposes within Oklahoma (Oklahoma County v. Queen City Lodge 195 Okla. 131, 156 P.2d 340 [1945]; London Square Village v. Okla. County 559 Okla. P.2d 1224 [1977]; Oklahoma Tax Commission v. Sisters of the Sorrowful Mother 97 P.2d 888 [1939]; Board of County Commissioners of Garfield County v. Phillips University 44 Okla. 57 289 p. 720 [103]; Immanuel Baptist Church v. Glass 497 P.2d 757 [Okla.1971]; Attorney General Opinion 82-182)

For purposes of administering the exemption and in order to determine whether a single family, residential property is used exclusively and directly for fraternal or religious purposes, the fair cash value of a single family, residential property in excess of \$250,000 for the applicable assessment year for which an exemption is claimed shall **not** be exempt from taxation.

- All property of any hospital established, organized, and operated by any person, partnership, association, organization, trust, or corporation as a non-profit and charitable hospital

The property and net income from such a hospital must be used directly, solely, and exclusively within Oklahoma for charitable purposes. No part of such income shall be used by any individual, person, partner, shareholder, or stockholder for individual benefit. Furthermore, such hospital facilities shall be open to the public without discrimination as to race, color, or creed, and regardless of ability to pay. Such a hospital must be licensed and otherwise complies with the laws of Oklahoma regarding the licensing and regulation of hospitals.

(Oklahoma County v. Queen City Lodge 195 Okla. 131, 156 P.2d 340 [1945]; London Square Village v. Okla. County 559 Okla. P.2d 1224 [1977]; Oklahoma Tax Commissions of Garfield County v. Phillips University 44 Okla. 57, 289 p. 720 [1930]; Immanuel Baptist Church v. Glass 497 P.2d 757 [Okla. 1971]; Attorney General Opinion 82-182; Payne County v. William K. Warren Medical Center 905 P.2d 824 [1995])

In re Park College 39 P.2d 105 [Okla. 1934]; Tulsa County v St. Johns Hospital 100 Okla. 176 191 P.2d 983 [1948]; 76 Attorney General Opinion 122 [1976])

- All libraries and office equipment of ministers of the Gospel who are actively engaged in ministerial work in Oklahoma

These libraries and office equipment that are being used by such ministers in their ministerial work must be determined to be used exclusively for religious purposes; they must be declared to be within the meaning of the term “religious purposes” according to the Oklahoma Constitution.

(Oklahoma County v. Queen City Lodge 195 Okla. 131, 156 P.2d 340 [1945]; London Square Village v. Okla. County 559 Okla. P.2d 1224 [1977]; Oklahoma Tax Commission v. Sisters of the Sorrowful Mother 97 P.2d 888 [1939]; Board of County Commissioners of Garfield County v. Phillips University 44 Okla. 57 289 p. 720 [103]; Immanuel Baptist Church v. Glass 497 P.2d 757 [Okla. 1971]; Attorney General Opinion 82-182)

- Family portraits
- All food and fuel provided in kind for the use of the family, not to exceed provisions for one year’s time; all grain and forage necessary to maintain for one year the livestock used to provide food for the family

[A.G. Opinion 95-22](#)

No person from whom pay is received or expected for board shall be considered a member of the family.

- All game animals, fowl and reptile, which are not being grown for food or sale and which are kept exclusively for breeding or exhibition in private grounds or public parks in Oklahoma

The following are other statutory exemptions by classification:

## Homestead Exemptions

**NOTE: Refer to the Oklahoma Tax Commission Ad Valorem Division publication Homestead Exemptions for detailed information on homestead exemptions.**

Homesteads are also classified for taxation and shall be assessed for taxation. However, homesteads are exempt from all forms of ad valorem taxation up to \$1,000 of their assessed valuation.

68 O.S. § 2888

68 O.S. § 2889

Any executor or administrator of an estate that is eligible for a homestead property exemption shall notify the County Assessor of the change in status of the homestead property if the property is not the homestead of a person who would be eligible for the exemption. The taxpayer applies to the County Assessor for a homestead exemption on [OTC Form No. 921, Oklahoma Application for Homestead Exemption](#). The County Assessor sends the form to the County Board of Equalization for consideration.

A.G. Opinion 87-103

A.G. Opinion 77-231

A.G. Opinion 81-255

A.G. Opinion 81-301

If the application is rejected, or the amount of the exemption is reduced, the County Board of Equalization and the County Assessor complete [OTC Form No. 922, Notice of Rejection Homestead Exemption](#), which is sent to the taxpayer.

The County Assessor completes [OTC Form 923, Annual Report of Homestead Exemption](#), and sends it to the OTC each year.

## Additional Homestead Exemptions

In addition to the amount of the homestead exemption, an additional exemption is granted up to \$1,000 of the assessed valuation on each homestead of heads of households whose gross household income from all sources for the preceding calendar year did not exceed \$25,000.

68 O.S. § 2899

68 O.S. § 2890

The fair cash value of any parcel of locally assessed real property cannot increase by more than five percent in any taxable year, except in a year when title is transferred, changed or conveyed to another person or when improvements are made.

Oklahoma  
Constitution  
Article 10 § 8B

**NOTE: The term “gross household income,” as used in the Oklahoma Constitution, means the gross amount of income of every type, regardless of the source, received by all persons occupying the same household. This applies whether such income was taxable or nontaxable for federal or state income tax purposes, including the following items:**

- Pensions
- Annuities
- Federal Social Security

- Unemployment payments
- “Loss-of-time” insurance payments
- Capital gains
- Any other type of income received, excluding gifts
- Public Assistance Payments
- Alimony
- Support money
- Workers’ compensation

A.G. Opinion 87-103  
A.G. Opinion 77-231  
A.G. Opinion 81-255  
A.G. Opinion 81-301

The term “head of household,” as used in the Oklahoma Constitution, means a person who, as owner or joint owner, maintains a home and furnishes his/her own support of the home, furnishings, and other material necessities.

### Applications for Additional Homestead Exemptions

The application for an additional homestead exemption shall be made with the County Assessor each year [on or] **before March 15** or within 30 days from the taxpayer’s receipt of the notice of valuation increase, whichever is later. The taxpayer should use the application form prescribed by the OTC, which requires the taxpayer to record the amount of his/her gross income. Upon request of the County Assessor, the OTC shall assist in verifying the correctness of the amount of the recorded gross income.

No annual application is required for persons who are 65 years of age or older as of **March 15** and who have previously qualified for the additional homestead exemption. Any person whose gross household income in any calendar year exceeds the amount necessary to qualify for an additional homestead exemption must notify the County Assessor, and the additional exemption will not be allowed for the applicable year.

Households where the total gross income is currently less than \$25,000 are eligible for an additional \$1,000 deduction from the assessed value of the homestead. Persons who are 65 years or older and whose total gross income is \$25,000 or less only need to apply for the additional exemption once. They do not need to reapply each year provided they continue to meet the qualifications of the statutes. To be eligible for the additional exemption, all conditions to qualify for the homestead must be met.

68 O.S. § 2888  
68 O.S. § 2889  
68 O.S. § 2890  
68 O.S. § 2890.1  
Oklahoma  
Constitution  
Article 10 § 8C

Lost revenues from additional homestead exemptions are reimbursed to school districts by the Oklahoma Legislature.

### Limit on Fair Cash Value on Homestead

A.G. Opinion 03-16

Effective January 1, 1997, the fair cash value on each homestead of persons over 65 years of age who have gross household income per year from all sources that does not exceed the amount determined by the United States Department of Housing and Urban Development (HUD) to be the estimated median income for the preceding year for the county or metropolitan statistical area which includes such county, cannot be increased beyond the fair cash value determined during the first year that the person is 65 years of age and has a gross household income of HUD

Oklahoma  
Constitution  
Article 10 § 8C

median income amount. The OTC shall provide such information to each County Assessor each year as soon as such information becomes available. Taxpayers who meet these criteria should file for an exemption on [OTC Form 994, Oklahoma Application for Property Valuation Limitation and Additional Homestead Exemption](#).

Upon receiving an OTC Form 994, the County Assessor sends [OTC Form 996, Request for Income Verification for Valuation Freeze/Additional Homestead](#) to the OTC to request income tax information.

## **Approval or Rejection of Homestead Exemption**

The County Assessor examines each application filed for homestead exemption and determines if the application should be approved and the exemption amount.

If the application is approved, the County Assessor marks it approved, indicates the approved amount of the exemption, and indicates it on the assessment roll.

If the application is rejected, the County Assessor marks it rejected and indicates the reason for the rejection. When an application is rejected or the amount of an exemption is reduced, the County Assessor notifies the applicant on [OTC Form No. 922](#).

## **Review by the County Board of Equalization**

The County Board of Equalization must review all applications for homestead exemption and take appropriate action to grant the exemptions of all legally qualified applicants. If the board disallows any exemption that has been allowed by the County Assessor or changes the amount of an exemption, the disallowance shall not become final until 10 days after notifying the applicant.

68 O.S. § 2893

68 O.S. § 2894

## **Protest of Rejection or Reduction**

Any applicant whose homestead exemption application has been disallowed, or the amount reduced, by either the County Assessor or the County Board of Equalization, shall have an opportunity for a hearing before the County Board of Equalization. The applicant must file a written complaint ([OTC Form No. 976](#)) with the secretary of the County Board of Equalization within 10 days after receiving notice of the rejection or reduction. The board then schedules a hearing date and notifies the applicant. ([OTC Form No. 977](#)).

68 O.S. § 2895

## **Unlawful Acts and Penalties**

Any person who makes a fraudulent or false claim for a homestead exemption, or makes any false statement or representation, or assists another person in preparing a false or fraudulent claim is guilty of a misdemeanor.

68 O.S. § 2892

68 O.S. § 2900

## Manufactured Housing Refund for Elderly or Disabled

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68 O.S. §§ 2904-2911

Any manufactured housing owner who meets certain requirements may file a claim for property tax relief (circuit breaker refund) on taxes actually paid on the property occupied by that person the entire preceding calendar year. Refer to Chapter Seventeen, *Manufactured Housing, “Refund for Elderly or Disabled,”* for more information.

## Storm Shelter Exemption

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Oklahoma  
Constitution  
Article 10 § 6(A)

State statutes and the Oklahoma Constitution provide for the exemption of storm shelters designed for protection and safety from tornadoes or tornadic winds installed or added to an improvement to real property after January 1, 2002 up to 100 square feet in size.

68 O.S. § 2817.1

OTC Rule  
710:10-6-1

If title to a property with an exempt storm shelter is transferred, changed or conveyed, the storm shelter shall be assessed that year based on fair cash value.

The taxpayer files an application with the County Assessor for the storm shelter exemption on OTC Form No. 905, [Oklahoma Storm Shelter Exemption Application](#).

## Manufacturing Facilities Exemptions

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68 O.S. § 2902

State statutes, like the Oklahoma Constitution, also provide for a qualifying manufacturing concern exemption.

Oklahoma  
Constitution  
Article 10 § 6B

A qualifying manufacturing concern is exempt from ad valorem tax levies for a period of five years on new, expanded, or acquired manufacturing facilities, including facilities engaged in research and development.

The following sections are provided to define special terms and explain certain aspects of a “manufacturing facilities exemption.”

### Definitions of “Facility”

“Facility” and “facilities” shall mean and include the land, buildings, structures, improvements, machinery, fixtures, equipment, and other personal property used in the manufacturing process and defined in Section 1352 of the sales tax code.

### Definitions of “Research and Development”

“Research and development” shall mean activities directly related to and conducted for the purpose of discovering, enhancing, increasing, or improving future or existing products or processes or productivity.

### Definitions of “Manufacturing Facilities”

“Manufacturing facilities” are defined as facilities engaged in the mechanical or chemical transformation of materials or substances into new products, which have received a manufacturer exemption permit pursuant to provisions of the sales tax code.

## *Aircraft Repair and Replacement Parts*

Repair and replacement parts primarily involved in aircraft repair, building and rebuilding, whether or not on a factory basis.

## *Retail Establishments/Publicly Regulated Facilities*

Eating and drinking places as well as other retail establishments and centrally assessed property do not qualify as manufacturing facilities.

## *Computer Services and Data Processing*

“Manufacturing facilities” shall also include an establishment that is primarily engaged in computer services and data processing as defined under Industrial Group Numbers 7372 and 7373, or latest revision and U.S. Industry Number 51420 of the North American Industrial Classification System (NAICS) Manual. This establishment must derive at least 80 percent of its annual gross revenues from the sale of a product or service to an out-of-state buyer or consumer, as defined under Industrial Group Number 7374 of the latest revision of the *SIC Manual*.

## **Eligibility as a Manufacturing Facility**

Eligibility as a manufacturing facility shall be subject to review by the Oklahoma Tax Commission. All sales to the federal government shall be considered an “out-of-state buyer” in determining whether annual gross revenues are derived from sales to out-of-state buyers.

## **Exemption for New, Acquired, or Expanding Manufacturing Facilities**

The exemption provided for in Article 10, Section 6B of the Oklahoma Constitution applies to new or acquired manufacturing facilities and to the expansion of existing facilities. Any exemption for expansion of existing facilities is limited to the amount of the increase in ad valorem taxes due to the expansion.

## **Application for a Manufacturer’s Exemption**

Any person, firm, or corporation claiming a manufacturer’s exemption shall file each year for which the exemption is claimed. An application must be completed with the County Assessor of the county where the new, expanded, or acquired facility is located. This application must be on the form prescribed by the Oklahoma Tax Commission, and must be filed by the later of the following two dates:

- On or before March 15 of each year for which the company wants the exemption
- Within 30 days from receipt of the notice of valuation increase

If completion of the facility/facilities will occur **after January 1** of a given year, the facility may apply to claim the exemption for that year. If the facility qualifies for the exemption, the exemption is granted for that entire year and shall apply to the ad valorem valuation as of **January 1** of that year. For applicants who qualify, the application shall include any information required to be filed with the Oklahoma Tax Commission or the County Assessor.

The application will be examined by the County Assessor who will approve or reject in the same manner that claims for homestead exemptions are approved or rejected. The taxpayer's right for review and appeal from the County Board of Equalization is also subject to the same requirements as the review and appeals for homestead exemption claims.

## ***Rural Water or Sewer Districts Exemptions***

68 O.S. § 2903

All property, both real and personal, of any rural water or sewer district as defined in the "Rural Water and Sewer Districts Act" must be registered and licensed each year for a fee of \$1. The same applies for rural water or sewer districts that are incorporated as nonprofit corporations. All of these districts shall also be exempt from sales and use taxes. (Chapter 18, Title 82 O.S.)

## ***In-Lieu Taxes***

68 O.S. § 2805

This section provides the following fees or taxes levied as an in-lieu tax, or a tax that is levied **in place of** an ad valorem tax. An in-lieu tax can be levied in lieu of a real property tax, personal property tax, or both.

- Registration fees and taxes imposed upon aircraft 3 O.S. § 251
- Registration fees for motor vehicles 47 O.S. § 1103
- Fee imposed upon transfers of used vehicles in lieu of the ad valorem tax upon inventories of used motor vehicles 47 O.S. § 1137.1
- Registration and license fees imposed upon vessels and motors pursuant to the Oklahoma Vessel and Motor Registration Act 63 O.S. § 4001  
63 O.S. § 4003
- Taxes levied upon the gross production of substances 68 O.S. § 1001  
68 O.S. § 1020
- Tax imposed upon gross receipts 68 O.S. § 1803
- Tax imposed upon certain textile products 68 O.S. § 2001
- Tax imposed upon certain freight cars 68 O.S. § 2202
- Tax imposed on certain parts of the inventories, both new and used items, owned and/or possessed for sale by retailers of farm tractors and other equipment (Agricultural Implements In-Lieu tax). Refer to Chapter Sixteen, *Business and Agricultural Personal Property: List, Appraise, and Assess*, for more information. 68 O.S. § 5401  
68 O.S. § 5402  
68 O.S. § 5403  
68 O.S. § 5404
- Tax imposed upon inventories of new vehicles and certain vessels 68 O.S. § 5301
- Such other fees or taxes as may be expressly provided by law to be in lieu of ad valorem taxation
- Certain bank personal property

## ***Personal Property Exemptions for the Heads of Households***

68 O.S. § 2949

The following sections are provided to define special terms and explain certain aspects of personal property exemptions for the heads of households.

## Definition of “Gross Household Income”

68 O.S. § 2890

“Gross household income” means the gross amount of income of every type, **regardless of the source**, received by all persons occupying the same household. The following items should be included in computing gross household income, regardless of whether the income was taxable or nontaxable for federal or state income tax purposes:

OTC Bulletin 02-02

- Pensions
- Annuities
- Federal Social Security
- Unemployment payments
- Public assistance payments
- Alimony
- Support money
- Workers’ compensation
- Loss-of-time insurance payments
- Capital gains
- Any other type of income received, excluding gifts

## Definition of “Head of Household”

68 O.S. § 2890

“Head of household” means a person who, as owner or joint owner, maintains a home and furnishes the support for the home, furnishings, and other material necessities.

## Eligibility for “Personal Property for Heads of Households” Exemption

68 O.S. § 2949

Beginning with the year 1990 and for each subsequent year, any person 62 years of age or older who meets the following requirements may receive an exemption up to \$2,000 on the manufactured home.

- The individual is a head of a household
- The individual is a resident of Oklahoma and lives in Oklahoma during the entire preceding calendar year
- The individual’s gross household income for the preceding year did not exceed \$10,000
- The individual owns and resides in a manufactured home that is located on and not owned by the owner of the manufactured home

**NOTE: This is not an “additional homestead exemption”.**

## **Application for a Personal Property Tax Exemption**

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68 O.S. § 2949

The application for a Personal Property Tax Exemption shall be made each year **on or before March 15**, or within 30 days from the taxpayer's receipt of the notice of valuation increase, whichever is later. Also, the application must be on the form prescribed by the Oklahoma Tax Commission, which requires the taxpayer to certify as to the amount of gross income. Upon request of the County Assessor, the Tax Commission shall assist in verifying the correctness of the amount of the recorded gross income. The form must state in bold letters that it must be returned to the County Assessor of the county in which the manufactured home is located.

No annual application is required for persons who are 65 years of age or older as of **March 15** and who have previously qualified for the personal property exemption for the heads of households. Any person whose **gross household income** in any calendar year exceeds the amount necessary to qualify for this type of exemption must notify the County Assessor and the additional exemption will not be allowed for the applicable year.

## **Executor or Administrator of an Estate**

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68 O.S. § 2890.1

Any executor or administrator of an estate within which is included a homestead property exemption shall notify the County Assessor of the change in status of the homestead property if the property is not the homestead of a person who would be eligible for the exemption.

## **Exemptions for Manufacturing and Public Utilities**

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11 O.S. § 17-112

The legislature can authorize any incorporated city or town, by a majority vote of its citizens, to exempt manufacturing establishments and public utilities from municipal taxation, for a period not to exceed five years.

## **Exemption for Permanently Disabled Veterans**

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68 O.S. § 2887(12)

During the 2007 legislative session, House Bill 1808 provided for a state question authorizing the exemption of all household personal property to qualifying 100% veterans. The state question (No. 735) was adopted at the general election held November 4, 2008. 72 O.S. § 67.13a

The taxpayer applies to the County Assessor for a veteran's exemption on [OTC Form No. 930, Oklahoma Application for Veterans Exemption Household Personal Property](#) or [OTC Form No. 998-A, Oklahoma Application for 100% Disabled Veterans Household Personal Property Tax Exemption](#). The County Assessor approves or rejects the form based on the taxpayer's proper documentation of proof.

Oklahoma  
Constitution  
Article 10 § 8D

## **Housing Reinvestment District Exemptions**

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62 O.S. §§ 882-887

### ***Creating Housing Reinvestment Districts***

68 O.S. § 2817.1

A housing reinvestment district may be created in a municipality or county with a population of less than 300,000 and in which the percentage change in population is less than the national

average or in a specific geographic area that meets the definition of an “opportunity zone.”

Before a housing reinvestment district may be created, however, the governing body of the district must obtain written consent to grant tax abatements as defined in the statutes from each taxing entity that levies ad valorem taxes on property located in the proposed boundaries of the district (including the county). If written consent is not obtained from each taxing entity, the housing reinvestment district cannot be created.

If written consent is obtained from each taxing entity, the governing body of the district must then enter into a contractual arrangement with the governing bodies of all other affected taxing entities to provide tax relief.

## **Ad Valorem Exemption Criteria**

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When a housing reinvestment district is created, ad valorem exemptions must be granted on property that qualifies for a homestead exemption according to the following criteria:

- A newly constructed residence located on a parcel on which a residence has not previously been located within a 10 year period is exempt for ad valorem taxes for two years.
- A newly constructed residence located on a parcel on which a residence was previously located within a 10 year period is exempt for ad valorem taxes for three years.
- A residence to which an improvement has been made, which increases the fair cash value of the property by not less than \$20,000, is exempt from ad valorem taxes for five years.

## **Applying for Exemption**

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The owner of any property who qualifies for an exemption as described above must apply to the County Assessor on or before **March 15** of the first tax year for which the exemption is sought.

The owner must be in compliance with all ad valorem tax laws of the state to receive the exemption.

# Visual Inspection

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## Overview

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While the exact definition for what visual inspection means is not stated in state statutes or how to conduct a comprehensive visual inspection plan, there are strict rules in place by the Oklahoma Tax Commission in regard to what is required of the visual inspection plan that needs to be submitted. These requirements make it very important that each County Assessor collects the necessary information to perform the tasks required by the OTC and more importantly to value the individual properties in their counties.

Recording the data as accurately and consistently as possible is necessary because this will be the basis of all future appraisal activity. This data is used to value each parcel of property located within a specific assessing jurisdiction or inspection area. The initial phase of any mass appraisal program is the data collection of real or personal property inventory data.

## Definition & Standards

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68 O.S. § 2820

The state statute does give this information in Title 68 § 2820:

- Each county assessor shall conduct a **comprehensive** program for the **individual visual inspection** of all taxable property within his respective county. Each assessor shall thereafter maintain an active and systematic program of visual inspection on a continuous basis and shall establish an inspection schedule which will result in the **individual visual inspection** of all taxable property within the county at least once each four (4) years.

Let's define each of the highlighted areas to get a perspective on what is exactly required.

**Comprehensive:** complete, including all or nearly all elements or aspects of something.

### Individual Visual Inspection:

Title 68 § 2821:

68 O.S. § 2821

- Each county assessor shall cause real property to be physically inspected as part of the visual inspection cycle and shall require such examinations as will provide adequate data from which to make accurate valuations.

While individual visual inspection is not defined, we can gather from a basic dictionary definition that visual would mean relating to seeing or sight and inspection is careful examination or scrutiny.

When you further look at Title 68 § 2821, you see the phrase physically inspected which means that we physically need to put eyes on it and examine it. When deputies do their physical inspection, collecting the property characteristics consistently and accurately becomes very important. Detailed below is an example of information that is necessary to help in the appraisal process from IAAO Mass Appraisal Standards. IAAO goes into great detail to help explain this process and is a resource for all County Assessors.

IAAO Mass Appraisal Standard:

IAAO Mass  
Appraisal Standard  
of Real Property

### 3.3.1 Selection of Property Characteristics Data

- Factors that influence the market
- Requirements of the valuation methods
- Requirements of classification
- Requirements of other governmental and private users
- Marginal benefits and costs of collecting & maintaining each property characteristic

### 3.3.5 Alternative to Periodic On-site Inspections

- Current high-resolution street-view images
- Orthophoto images updated every 2 years
- Low level oblique images capable of being used for measurement verification

To meet the requirements of our statutes and the IAAO standards field deputies need to physically walk the individual property parcels to gather the accurate data that will be required in the valuation process.

## Property Data Characteristics

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Determining what property data characteristics to collect and maintain for a CAMA system is a crucial decision with long-term consequences. The following property characteristics are usually important in predicting residential property values:

### **Improvement Data:**

- Living area
- Construction quality
- Effective age - condition
- Building design or style
- Secondary areas (basements, garages, porches)
- Building features (bathrooms, HVAC, roof style and type)

- Detached structures

**Land Data:**

- Lot size
- Available utilities

**Location Data:**

- Market area
- Neighborhood
- Site amenities (view, golf or water frontage)
- External factors (traffic, noise, commercial encroachment)

The field data collection card will help with gathering these details and should be filled out completely to aid in the valuation process. Complete data is imperative in the appraisal process and will be used in every aspect of the valuation process. It can't be stressed enough how important accurate information is in the valuation of each parcel. The County Assessor is dependent on this information when estimating a value for each parcel within the county.

68 O.S. § 2820

After this information is gathered for the appraisal process, that information will also be a part of the plan that is submitted to the Oklahoma Tax Commission Ad Valorem Division as part of their audit. The template given by the Oklahoma Tax Commission is very specific about how each Assessor is to carry out the visual inspection plan, who is to pay, and standards that need to be met. This structure will help the County Assessor meet the demands within their office to stay in compliance with the Oklahoma Constitution, State Statutes, Court Decisions and Attorney General Opinions. The Visual Inspection Statutes are in Statute 68 §§ 2820 – 2823 and also in statute 70 § 18-109.1. The template that OTC provides to guide County Assessors will go through the process of developing this comprehensive plan step by step.

68 O.S. § 2821

68 O.S. § 2822

68 O.S. § 2823

70 O.S. § 18-109.1

This comprehensive program is developed so that the valuations are conducted in a timely manner and complete enough to make sure that no interruption for valuation happens in the future within the County Assessor's office. These plans are submitted in a four-year cycle and due to the Ad Valorem Division of the Oklahoma Tax Commission by the first working day in October preceding the January 1 beginning of a new four year cycle. The Tax Commission has to approve the plan that the County Assessor submits, and the County Assessor will keep a copy on file. If any amendments happen, they will need to be approved and retained. Each school superintendent will also receive a copy in a timely manner from the County Assessor. Following the template given by the OTC will be very helpful in achieving approval for the visual inspection plan submitted by County Assessors.

In the Oklahoma Tax Commission Ad Valorem Division template, the county assessor will have to include information in each of these areas or make sure their evaluation is meeting the guidelines required by the Ad Valorem Division of the OTC:

**Planning and Organization**

- Administration

- Work Allocation
- Scope of On-going Visual Inspection Program
- Scope of On-going Cadastral Mapping Program
- Public Involvement and Community Relations
- Organization Chart
- Administrative Support

### **Direction and Guidance**

- Standards for Production Rates
- Value Methodology
- Appraisal of Land
- Improved Property
- Exterior Inspection
- Multi-family Income Producing Property
- Commercial/Industrial Property
- Agricultural Property
- Personal Property
- Notification and Hearings
- Safety Procedures

### **Controls and Evaluation**

- Estimated Number Real Property Parcels Inspected
- Color Coded Map
- Four Year Coverage
- Sample of Use Categories
- C.A.M.A. and Data Accuracy Control
- Personal Property
- Sales Questionnaire and Sales Data Collection Process

### **Personnel**

- Employee Training and Education
- Employee Accreditation
- Job Description
- Workflow

- Salary Schedule
- Number of Employees

### **Budget**

- Itemized Yearly Budget (for a specific set of years)
- Estimated Annual General Budget (for a specific set of years)
- Estimated Annual Visual Inspection Budget (for a specific set of years)

When examining the areas of Planning & Organization, Directions & Guidance, Controls & Evaluations, and even Personnel a quick tool to keep in mind is Sports and Toppers. Sports and Toppers will help county assessors calculate the number of staff, production rates and time that is needed to make sure goals are achieved. This formula can be adjusted to also include the production rate need for a County Assessor. Detailed below is an example for each.

1. County X has 10,000 parcels with two field staff and needs to make sure they can complete their task on time for their first year of visual inspections. Their production rate is 10 parcels. The number of parcels would need to be divided by four to equal 2,500 per year.

$$T = 2,500 / (10 \times 2)$$

$$T = 2,500 / 20$$

$$T = 125 \text{ days} / 20 \text{ (typical \# of days in a month)}$$

$$T = 6.25 \text{ months}$$

\*It should be noted that this is just the physical inspection and not the data entry for each parcel. It should also be noted that no time has been analyzed for the reduction of staff being gone for vacation, sick days or training.

1. County Y has 40,000 parcels with four staff and has eight months to complete their visual inspection. How many parcels per day (production rate) is needed to make sure they can complete their task? The number of parcels would need to be divided by four to equal 10,000 per year.

$$P = 10,000 / (4 \times 160)$$

$$P = 10,000 / 640$$

$$P = 15.625$$

\*It should be noted that this rate also does not include any lost time for vacation, sick days or training. Data entry is also not included in this rate.

The ability to calculate analysis can be done using the same method. The County Assessor is given a task of not only overseeing the actual visual inspection but checking the data for accuracy and compliance. Careful planning will aid the County Assessor in accomplishing this comprehensive visual inspection plan.

## Visual Inspection Statutes

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Detailed below are the statutes that guide the visual inspection process. When you read the statutes themselves how the visual inspection process works becomes evident. The how is guided along with who will pay and even who has to approve. Budget guidelines are also given for the County Assessor. How those budgets are handled by the County Excise or County Budget Board are also explained and even what happens if the County Excise or County Budget Board doesn't approve the funds necessary for the County Assessor to complete the visual inspection plan. Statutes make it clear that the County Assessor has to have separate funds for the visual inspection plan and with that provision they are not supposed to be hindered in the completion of that task.

68 O.S. § 2820

### 68 § 2820 Comprehensive Program for Individual Visual Inspection of Taxable Real Property

- A. Four-year plan to inspect each parcel at least once every four years
- B. First plan began in January 1991 (Tax Commission provides the template)
- C. The plan details the number of parcels by use category, the geographical area, the resources and budget proposed and the valuation methodology to be used to determine fair cash values of parcels to be inspected in each year of the four years.

68 O.S. § 2821

### 68 § 2821 Physical Inspection of Real Property – Recording of Information – Comprehensive Sales File – Drafting Facilities

- 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.
- D. Each county assessor shall require and maintain cadastral maps and parcel identification system.
- E. The county assessor shall maintain a comprehensive sales file.

68 O.S. § 2822

### 68 § 2822 Budget Provision for Visual Inspection of Real Property – Authorization and Levy by County Excise and Budget Board for Visual Inspection Program

- A. Each County Assessor in budgets submitted to the County Excise Board or County Budget Board shall make adequate provision to effect county wide visual inspections of real property during the four-year cycle.
- B. Each jurisdiction within a county which receives revenue from an ad valorem mill rate shall receive a copy of the budget for the county wide visual inspection program for that county. The County Excise Board or County Budget board shall notify all such jurisdictions of any meetings at which discussion or action on the budget for the comprehensive program of visual inspections is or may be on the agenda. Such juris-

dictions shall have the opportunity to appear before the County Excise Board or the Budget Board, prior to approval of such budgets, to provide testimony, comments, information and documentation concerning the budgets submitted by the County Assessor pursuant to subsection A of this section.

C. The several County Excise and Budget Boards, in passing upon budgets submitted by the several Assessors, shall authorize and levy amounts which will suffice to carry out the county wide visual inspection program as approved by the Oklahoma Tax Commission under section 2820 of this title.

Such amounts shall be separate from other funds allocated to the office of the County Assessor and shall be used exclusively to carry out the county wide visual inspection program.

The allocation of such amounts shall not serve to decrease other funds allocated to the office of the County Assessor by the County Excise Board or the County Budget Board.

68 O.S. § 2823

68 § 2823 Cost of Comprehensive Program of Visual Inspections – Apportionment – Statement by County Assessor

A. 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.

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 property and file such budget with the County Excise Board or County Budget Board.

B. The County Excise Board or County Budget Board shall apportion such cost among the various recipients of revenues from the mill rates levied, including the county, all cities and towns, all school districts, all sinking funds of such recipients, and all jurisdictions specified in subsection D of this section.

The ratio which each recipient's total tax collection authorized from its mill rates levied for the preceding year bears to the total tax collection authorized of all recipients from all their mill rates levied for the preceding year.

The cost shall include only those expenses directly attributable to the visual inspection program and those expenses directly attributable to physical inspections of personal property and shall not include any expenses of the office of the County Assessor which, in the judgment of the County Excise Board or County Budget Board, are expenses of County Assessor's office which would exist in the absence of such program or in the absence of physical inspection of personal property. Expenses that are attributable both to the visual inspection program and physical inspection of personal property, and which would exist in the absence of such program or inspection, including but not limited to salaries, employee benefits, office supplies and equipment, may be prorated provided, no portion of the salary of the County Assessor shall be included in such costs.

C. Upon receipt of the billing statement provided for in subsections D and E of this

section by each such recipient, the mill rates to be established by the board for each such recipient for the current year shall include and be based upon such amounts and shall constitute an appropriation of such amounts to the County Assessor for expenditure for the expenses of administering the visual inspection program each year. In the case of a sinking fund of a recipient, if, after approving its budget, the governing body of a recipient notifies the board in writing that there are no funds appropriated to pay the amount of the billing statement of such sinking fund, such notice shall constitute conclusive evidence of a financial obligation of the recipient as it relates to such sinking fund. The board may seek a judgment for the amount of such obligation and court costs in the district court of the county in which the board is located.

D. The County Assessor shall render a statement to each of the jurisdictions within the county which receive revenue from an ad valorem mill rate. Such statements shall include the following information:

- a. The current fiscal year in which the charge has been incorporated in the jurisdiction's budget
- b. All jurisdictions receiving statements from the County Assessor, the mill rate for each in the previous year, and the proportion of each to the combined mill rates of all jurisdictions within the county for the previous year. The proportions specified in this paragraph should equal a total of 100%
- c. The charge for the entity receiving the statement as well as the charge for each jurisdiction of the county based upon the proportions specified in paragraph two of this subsection. The total of all current year charges for all county jurisdictions should equal the total visual inspection program budget for the current fiscal year
- d. The amount of the total budget for the office of the County Assessor and the percentage that visual inspection program expenses are of such total budget; and
- e. A copy of the County Budget Visual Inspection Account and a brief description of the areas to be visually inspected for the current fiscal year, consistent with the plan on file with the Oklahoma Tax Commission pursuant to Section 2820 of this title.

E. In any county wherein any jurisdiction's budget and mill rates are not subject to review and approval by the County Excise Board, the County Assessor shall nevertheless include any such jurisdiction in the calculations required under subsection A of this section. The County Assessor shall also render a billing statement to any such jurisdiction showing the charge for the current fiscal year due from the jurisdiction. Such billing statement shall clearly indicate that the charge payable by the jurisdiction is due and payable by December 31 of the current fiscal year.

68 O.S. § 2840

68 § 2840 Preparation, Building and Maintenance of Permanent Records by County Assessor

C. Each County Assessor shall request in his budget request each year sufficient funds to carry out the provisions of this section. It shall be the mandatory duty of the several Boards of County Commissioners, the several County Excise Boards, and the several County Budget Boards each year to make sufficient appropriations to enable the County Assessor to perform the duties required of him by this section. If any Board of County Commissioners, County Excise Board, or County Budget Board fails, neglects

or refuses, upon written request of the County Assessor, to provide adequate appropriations for supplies, deputy hire or traveling expenses for the performance of the duties imposed upon the County Assessor by this section, such appropriations may be obtained by mandamus action instituted in district court by the County Assessor or any other county officer, or any taxpayer of the county.

19 § 180.65

19 O.S. § 180.65

A. The County Excise Board shall meet with each of the principal officers of the county in budget planning conference or conferences, before July 1 of each year, to discuss personnel needs for each office for the succeeding fiscal year. The Excise Board shall provide the principal officers a tentative estimate of anticipated revenues for the next fiscal year prior to the budget planning conferences.

70 § 18-109.1 Procedure for Greater Equalization of State Aid to School Districts

70 O.S. § 18-109.1

4. The Oklahoma Tax Commission shall certify by October 1, for each applicable assessment year, to the State Superintendent of Public Instruction those counties which have revaluation programs using property identification cards.

5. Any County Assessor who fails to have an approved revaluation program using property identification cards shall pay a penalty in the amount of \$100.00 for each calendar day beyond October 1. (last updated 1990 SB 770)

## Oklahoma Supreme Court Cases

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There are several Oklahoma Supreme Court cases that give guidance to the County Assessors in the visual inspection process, below you can review a brief summary. These court cases bring clarification on the process of how budgets are supposed to be paid and how allocation should be determined.

### 1997 Clay v Independent School Dist. #1 of Tulsa Co.

School districts have to pay the cost of the visual inspection program and must include it as budgetary item

Clay v. Independent  
School District No. 1  
of Tulsa County  
1997 OK 13  
935 P.2d 294

### 2003 Tulsa County Budget Board v Tulsa County Excise Board

Excise Boards have the authority to resolve funding disputes concerning the visual inspection budget “because both the statutory scheme and validly promulgated administrative rules clearly contemplate that valuation will be included in the visual inspection budget, the Excise Board abused its discretion in eliminating all valuation costs from the visual inspection budget”

Tulsa Co. Budget  
Board v. Tulsa  
Co. Excise Board  
2003 OK 103  
81 P.3d 662

## Attorney General Opinions

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1999 OK AG 46

It is, therefore, the Official Opinion of the Attorney General that:

1. Those jurisdictions which pay the cost of the comprehensive program for visual inspection of taxable real property are, pursuant to 68 O.S. 2822 (1998), provided an opportunity to protest before the County Excise or Budget Board, the amount allocated to the visual inspection program. Tax recipient jurisdictions are not, by law, allowed to amend the budget approved by the County Excise / Budget Board.

2. Section 68 O.S. 2823 of Title 68 provides that the cost of visual inspection shall include only those expenses directly attributable to the visual inspection program. There is no specific procedure or formula that a County Assessor or a County Budget / Excise Board must use in determining what operating expenses of the Assessor are attributable to the visual inspection program.

## 2007 OK AG 6. Roles of Excise Board and Budget Boards

Powers, duties, authority

A.G. Opinion 07-6

### Visual Inspection Plan

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Each four-year cycle, a new plan is presented to the Oklahoma Tax Commission Ad Valorem Division for approval. The template that is provided by the OTC is on their website. The next due date is October 1, 2022 for 2023 – 2026 cycle.

One important fact to remember is that the County Assessor is to make provisions so that if a parcel has an improvement on real property, they shall inspect the exterior of each improved structure.

The property record card information should be filled out completely with construction features, characteristics, appendages, accessory buildings or irregularities for each property shall be recorded on the data collection card. Grade classification shall be expressly considered and as detailed in O.T.C. rules, statutes, publication guidelines shall be followed as appropriate for each building appraisal (68 O.S. §2829 (D)).

A perimeter sketch of each residential building shall be drawn (if not already done) in the graph space provided with all current and correct dimensions and identification symbols shown on the data collection record card and property record in the CAMA system. Appendages such as attached garages, porches, and similar structures shall be carefully labeled and shown with all dimensions and characteristics if needed for valuation. All other requested information on the approved data collection sheet or CAMA field card shall be furnished.

68 O.S. § 2829

As shown the comprehensive visual inspection plan is detailed and guided by Oklahoma statutes, court decisions, Attorney General opinions. The template provided by the Oklahoma Tax Commission is a great resource as each County Assessor begins the process of developing the next four-year cycle. Included to the side is a link to the template provided by the OTC.

## Chapter Twenty-One

# County Board of Equalization

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## Overview

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The County Board of Equalization assists the County Assessor in ensuring that every taxpayer in the county is treated justly, fairly and equitably. Each year the County Assessor will hear appeals on real and personal property values in the county. The appeals process is designed so that every taxpayer has due process. The County Board of Equalization is one part of the due process that will occur within the county. If an appeal is filed with the County Assessor within the time frames allowed by statute, an informal hearing will be held with the Assessor or one of the Assessor's deputies. After the informal hearing, the County Assessor then sends an informal decision corresponding with the time frames designated by state statutes. If the taxpayer is still not satisfied, they can then appeal to the County Board of Equalization.

In Chapter Twenty-Three, *The Appeals Process*, we discuss the steps and statutes that guide that process and the County Assessor's role. The taxpayer appearing before the County Board of Equalization is one step in the appeals process.

## Membership

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The County Board of Equalization is made up of three members. Each member is appointed. One member will be appointed by the Oklahoma Tax Commission upon recommendation of the Senior Legislator; one member will be appointed by the Board of County Commissioners and one member is appointed by the District Judge or a majority of District Judges.

68 O.S. § 2861

There are qualifications for appointment on the County Board of Equalization:

1. Members must be a qualified elector and resident of the county they will serve the board upon.
2. There are educational requirements after appointment.

68 O.S. § 2862

**NOTE: Each member of the Board is **REQUIRED** to attend and successfully complete an educational program of at least 6 hours within 12 months of appointment. In addition to the initial training requirement, each member shall complete an annual training course of at least 3 hours. **Failure of a County Board of Equalization member to complete such course of instruction shall result in forfeiture of office and the vacancy shall be filled in the manner provided by law.****

There are also things that members must not do while on the County Board of Equalization:

- They may not hold an elected office

- File for an elected office without resigning from the County Board of Equalization
- Sell, contract to sell, lease or represent any person, firm, corporation, or association in the sale or lease of any machinery, supplies, equipment, material, other goods, wares, or merchandise to any county, city, or town of the county
- Serve as an employee, official, or attorney for any county, city or town in the county
- Represent any taxpayer, before that Board in any manner
- Use their position to further the member's own interest
- Be employed by a taxpayer or interested party in any matter coming before the Board

Violations are deemed a felony and upon conviction it is punishable by a fine of not less than \$200 and not more than \$1,000, or by imprisonment in the State Penitentiary for not less than six (6) months or more than two (2) years, or both.

## Duties

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68 O.S. § 2863

In most counties the County Equalization Board convenes at various times from April 1 to May 31 (dates for counties having large valuations differ) of each year to:

1. Raise or lower appraisals to conform to the fair cash value of the property, as defined by law in response to a protest filed as prescribed by law
2. Add omitted property
3. Cancel assessments of property not taxable
4. Hear all grievances and protests filed with the board secretary

68 O.S. § 2877

It is the duty of each County Board of Equalization to cooperate with and assist the County Assessor in performing the duties imposed upon the Assessor by the statutes, to ensure that the required records shall be fully and accurately prepared and maintained and shall harmonize with the assessed valuations of real and personal property of the county. (68 § 2863)

After the records have been prepared and the assessed valuations adjusted, the County Board of Equalization shall not raise or lower the assessed valuation of any parcel or tract of real estate without preparing competent evidence justifying such change or until at least one member of the board or a person designated by the board has made a personal inspection of the property and submitted a written report to the Board. In no event, shall any change be made by the County Board of Equalization if such change would be inconsistent with the equalized value of other similar property in the county. (68§ 2863)

## Board Meetings

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25 O.S. § 304

Oklahoma's Open Meeting Law broadens the definition of "public body" to more clearly include the governing bodies of counties, municipalities, special districts and public agencies, trusts and authorities. The County Equalization Board is included in this law. (25 § 304)

All meetings of the County Equalization Board must be held at specified times and places which are convenient to the public and must be open to the public. All meetings of the Board must be preceded by advance public notice and posted by the County Clerk. (25 § 303)

25 O.S. § 303

As stated, earlier equalizing, correcting and adjusting the Assessment Roll is the primary duty of the Board during the regular session. Acting as a quasi-judicial body during the regular session, the Board is required to hear and resolve protests (complaints) from the taxpayers of the county. These protests normally include:

- Property increased in valuation over the previous year
- Real property that has not increased in value over the previous year
- Any property which was previously omitted from the assessment roll

Specific duties and authority to resolve these matters by the County Board of Equalization are outlined in the Oklahoma Statutes. For accuracy and legal reasons, this handbook should only be used as a guide. No changes by the County Board of Equalization are permitted which are inconsistent with the equalized value of other similar property in the county. Reference should be made to the O.S. 68 § 2863. It is the duty of the County Board of Equalization to:

68 O.S. § 2863

1. Raise or lower appraisals to conform to the fair cash value of property as defined by law in response to a protest filed as prescribed by law.
2. Add any property which has been discovered which was previously omitted.
3. Cancel the assessments on property not taxable or in the case of some properties, apply partial exemption in accordance with the law. Some properties may be fully exempt and others, such as an American Legion building which rents space out to private agencies, may be partially exempt requiring judgment on the part of the County Assessor and the County Board of Equalization.
4. Hear all grievances and protests correctly filed with the secretary of the board.

The records prepared on assessments and any adjustments to them must be fully and accurately prepared and maintained. Once those records have been prepared and the assessed valuations adjusted, the County Board of Equalization is not allowed to raise or lower the assessed valuation of any parcel (property) except as follows:

1. Without hearing competent evidence justifying the change.
2. Until at least one member of the Board or a person designated by the Board makes a personal inspection of the property and submits a written report to the Board.

No changes by the County Board of Equalization are permitted which are inconsistent with the equalized value of other similar property in the county.

68 O.S. § 2877

The County Board of Equalization shall be required to follow the appraisal procedures prescribed by the Ad Valorem Tax Code governing the valuation of real and personal property. (68 § 2877)

## Exemptions

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Another important function of the County Board of Equalization deals with exemptions. The Board should be familiar with properties exempt from taxation (total and partial) and homestead exemption laws and where to reference them within the statutes. (See O.S. 68 § 2887 - 2899)

The County Board of Equalization is required by law to review every homestead exemption application submitted to the County Assessor and either approve or deny that exemption. The Board may change the amount of exemption not to exceed the amount allowed in the statutes. Any change is not final until the taxpayer (applicant) has been given written notice and an opportunity to appear before the Board to provide data to refute the change. The Board has the opportunity to subpoena witnesses and records needed. The applicant has 10 days to appeal (68 § 2895). Should the applicant for a homestead exemption or the County Assessor desire to appeal the decision of the County Board of Equalization, they have the right to file an appeal with the District Court.

68 O.S. § 2887  
68 O.S. § 2888  
68 O.S. § 2889  
68 O.S. § 2890  
68 O.S. § 2891  
68 O.S. § 2892  
68 O.S. § 2893  
68 O.S. § 2894  
68 O.S. § 2895  
68 O.S. § 2896  
68 O.S. § 2897  
68 O.S. § 2898  
68 O.S. § 2899

## Appeals

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When a protest notice is received by the County Board of Equalization, a hearing is set to receive information from the taxpayer and the County Assessor. When hearing a protest, the Board:

1. Takes evidence pertinent to the protest
2. May subpoena witnesses
3. May subpoena taxpayer books, records, and papers
4. Should/Can inspect the property before making any changes
5. May raise or lower a properties appraised value
6. Must provide written justification for any change that is made to the appraisal (68 § 2863)

68 O.S. § 2863

Following the protest before the County Board of Equalization the Board has options:

1. The matter can be discussed and have a roll call vote taken for a decision
2. The matter can be tabled to another meeting for more time to deliberate
3. If any further testimony is taken, ensure that both parties are present
4. Make a decision based on the law, not personal feelings, using the same appraisal standards and value approaches as the Assessor (68 § 2877)
5. Adjustments can be made to the appraised value of the property
6. No changes should create inequities in the market

68 O.S. § 2877

After a decision is made by the board:

1. Notification of the decision must be sent to both the taxpayer and Assessor

2. The Assessor must make corrections to the property records and assessment rolls, if required
3. Either party may file an appeal with the District Court within 30 days of the decision
4. The minutes of the BOE hearing become part of the record for the District Court case
5. The presumption of the correctness of the Assessor's valuation and procedures apply at the District Court case as well (68 § 2880.1)

68 O.S. § 2880.1

## Chapter Twenty-Two

# The Assessment Roll

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## Assessment Roll Purpose and Content

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Each year, the County Assessor prepares one assessment roll, which is a list of both the taxable and nontaxable (exempt) properties in the county. It includes the assessed values of the taxable properties and other information required by law. The assessment roll serves the following functions:

- A list for equalizing the assessments of all the locally assessed properties in the county
- A summation sheet for determining the net assessed valuation of a taxing jurisdiction for bonded indebtedness
- A list that serves as the basis for preparing the tax roll
- A list that serves as the basis for determining the revenue to be generated from a collective property tax levied by a taxing jurisdiction

## Preparing the Assessment Roll

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Organizing the assessment roll into the following categories is suggested as an efficient method of preparing the assessment roll:

- Real Property portion
  - \* Rural Real Property
  - \* Urban Real Property
- Personal Property portion
  - \* Household Personal Property
  - \* Business Personal Property
  - \* Agricultural Property
  - \* Improvements on Leased Land
- Public Service Property portion

The assessment roll may be prepared alphabetically, county-wide.

**NOTE: For counties that have repealed household personal property tax under Oklahoma Constitution Article 10, Sec. 6(B), the County Assessor may combine real**

Oklahoma  
Constitution  
Article 10 § 6(B)

## **property land and improvements to use one total.**

As shown in [Figure 22-1](#), the County Assessor is responsible for entering all taxable and nontaxable land on the assessment roll and organizing it according to the portions listed above. Included in these three portions that are entered on the assessment roll are all of the improvements on a lot or parcel, along with the land itself.

A discussion of each of the steps in preparing the real, personal, and public service property portions of the assessment roll is included in this chapter. [Figure 22-1](#) shows each of these steps in the sequence that the County Assessor should follow.

## ***Preparing the Real Property Portion***

The real property portion of the assessment roll must be divided into rural real property and urban real property.

[Figure 22-1](#) Preparing the Assessment Roll

### **Rural Real Property**

For listing rural real property, begin with the land in the lowest section number in the lowest township and range.

### **Urban Real Property**

For listing urban real property, begin with the lowest lot number in a city or town within the lowest section number in the lowest township and range.

### **Real Property Information Requirements**

The County Assessor shall include the following information on the real property portion of the assessment roll:

- Owner's name
- Owner's address
- Property identification number (PIN)
- Legal description
- Subdivision number and/or name.
- Situs (taxable location) address
- School district number
- Use classification

Tells what the property is, such as a single-family residence or a retail establishment

\* Residential property

- \* Commercial / industrial property
- \* Agricultural property
- Improvement sub-classification
- Fair cash value of the land
- Fair cash value of each improvement on the land
- Sum of the fair cash value of the land and the improvements
- Type of exemption(s) and dollar amount of the exemption(s)
  - \* Homestead exemption
  - \* Additional homestead exemption
  - \* Manufacturer's exemption
  - \* Storm Shelter exemption
  - \* Military Service Disability exemption (100% disabled veterans)
  - \* Other exempt (nontaxable) property

For the manufacturer's exemption, the County Assessor must note on the assessment roll in the "homestead exemption" column the number of years the exemption has been granted. For example, if it is the fifth year of the exemption, the County Assessor enters "XM5". Also, the County Assessor enters the portion of the net assessed value that is "exempted" for the "dollar amount of the exemption."

- Assessed value of the land
- Assessed value of improvements on the land
- Sum of the assessed value of the land and the improvements
- Net assessed value
- Column for State Board of Equalization's equalized valuation

### ***Balancing the Real Property Portion***

Once the County Assessor has entered all of the real property, along with the information listed above, then the real property portion of the assessment roll must be summarized.

The following sums are derived when balancing the real property portion of the assessment roll:

- Total gross assessed valuation of real property
- Total net assessed valuation of real property
- Total net assessed valuation of real property by city/town
- Total net assessed valuation of real property by taxing jurisdiction

- Total number of properties allowed homestead exemptions
- Total dollar amount of homestead exemptions
- Total number of properties allowed an additional homestead exemption
- Total dollar amount of additional homestead exemptions
- Total number of manufacturer's real property exemptions
- Total dollar amount of manufacturer's real property exemptions
- Total dollar amount of manufacturer's exemptions by taxing jurisdiction

Once the real property portion of the assessment roll is balanced, it is combined with the personal property portion and delivered to the County Board of Equalization.

## *Preparing the Personal Property Portion*

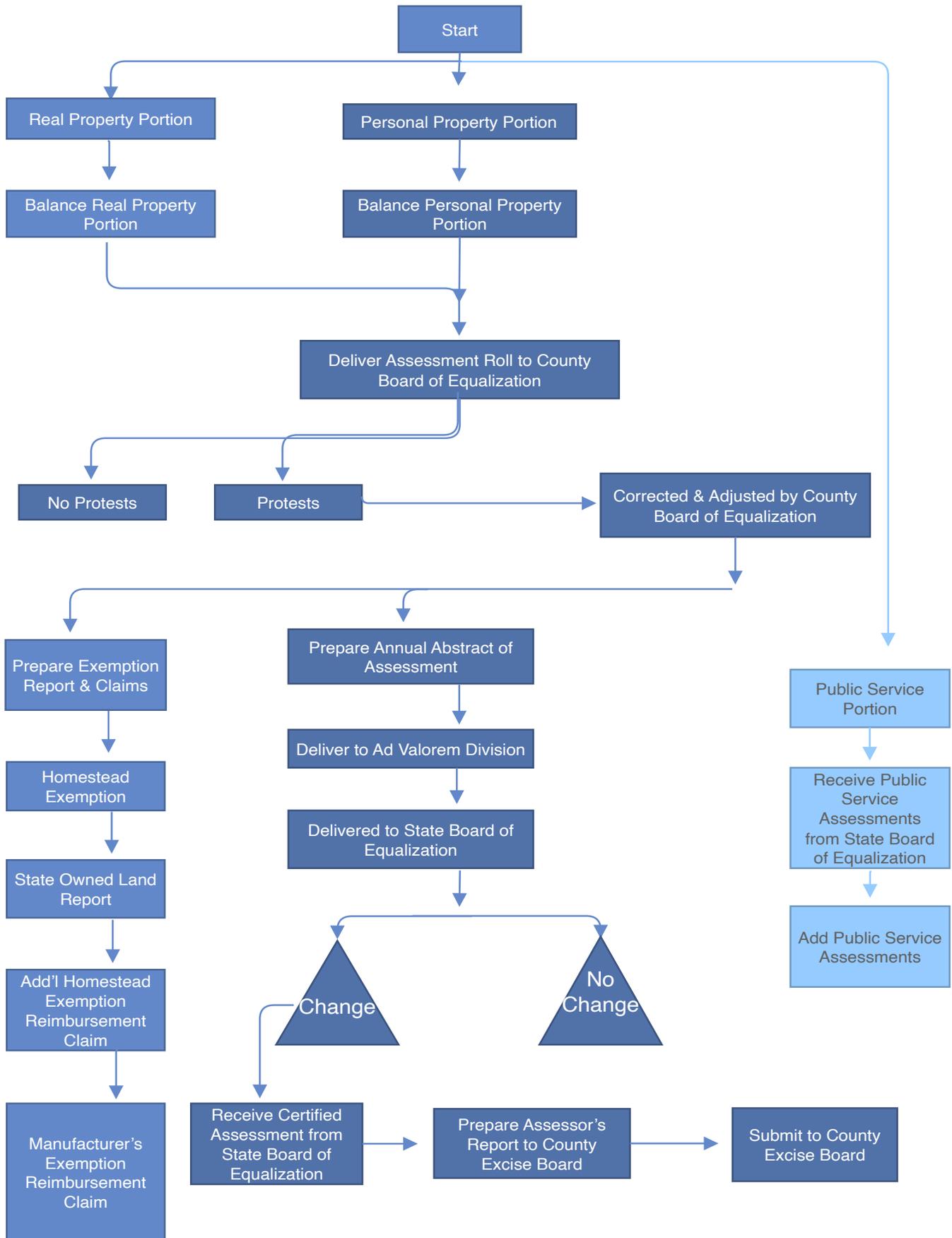
This section begins where Chapter Fifteen, *Household Personal Property: List, Appraise, and Assess*, and Chapter Sixteen, *Business Personal Property: List, Appraise, and Assess*, end - at the point where the County Assessor enters household personal and business personal property on the personal property portion of the assessment roll. Improvements on leased land are also entered on this portion of the assessment roll.

## **Personal Property Information Requirements**

All personal property assessed by the County Assessor is entered on the assessment roll in **alphabetical order by name of the owner**. The Assessor should include the following information:

- Owner's or business' name in alphabetical order
- Owner's address
- Property identification number (PIN)
- Subdivision number and/or name
- Situs (taxable property) address
- School district number where property is taxable
- Personal property classification
  - \* Household personal property
  - \* Business personal property
  - \* Agricultural personal property
- Personal property sub-classification
  - \* Household possessions

**Figure 22-1 Preparing the Assessment Roll**



- \* Livestock and animals
- \* Farm implements
- \* Farm tractors
- \* Business furniture
- \* Business equipment
- \* Business goods in stock
- \* Improvements on leased land
- \* Manufactured home on leased land
- Fair cash value of each sub-classification of personal property listed
- Assessed value of each sub-classification of personal property listed
- Total assessed value of each sub-classification of personal property listed
- Type of exemption(s) allowed and dollar amount of exemption(s)
  - \* Household exemption
  - \* Veteran's exemption
  - \* Five-year manufacturer's exemption
  - \* Freeport exemption
  - \* Manufactured home exemption
  - \* Other exempt (nontaxable) property
- Net assessed value of each sub-classification of personal property listed
- Dollar amount of penalty
- Net assessed value plus penalty

### ***Balancing the Personal Property Portion***

The County Assessor's next step is to total and balance the personal property portion of the assessment roll. The following sums are derived:

- Total gross valuation of personal property
- Total net assessed valuation of personal property
- Total net assessed valuation by city/town
- Total net assessed valuation by taxing jurisdiction
- Total dollar amount of household personal property exemptions
- Total dollar amount of veteran's exemptions
- Total dollar amount of manufacturer's exemptions by taxing jurisdiction

- Total number of manufacturers receiving personal property exemption by taxing jurisdiction
- Total number of freeport exemptions

Once the personal property portion of the assessment roll is balanced, it is combined with the real property portion and **is required to be available electronically** to the County Board of Equalization **while the Board is in session**.

## **Providing the Assessment Roll to the County Board of Equalization**

68 O.S. § 2842(B)

The assessment roll shall be available electronically to the County Board of Equalization while the Board is in session, in order that the Board may correct and adjust the taxable value of the property of the county. The assessment roll at this stage contains all of the locally assessed property.

## ***Duties of the County Board of Equalization***

68 O.S. § 2863

The County Board of Equalization has the mandatory duty to equalize the assessment roll. The Board's members have the authority to perform the following tasks:

- Hear protests that result from change of assessment notices sent out by the County Assessor
- Raise or lower the appraised value entered on the assessment roll if it is found to be different than the fair cash value of the property
- Add omitted property
- Cancel assessments of nontaxable property
- Review and approve exemption applications

The County Board of Equalization hears protests from taxpayers on the appraised value of their property. (See Chapter Twenty-Three, *The Appeals Process*, for information on protests.) Before adjusting the appraised value, the Board shall perform the following actions:

- Hear competent evidence justifying the change
- Have at least one member of the Board, or a person designated by the Board, inspect the property and submit a report

By law, the County Board of Equalization corrects or adjusts the assessment roll by changing the appraised value of the entries. However, the Board does not have the authority to change the assessment percentage. Any change in the appraised value of a property shall result in a fair cash value that is consistent with the equalized values of similar properties in the county.

## Corrected and Adjusted Assessment Roll

Once the County Board of Equalization determines the appraised value of a property should be changed, then the Board fills out *OTC Form 977* and completes the following information on the form:

- The reason for the change
- The change in the appraised value
- \*Other actions taken by the Board

**NOTE: \*Examples of other actions taken by the Board are the disallowance or allowance of a homestead or other exemption.**

The Board corrects and adjusts the assessment roll and returns to the County Assessor by the **first Monday in June**. If there are no protests, then no changes are required and the original assessment roll is returned to the County Assessor. Additionally, a copy of the form or a transcript of the Board's proceedings is sent to the County Assessor, who can appeal any decision of the Board.

## Exemption Applications

### *Homestead Exemption Applications*

68 O.S. § 2893

All applications for homestead exemption, on which the County Assessor shows “approved” or “rejected,” must be delivered to the County Board of Equalization on or before the fourth Monday in April.

The County Board of Equalization is required by law to review all of the homestead exemption applications and either approve or deny the exemptions.

68 O.S. § 2894

If the County Assessor or County Board of Equalization disallows or rejects an application for homestead exemption or changes the amount of exemption claimed by the applicant, the County Assessor shall notify the applicant using *OTC Form No. 922, Notice of Rejection Homestead Exemption* and the Board notifies the applicant with a form letter. Within 10 days from receipt of either notice, the applicant may file a written complaint with the secretary of the Board in order to obtain a hearing before the County Board of Equalization.

68 O.S. § 2895

### *Manufacturer's Exemption Applications*

OTC Rule  
710:10-7-12

The County Board of Equalization shall review each application for the five-year manufacturing exemption and give written notice if the board disallows an exemption that has been allowed by the County Assessor.

68 O.S. § 2902

Any protests regarding a manufacturer's exemption application that has been rejected by the County Assessor must be heard by the County Board of Equalization. If the protest is filed after July 1, it is heard when the board convenes the following year.

68 O.S. § 2902.1

Refer to Chapter Sixteen, *Business and Agricultural Personal Property: List, Appraise, and Value*, and Chapter Nineteen, *Exemptions*, for more information on five-year manufacturer's exemptions.

### ***Intangible Personal Property Tax (Freeport) Exemption Applications***

68 O.S. § 2902.2

Each application for intangible personal property tax (freeport) exemption shall be reviewed by the County Board of Equalization. Refer to Chapter Sixteen, *Business and Agricultural Personal Property: List, Appraise, and Value*, and Chapter Nineteen, *Exemptions*, for more information on freeport exemptions.

### **Preparing Exemption Reports and Claims**

After the County Board of Equalization corrects and adjusts the assessment roll, the County Assessor prepares a homestead exemption report and claim for reimbursement of the tax revenues lost due to the additional homestead exemption and the five-year manufacturer's exemption. Each type of exemption is summarized below.

### ***Annual Report of Homestead Exemption***

By July 1 of each year, the County Assessor shall send an Annual Report of Homestead Exemption, OTC Form 923 to the Ad Valorem Division. This report is a summary of the homestead exemptions allowed within the assessment year. The report is organized by rural and urban homesteads, and by school districts. The following information is included on the report:

- **Rural Homesteads Portion**

- \* Total number of rural homestead properties allowed a homestead exemption
- \* Total number of rural homestead properties allowed an additional homestead exemption
- \* Total number of rural acres allowed a homestead exemption
- \* Total assessed valuation of rural homestead exemptions before the exemptions
- \* Total dollar amount of rural homestead exemptions allowed
- \* Total dollar amount of rural additional homestead exemptions allowed
- \* Total assessed valuation of rural homesteads less homestead exemptions allowed

(This amount is the total net assessed valuation of all rural homesteads granted a homestead exemption, and those rural homesteads also granted an additional homestead exemption.)

- **Urban Homesteads Portion**

- \* Total number of urban homestead properties allowed a homestead exemption
- \* Total number of urban homestead properties allowed an additional homestead exemption
- \* Total number of urban acres allowed a homestead exemption

- \* Total assessed valuation of urban homestead exemptions before the exemptions
- \* Total dollar amount of urban homestead exemptions allowed
- \* Total dollar amount of urban additional homestead exemptions allowed
- \* Total assessed valuation of urban homesteads less homestead exemptions allowed  
(This amount is the total net assessed valuation of all urban homesteads granted a homestead exemption, and those urban homesteads also granted an additional homestead exemption.)

- **Urban–Rural Summary for the County**

- \* Grand total of the number of properties granted a homestead exemption in the county  
This number includes both homestead exemptions and additional homestead exemptions.
- \* Grand total of the assessed valuation of all properties in the county before the homestead exemption
- \* Grand total of the dollar amount of homestead exemptions allowed in the county  
This number includes both the dollar amount of homestead exemptions and additional homestead exemptions.
- \* Grand total of the assessed valuation of all properties in the county less homestead exemptions allowed  
This amount is the total net assessed valuation of all properties in the county granted a homestead exemption, and those homesteads in the county also granted an additional homestead exemption.

- **School Districts Portion**

- \* School district number (the number assigned by the State Department of Education)
- \* Total number of homestead exemptions granted in the school district
- \* Total dollar amount of homestead exemptions granted in the school district
- \* Total number of additional homestead exemptions granted in the school district
- \* Total dollar amount of additional homestead exemptions granted in the school district

- **School Districts Summary**

- \* Grand total of homestead exemptions allowed in all the school districts in the county
- \* Grand total of the dollar amount of homestead exemptions allowed in all the school districts in the county
- \* Grand total of additional homestead exemptions allowed in all the school districts

in the county

- \* Grand total of the dollar amount of additional homestead exemptions allowed in all the school districts in the county

After supplying the appropriate information on the form, the County Assessor enters the date and affixes the seal of office on the form.

### ***State Owned Land Report***

62 O.S. § 194(A)

The State Treasury maintains a revolving fund called the “State Land Reimbursement Fund.” Monies from the fund are used to pay any county where state–owned land is located under the following conditions:

- The land would be classified as agricultural land if it were in private ownership.
- No state agency is making a payment in lieu of ad valorem taxes.

The County Assessor is required to list on the State Treasurer’s State Land Reimbursement Reporting Form, the location and number of acres of the state–owned property. The reports shall be filed with the office of the State Treasurer by **December 31** of each year.

Each county receives a percentage of the monies in the State Land Reimbursement Fund based on the number of acres of eligible state–owned land within the county divided by the total number of acres of eligible state–owned land throughout the state.

In addition, the State Treasurer shall reimburse the County Treasurer by **February 1 of the following year**. The County Treasurer is required to apportion the reimbursement in the same manner as the ad valorem taxes are apportioned in the county.

### ***Claim for Reimbursement of Additional Homestead Exemption***

62 O.S. § 193

The State Treasury maintains a fund for the Oklahoma Tax Commission called the “Fund for Reimbursement of Counties.” Money from the fund is used to reimburse counties and school districts for loss of tax revenues from granting additional homestead exemptions.

Before reimbursement is issued, the County Assessor prepares the form *Claim for Reimbursement for Additional Homestead Exemption, OTC Form 916*. This notarized claim is signed by the Board of County Commissioners and is sent to the Ad Valorem Division by **April 30 of the following year**.

The following information is included on OTC Form 916:

- Name of the county/name and number of each school district
- Number of additional homestead exemptions allowed in each school district
- Dollar amount of additional homestead exemptions allowed in each school district
- Total mill levy in each school district which includes the following items:

- \* All county–wide levies

- \* Total school district levy
- \* Total levy for area school districts
- Loss of revenues

This number is comprised of the loss of tax revenue in the county, plus the school district, plus the area school district.

The Oklahoma Tax Commission has until **June 15** to approve the claim. The county receives its reimbursement by **June 30** of the year in which the claim is filed. Reimbursement is made from the Office of State Treasurer.

The following example shows a time sequence for the reimbursement process:

1. By the **fourth Monday in April of the current year**

The additional homestead exemption is entered on the current year's Assessment Roll.

2. By the **first Monday in June of the current year**

The County Board of Equalization finishes correcting and adjusting the Assessment Roll.

3. By **April 30 of the following year**

The Board of County Commissioners signs the *Claim for Reimbursement of Additional Homestead Exemption*, OTC Form 916 with the Ad Valorem Division.

4. By **June 15 of the following year**

The OTC Ad Valorem Division approves claims for reimbursement, and the OTC files with the State Office of Finance the *Claim for Reimbursement of Additional Homestead Exemptions*, OSF Form 3.

5. By **June 30 of the following year**

The State Treasurer issues the County Treasurer a warrant for payment.

**NOTE: The reason the claim is filed in the following year is because the property taxes generated from the current assessment roll are due in the next fiscal year. The fiscal year runs from July 1 of the current year to June 30 of the next year.**

The County Treasurer shall apportion and disburse the funds in the same manner as the ad valorem tax collections are disbursed. If the "Fund for Reimbursement to Counties" has insufficient money to pay the claims from every county, then the available money is distributed proportionally. That is, each county's share is determined by the percentage of its claim to the total dollar amount of claims submitted state-wide.

A.G. Opinion 03-16

## *Claims for Reimbursement of Manufacturer's Exemption*

The State Treasury maintains another fund for the Oklahoma Tax Commission called the "Ad Valorem Reimbursement Fund." Money from this fund is used to reimburse counties and school districts for loss of tax revenues from granting new or expanding manufacturer's exemptions.

The County Assessor prepares the form entitled *Claim for Reimbursement for Manufacturer's Exemption, Notarized OSF Form 3*. This claim is signed by the Board of County Commissioners and is notarized. The claim must be filed with the Ad Valorem Division before April 30.

**NOTE: The claim is filed for five-year manufacturer's exemptions granted in the previous calendar year.**

A.G. Opinion 03-16

## **Preparing the Annual Abstract of Valuation & Assessment**

68 O.S. § 2867

Each year, the County Assessor prepares and files with the Ad Valorem Division the report entitled, *Annual Abstract of Valuation and Assessment as Fixed by the County Board of Equalization, OTC Form 917*. This report is a summary of the real and personal property portions of the assessment roll. The County Assessor begins preparing the abstract after receiving the equalized assessment roll from the County Board of Equalization. By law, the preparation of the abstract must begin no later than the first Monday in June.

Information included on the annual abstract of assessment is organized by personal property and real property:

### *Personal Property Summary*

#### **Column Headings**

- Total Fair Cash Valuation
- Fractional Assessment Rate Applied
- Total Assessed Valuation

#### **Row Headings**

Row headings are titled according to the following descriptions of property:

- Manufacturing and processing equipment
- Gas, oil, and mining processing equipment
- Business inventories, furniture, fixtures, and equipment
- Manufactured homes on land owned by others, plus the number of manufactured homes
- Livestock and animals
- Farm tractors and equipment

- Household equipment and other household personal property
- Subtotal
  - \* Sum of Fair Cash Valuation column
  - \* Sum of Total Assessed Valuation column
- Valuation penalty (the total dollar amount of valuation penalties)
- Total assessed valuation, including valuation penalty
- Less exemptions (the total dollar amount of personal property exemptions)
- Total net assessed valuation of personal property subject to property tax

## *Real Property Summary*

### Column Headings

- Total Appraised Valuation
  - \* Land
  - \* Improvements
- Fractional Assessment Percentage Applied
- Gross Assessed Valuation
  - \* Land
  - \* Improvements

### Row Headings

Row headings for real property are by description of property, as follows:

- Number of manufactured homes
- This number is entered on the side, rather than in one of the columns
- Residential property
- Commercial/Industrial property
- Agricultural property
- Subtotal
  - \* Sum of the Total Appraised Valuation of Land column
  - \* Sum of the Total Appraised Valuation of Improvements column
  - \* Sum of the Gross Assessed Valuation of Land column

- \* Sum of the Gross Assessed Valuation Improvements column
- Subtotal of land and improvements (the sum of the gross assessed valuation of all the real property)
- Less homestead exemption and the number of homestead exemptions
- The dollar amount of homestead exemptions along with a report of the number of homestead exemptions granted
- Less additional homestead exemptions and the number of additional exemptions
- The dollar amount of additional homestead exemptions along with a report of the number of additional homestead exemptions granted
- Total net assessed valuation subject to tax

**NOTE: For facilities allowed a new or expanding manufacturer’s exemption, the portion that is “exempt” is included on the annual abstract of assessment.**

For the row entitled, “Manufacturing and Processing Equipment,” enter the sum of the non–exempt portions of the property in the columns entitled, “Total Fair Cash Value” and “Total Assessed Value.”

- Real Property Portion

For the row entitled, “Commercial/Industrial Property,” enter the sum of the non–exempt and exempt portions in the columns entitled, “Total Fair Cash Value” and “Total Assessed Value.”

The manufacturer’s exemption is not deducted, since the county is reimbursed by the state for the loss of revenue from the new or expanding manufacturer’s exemptions that are allowed.

The County Assessor signs the Annual Abstract of Assessment and enters the filing date on the abstract, along with the County Assessor’s seal.

## Delivering Annual Abstract of Valuation & Assessment to Ad Valorem Division

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The *Annual Abstract of Valuation and Assessment as Fixed by the County Board of Equalization*, OTC Form 917, is transmitted to the Ad Valorem Division by **June 15**, or the first working day thereafter. If the County Assessor does not meet this deadline, then the Ad Valorem Division, by law, shall perform the following actions:

1. Notify the chairman of the Board of County Commissioners and the County Clerk.
2. Penalize the office by requiring that the salary of the County Assessor and the deputies be withheld until the abstract is sent.

The County Assessor should notify the Ad Valorem Division, in writing, if the abstract is delayed

by court action or any causes beyond the County Assessor's control. Good communication will help to avoid the late filing penalty.

The annual abstract of assessment has three important functions:

1. Shows if the County Assessor has complied with the orders of the State Board of Equalization.
2. Shows what portion of the taxable valuation has increased or decreased from the prior year.
3. Shows the taxable valuation of locally assessed property.

The "taxable valuation of locally assessed property" means the same as the total net assessed valuation of locally assessed property. This is an important factor when the county, school district, or other taxing jurisdiction is estimating the available tax revenue to fund its needs.

The total assessed valuation of locally assessed property must be certified by the State Board of Equalization before the following tasks can occur:

- A taxing jurisdiction can prepare the budgets
- The County Excise Board can set the millage

In reviewing the state-wide equalization study in December of the prior year, the State Board of Equalization may have ordered a County Assessor to adjust the taxable valuation of real property in the next succeeding year. The Ad Valorem Division is required to review the annual abstract of assessment to verify whether the County Assessor has carried out the order of the State Board of Equalization. The order may have been for one or both of the following reasons:

- Increase or decrease the taxable valuation of real property if the county's assessment ratio was less than 11 percent or greater than 13.5 percent.
- Increase or decrease the taxable valuation of residential property or commercial/ industrial property, or agricultural property if the assessment ratio for either subclass is not within 1.5 percentage points of the highest or lowest ratio among the three subclasses. For example, if the taxable valuation of residential property is 11 percent, then the taxable valuation of commercial/ industrial or agricultural property cannot be more than 12.5 percent.

If the abstract is in order, then the Ad Valorem Division makes a recommendation to the State Board of Equalization to certify the assessments. If the abstract is not in order, then the Ad Valorem Division makes a recommendation to the Board that the abstract not be certified until the necessary adjustment is made.

## **Certified Assessments**

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The State Board of Equalization reviews the abstract, along with the recommendations of the Ad Valorem Division, on the third Monday in June. If changes are required, then the net assessed

valuation of locally assessed property is not certified by the Board. The abstract is returned to the county with an order to make the necessary adjustments.

If no changes are required, then the net assessed valuation of locally assessed property is certified by the Board. Once the Board certifies the county assessments, the State Auditor and Inspector sends the County Assessor the statement entitled, *Annual Abstract of Valuation and Assessment as Fixed by the State Board of Equalization*, OTC Form 918. The State Auditor and Inspector's signature and official seal are on the certificate.

The format of this abstract is similar to the format of the *Annual Abstract of Valuation and Assessment as Fixed by the County Board of Equalization*, OTC Form 917. The column entitled, "Increase" or "Decrease" shows the change in the certified values in the current year from the prior year.

## **Public Service Property**

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Public service corporation property is appraised by the Ad Valorem Division for the State Board of Equalization. The Ad Valorem Division sends its appraised values to the State Board of Equalization by the **third Monday in June**. The State Board of Equalization has the authority to raise or lower any value that does not reflect the fair cash value for the highest and best use of the property.

The Board also determines the assessment ratio applied to public service property. By federal law, the assessment ratio for railroads and airline companies cannot be higher than the overall average assessment ratio for locally assessed property.

The assessment percentage of real property was frozen between 11 and 13.5 percent in 1996 by State Question 675. Public utility assessments were locked in at 22.85 percent, and railroad and airline properties since that time have been assessed at 11.84 percent.

The Board bases the ratio for these properties on the aggregate appraised value and the aggregate assessed value of commercial/ industrial property throughout the state. The following formula is used to determine the ratio:

1. An aggregate assessed value is found for the state by summing the total assessed valuation of all commercial/industrial property from all 77 counties.
2. An aggregate appraised value is found for the state by summing the total appraised value of all commercial/industrial property from all 77 counties.
3. The assessment ratio for railroads and airline properties is found by dividing the aggregate assessed value by the aggregate appraised value.

Once the Board has assessed all the public service corporation property, then the State Auditor and Inspector shall certify the assessed values. The certified values are sent to the assessor of each county, where each individual public service property is located.

## Certified Public Service Corporation Assessments

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The State Auditor and Inspector shall certify and send the assessed values of public service corporation property to the County Assessor by the **third Monday in June**. Each public service corporation owning property within the county has its own certificate. Each certificate shows the assessed value and the portion of property owned by a public service corporation within each assessment subdivision in which the property is located.

Once the assessed values are received, the County Assessor shall enter them on the assessment roll.

## Preparing the County Assessor's Report to the County Excise Board

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The County Assessor prepares the *Assessor's Report to Excise Board, SA&I Form 263* as soon as the certified public service corporation assessments and the certified valuation of real and personal property are received from the State Board of Equalization. This report is prepared with columns showing the assessed valuations, by class of property.

### *Column Headings*

- Public Service Valuation
- Gross Real Property Valuations
- Personal Property Valuations
- Total Valuations (the sum of the public service, personal, and gross real property valuations)
- Less Homestead Exemptions (the total dollar amount of homestead exemptions)
- Less Military Service Disability Exemptions (100% Disabled Veterans) (the total dollar amount exempted, in assessed valuation)
- Total Net Assessed Valuation (the Total Valuations minus the Total Homestead Exemptions)

### *Row Headings (Prepared According to Taxing Jurisdictions)*

- County
- Name of each city
- Name and number of each school district

By law, the abstract shall be properly totaled and balanced. When totaling and balancing the abstract over all the school districts, the total of each column should equal the dollar value for the whole county. For example, the sum of the column entitled, "Public Service Valuations" should equal the total public service valuation for the county.

For facilities allowed a new or expanding five-year manufacturer's exemption, the assessed value of the exempt portion is included on the *Assessor's Report to Excise Board, SA&I Form No. 263*. This amount is entered since the county is reimbursed for the loss in the tax revenue from the new or expanding manufacturer's exemptions that are allowed.

Upon receiving the certified public service corporation assessments and the annual abstract of valuations and assessments from the State Board of Equalization, the County Assessor has 10 days to deliver the *Assessor's Report to Excise Board, SA&I Form No. 263*, to the County Excise Board. This report shows the County Excise Board the taxable valuation of the taxing jurisdictions. Both the report and the budget requests from a taxing jurisdiction are used by the County Excise Board in determining the tax levies.

## Chapter Twenty-Three

# The Tax Roll

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## Preparing the Tax Roll

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No later than October 1 of each year, the County Assessor must prepare and deliver a complete tax roll to the County Treasurer. The tax roll is a list of the dollar amount of property taxes levied on all of the taxable property in the county. This amount is collected from the owners of property, along with other information required by law. The County Assessor enters both taxable and exempt property on the tax roll.

The tax roll is an extension of the assessment roll (Chapter Twenty, *The Assessment Roll*) in that information from the assessment roll is used in the tax roll. For example, information such as the taxable valuation of all the property in the county and the names of all of the individuals and corporate owners liable for the ad valorem tax payments is extracted from the equalized assessment roll. For each of the taxable properties that are entered on the tax roll, the County Assessor must apply a tax rate to the properties' taxable values to derive the amount of ad valorem taxes owed.

After the County Assessor prepares the tax roll, the County Treasurer prepares and mails the tax bills. All ad valorem tax payments are made to the County Treasurer.

**NOTE: A property is entered on the tax roll even if a protest on its taxable status has not been settled.**

## Organizing the Tax Roll

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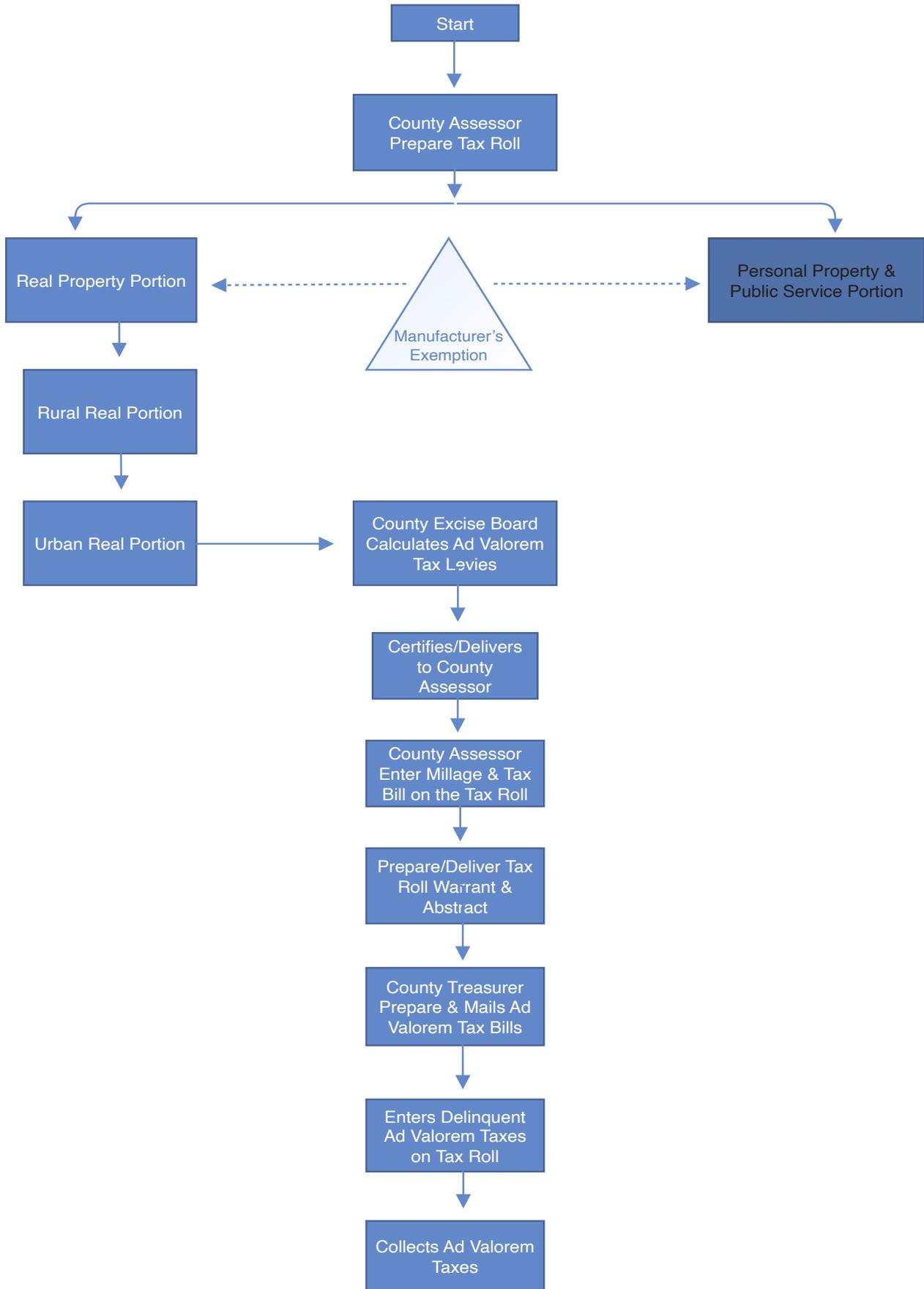
The County Assessor prepares **one** tax roll for the entire county. The State Auditor and Inspector prescribes the specific information to be included on the tax roll and how it is to be organized. By law, the tax roll is organized in the following manner:

- Alphabetically by owner of personal property and public service corporation property
- As rural real property
- As urban real property

Figure 23-1 shows the **major** steps for preparing the tax roll and collecting the ad valorem taxes.

**NOTE: For counties which have repealed household personal property tax under Oklahoma Constitution Article 10, Section 6B, the County Assessor may combine real property land and improvements to use one total.**

**Figure 23-1 Preparing the Tax Roll**



## *Real Property Portion*

### Organizing Real Property on the Tax Roll

The County Assessor should organize the tax roll according to real property, personal property, and public service corporation property. The real property portion is organized in the same manner as the assessment roll. The land and improvements are listed by rural or urban location in the following.

- **Rural Real Property** 68 O.S. § 2868(A)(2)  
Begin with the land in the lowest school district number, in the lowest section number, in the lowest township and range.
- **Urban Real Property** 68 O.S. § 2868(A)(3)  
Begin with the lowest lot and block numbers within a city or town, within the lowest school district number in the lowest section number, in the lowest township and range.

**NOTE: All additions to cities and towns must be listed in alphabetical order directly under the name of the original town site.**

### Listing Urban Lots on the Tax Roll

68 O.S. § 2868(A)(3)

For **urban lots**, each one must be listed separately along with its taxable valuation and tax bill amount. If a building or set of improvements is located on more than one lot or parts of lots, then the County Assessor must perform the following functions:

- List such lots or parts of lots together
- List one taxable valuation for all parts
- Compute one tax bill for all parts

### Arranging Real Property in Columns

68 O.S. § 2868(A)(2),  
(A)(3), (C), (D)

The real property portion (rural and urban) of the tax roll should be arranged in columns. The following headings for the columns indicates the type of information that the Assessor should enter:

- Owner's Name
- Owner's Address
- Owner's Mailing Address
- Narrative Legal Description
- Property Identification Number

- School District Name and Number
  - Use a separate column for each school district
- City/Town
- Type of Real Property
  - \* Residential
  - \* Commercial/Industrial
  - \* Agricultural
- Type of Land
  - \* Homestead
  - \* Improved
  - \* Unimproved
- Total Assessed Valuation
- Type and Amount of Exemption
  - \* Homestead Exemption
  - \* Additional Homestead Exemption
  - \* Manufacturer's Exemption
  - \* Exempt (nontaxable) Property
  - \* Vegetative Filter Strips Exemption
  - \* Storm Shelter Exemption
  - \* Military Service Disability Exemption (100% Veterans Disabled)

**NOTE: If the county does not add additional value for storm shelters, no record is required.**

- Total Net Assessed Valuation
- Taxable valuation of the property
- Millage Rate
- Tax Bill Amount
- Special Assessment\*

(More than one column may be needed.)

These are special assessments collected by the County Treasurer for special assessment districts such as fire protection districts and road districts.

- Tax Brought Forward\*

(This column is used to enter prior years' taxes that are delinquent.)

- Amount of Tax Paid\*
- Who Paid Tax\*
- Treasurer's Receipt Number\*

**NOTE: \* The County Treasurer will enter information in these columns.**

## Arranging Real Property in Rows

In the rows on the tax roll, the County Assessor enters information according to the situs (or location) of the real property. Several rows may be taken up by a unit of real property located at one site. Also, a person or business is entered more than once if they own real property at more than one location.

## *Personal Property & Public Service Property Portion of the Tax Roll*

68 O.S. § 2868(A)(1)

Personal property and public service property form the other major portion of the tax roll. All household personal property, business personal property, agricultural personal property, and public service corporation property are listed in **alphabetical order** by the names of the persons or corporations owning the property. A person or corporation is listed more than once if property is owned in more than one school district.

## Arranging Personal Property in Columns

Like the real property portion, the personal property portion of the tax roll is also arranged in columns and rows. The column headings for personal property include the headings listed below. The County Assessor should enter the appropriate correlating information underneath each heading.

- Individual Owner's or Business' Name in Alphabetical Order
- Individual Owner's or Business' Address
- Mailing Address
- Property Identification Number
- School District Name and Number

(Use a separate column for each school district.)

- City/Town, Urban/Rural Location of Property
- Personal Property Classification
  - \* Household personal property
  - \* Business personal property

- \* Agricultural personal property
- \* Public service corporation property
- Total Gross Assessed Valuation
- Type and Dollar Amount of Exemption Allowed
  - \* Household Personal Property Exemption
  - \* Veteran's Exemption
  - \* Freeport Exemption
  - \* Manufacturer's Exemption
  - \* Exempt (nontaxable) Property
  - \* Vegetative Filter Strips Exemption
  - \* Storm Shelter Exemption
  - \* 100% Permanently Disabled Veterans Exemption
- Tax Bill Amount
- Special Assessment\*

(More than one column may be needed.)

These are special assessments the County Treasurer collects for special assessment districts such as fire protection districts.

- Tax Brought Forward\*
 

(This column is used to enter prior years' taxes that are delinquent.)
- Disposition of Current Year Tax\*

In this column, the County Treasurer records a personal property tax payment.

NOTE: \*The County Treasurer enters Information in these columns.

## **Arranging Personal Property in Rows**

Like the real property portion of the tax roll, the rows for the personal property portion of the tax roll are entered according to the situs of the property. Several rows may be needed to enter the information regarding the property that is owned by an individual, household, or business located at one site.

## ***Manufacturers' Exemptions***

Any manufacturers' exemptions are also entered on the tax roll. The County Assessor must calculate the amount of ad valorem taxes for the exempt portion and enter this amount on the tax roll. This action is taken because the state reimburses the county and school districts for tax revenues lost from the exemption. In entering this information on the tax roll, the County Assessor should perform the following functions:

- Enter “XM” plus the number of years the exemption has been in effect (“XM” signifies “exemption”) in the column entitled “Treasurer’s Receipt Number.” For example, enter “XM5” if it is the fifth year of the exemption
- Enter “State Reimbursement” in the column “By Whom Paid.”

## Duties of the County Excise Board

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Chapter Twenty, *The Assessment Roll*, ended with the County Assessor preparing the *Assessor’s Report to Excise Board*, SA&I Form 263 and submitting it to the County Excise Board. This report lists the **total net assessed valuation** of the county and every city and school district within the county. The total net assessed valuation, or **total taxable valuation**, is the base dollar amount used for determining how much revenue a taxing jurisdiction can generate from an ad valorem tax and the total amount of indebtedness it can incur from the sale of municipal bonds.

68 O.S. § 3014(A, C)

The County Excise Board uses these factors along with the budget requests from each taxing jurisdiction to compute the ad valorem tax levies, which is the next step in the tax roll process. Then, the County Excise Board prepares and certifies the ad valorem tax levies and gives them to the County Assessor. The remaining portion of this section discusses how these levies are calculated.

**NOTE: For every taxing jurisdiction, a levy is derived for the general fund. Levies are also computed for a sinking fund and building fund if they exist within a taxing jurisdiction.**

## Calculating Ad Valorem Tax Levies

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The County Excise Board must meet beginning the first Monday in July and continue until it has fixed all of the ad valorem tax levies and approved all of the appropriations. The Board may meet earlier, if necessary.

68 O.S. § 3006

68 O.S. § 3014

Although the County Excise Board is responsible for calculating ad valorem tax levies, it is important that the County Assessor understands how the calculation is done.

As discussed in Chapter Nine, *General Description of Ad Valorem Taxation*, tax levies are computed in mills. For review, a “mill” is the unit in which a property tax, or tax levy, is expressed. Another word for tax levy is “millage.” The County Excise Board uses the following formula when computing a tax levy and converting dollar amounts to mills:

$$\text{Tax Levy} = \frac{\text{Net Budget}}{\text{Net Assessed Valuation}}$$

68 O.S. § 3017

$$\text{Net budget} = \text{Total budget} - \text{Revenues from sources other than the ad valorem tax}$$

In determining the net budget, the County Excise Board performs the following actions:

- Determines the budget needs for each fund

- Deducts the actual cash fund balance from the preceding fiscal year
- Deducts up to 90 percent of probable income from sources other than the ad valorem tax.
- Adds from five percent to 20 percent of the reserve for delinquent ad valorem tax collections.

For example, if a county's general fund budget is \$1,550,000 and its revenue other than ad valorem is \$400,000, the County Excise Board would go through the following steps in determining the tax levy for the county's general fund:

### Net Budget Calculation

General fund budget	\$ 1,550,000
Revenue other than ad valorem	<u>- 400,000</u>
Net Budget	1,150,000

### Tax Levy Calculation

Net budget	\$ 1,150,000
Net assessed valuation	110,500,000
Tax Levy =	$\frac{\$ 1,150,000}{\$ 110,500,000} = \$ .010$ per dollar of assessed value

### Conversion to Mills

**NOTE:** 1 mill =  $\frac{\$ 1}{1000} = \$ .001$

**Tax Levy in Mills** =  $\frac{\$.010 \text{ mill}}{\$.001} = 10 \text{ mills}$

Notice that the dollar signs in the previous conversion cancel since there is a dollar sign in the numerator and the denominator.

To illustrate further how this conversion is done, three different expressions of the same property tax levy are listed below. In each example the tax levy is 85 mills and the taxable value is \$6,500.

- **Mills per dollar**

$$85 \text{ mills} \times \$1 = \$ .085 \text{ per dollar of } 1000 \text{ mills taxable value}$$

$$\$6,500 \times \$ .085 = \$552.50 \text{ Tax Bill}$$

- **Mills in dollars per \$100 dollars of taxable value (mills/\$100)**

$$85 \text{ mills} \times \frac{\$1}{1000 \text{ mills}} = \$ .085 \text{ per dollar of taxable value}$$

$$\$0.085 \quad X \quad 100 \text{ units of value} = \$8.5 \text{ for every 100 units of taxable value}$$

$$\$6,500/100 = 65 \text{ units of taxable value}$$

$$65 \text{ units of taxable value} \quad X \quad 8.5 = \$552.50 \text{ Tax Bill}$$

- **Mills in dollars per \$1,000 dollars of taxable value (mills/\$1000)**

$$85 \text{ mills} \quad X \quad \$1 = \$0.85 \text{ per dollar of 1000 mills taxable value}$$

$$\$0.85 \times 1000 = \$85 \text{ for every 1000 units of taxable value}$$

$$6.5 \text{ units of taxable value} \times \$85 = \$552.50 \text{ Tax Bill}$$

## Certifying & Delivering Ad Valorem Tax Levies to the County Assessor

68 O.S. § 2869(A)

68 O.S. § 3014(C)

The County Excise Board reports the ad valorem tax levies for each taxing jurisdiction on the form entitled *Levies For \_\_\_\_\_ County, SA&I Form 263* and organizes them by general fund, sinking fund, and building fund. On the same day as the ad valorem tax levies are fixed, the County Excise Board must certify the levies to the County Assessor.

Before the County Excise Board can calculate the ad valorem tax bills, it must figure the sum of the tax levies for all the taxing jurisdictions within a school district. The County Excise Board then multiplies the total tax levy or millage within a school district by the net assessed value of each property having situs within the school district. The end result is the total ad valorem tax bill for a property. Table 23.1 shows an example of the millage calculation for a school district.

**Table 23.1 Example of Millage Calculation for a School District**

Excel School District	Mills Levied
County General Fund	10
County Building Fund	5
County-wide School Levy	4
School District General Fund	35
School District Building Fund	5
School District Sinking Fund	8
EMS District General Fund	3
EMS District Sinking Fund	1.5
Vo-Tech General Fund	8
Vo-Tech Sinking Fund	1.5
Sinking Fund (Thorpe City)	4
<b>Total Millage</b>	<b>85 mills</b>

## Property Tax Bill Calculation

Net Assessed Value Column		Millage Column	=	Tax Bill Column
\$6,500	X	\$.085	=	\$552.50

## Duties of the County Assessor

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### *Enter Millage & Tax Bill on the Tax Roll*

After the County Excise Board completes all of these calculations, the Board certifies the tax levies to the County Assessor. The County Assessor then enters the tax levies and tax bills on the tax roll by **October 1**, which is the final date to deliver the tax roll to the County Treasurer. The County Assessor must disregard any protests that may have been or will be filed against a tax levy.

**NOTE: If a levy is changed by an order of the County Excise Board or a court after the tax roll has been delivered to the County Treasurer, then the following actions must be taken:**

1. The County Treasurer must make the necessary corrections on the tax roll
2. The County Assessor must assist the County Treasurer with these corrections.

### *Prepare & Deliver Tax Roll Warrant & Tax Roll Abstract*

After completing the tax roll, the County Assessor must prepare a tax roll **warrant** and a tax roll **abstract**. These are the final two forms that the County Assessor completes as part of the duties in preparing the tax roll.

68 O.S. § 2869(F)

68 O.S. § 3014(E)

### Tax Roll Warrant

A tax roll warrant is a document that shows the number of volumes that make up the tax roll and the grand total of ad valorem taxes the County Treasurer must collect. This document requires the Treasurer to collect the ad valorem taxes **in the order that they are entered on the tax roll**. After preparing the warrant, *Tax Roll Warrant 20\_\_ (year), SA&I Form 232*, The County Assessor must then attach it to the tax roll. The tax roll with the warrant attached to it must be delivered by **October 1** or the first working day of October.

The County Assessor should enter the following information on the tax roll warrant:

- Name of county
- Volume numbers and names if the tax roll is made up of a series of volumes
- Total valuations representing exemptions on homesteads
- Total valuations
- Total tax proceeds of all levies on net homesteads and other properties

- Total delinquent assessment penalties extended on tax roll
- Grand total of ad valorem taxes in the county for the said year
- County Assessor's signature

Different volumes of the tax roll may be identified by real property, personal property, and public service property.

**NOTE: Should a delay in completing the tax roll occur, then the County Assessor should notify the County Treasurer, the Oklahoma Tax Commission Ad Valorem Division, and the State Auditor and Inspector. The reason for the delay should be stated, particularly if the delay is beyond the County Assessor's control.**

## Tax Roll Abstract

68 O.S. § 2869(D)

68 O.S. § 3014(C),(E)

A tax roll abstract is a summary of the tax roll showing, among other things, the total tax computed within a school district. Each school district in the county is listed on the tax roll abstract form, which is entitled, *County Assessor's Abstract of the Tax Roll for the Taxable Year 20\_\_*, SA&I Form 184. Alongside each school district on the form, the County Assessor should enter the total taxable valuation and total tax computed for real property, personal property, and public service property within the district.

The County Assessor must file the tax roll abstract with the County Clerk by **October 1** or the first working day in October. The County Clerk then delegates the collection of the amount of ad valorem taxes shown on the abstract to the County Treasurer.

The County Assessor should include the following information on the tax roll abstract:

### Column Headings

- Tax Roll Unit (refers to a school district)
- Tax Computation Control
  - \* Taxable Valuation on Tax Roll
  - \* Total Levies Applied
  - \* Total Tax Computed
- Variance (refers to gain or loss)
- Total Tax Extended on Tax Roll
- Grand Total of Tax Extended on Tax Roll The grand total for a taxing unit

### Row Headings

- School District
  - \* Personal Property
  - \* Real Property

\* Public Service Property

- Grand Total

This figure is the total amount of ad valorem taxes to be collected in a county and is the sum of the entries in the column entitled “Grand Total of Tax Extended on Tax Roll.” Each entry in this column is the total ad valorem taxes to be collected in the school district.

The County Assessor must submit *OTC Form 993, County Assessor’s Report of Net Assessed Valuation and Millage* to the Oklahoma Tax Commission Ad Valorem Division each year. This form is a report of the net assessed valuation and millage as certified by the County Treasurer for net total valuations, separately stated for personal and real property.

68 O.S. § 2842(C)

## **Duties of the County Treasurer**

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The remainder of this chapter addresses the collection of ad valorem taxes, which is assigned by law to the County Treasurer. The County Assessor should know the procedures carried out by the County Treasurer when preparing the ad valorem tax bills and collecting the tax payments.

### ***Enters Delinquent Ad Valorem Taxes on The Tax Roll***

68 O.S. § 2868(E)

In the column on the tax roll entitled “Delinquent Ad Valorem Taxes,” the County Treasurer must enter all the taxes unpaid in prior years. The Treasurer must do so within **15 days** from receiving the tax roll from the County Assessor. The following entries are made:

- \* The year of the unpaid tax
- \* The unpaid tax, exclusive of penalty, by year and by lot or tract of land on which the tax is due
- \* The unpaid tax on personal property by year

### ***Prepares & Mails Ad Valorem Tax Bills***

68 O.S. § 2915(B)

68 O.S. § 2915(C)

The County Treasurer must mail an ad valorem tax statement to each taxpayer owning property in the county **30 days** from when the Assessor completes and delivers the ad valorem tax rolls to him/her. The tax statement must have the following information:

- Amount of taxes assessed for the current year
- Amount of delinquent taxes unpaid for prior years
- Amount of the penalty charged against the delinquent taxes
- Explanation of how the ad valorem tax bill is calculated
- Explanation of how the ad valorem taxes are apportioned between the county, school districts, and other ad valorem taxing jurisdictions

### Deadlines

All ad valorem taxes are due **November 1** or the first working day of November if the first falls on a weekend. Payments may be made in the following manner:

- Full payment made before **January 1** or first working day of January
- Partial payments
  - \* First half paid before **January 1** or the first working day of January
  - \* Second half paid before **April 1** or the first working day of April

### Late Penalties

If the amount of the tax owed is \$10 dollars or less, then the following criteria apply:

- The total amount must be paid before **January 1**. If no ad valorem tax payment is made by January 1, or less than one half is paid, then a one and one-half percent per month penalty is added as a delinquent charge.
- If the first half is paid before January 1, but the second half is not paid by **March 31**, then the late payment penalty is assessed on the **balance**.
- The late payment penalty cannot exceed the amount of the ad valorem tax due. If the interest accruals should equal the amount of the ad valorem tax due, then the County Treasurer stops assessing the late payment penalty.

### Receipts

When receiving a tax payment, the County Treasurer must fill out a receipt in triplicate, retain a personal copy, and give the original to the taxpayer. The third copy is filed with the County Clerk. The County Treasurer must issue a tax receipt when the payment is in cash, or when a check or other type of payment order has cleared the bank.

### Recording Payments

The County Treasurer records a tax payment on the tax roll and enters the following information:

- Paid
- Amount of tax paid
- Date of payment
- Name of person making the payment

If a person or business owing taxes moves to another county in the state, then the existing County Treasurer must mail the tax bill to the County Treasurer in the new county who must perform the following actions:

68 O.S. § 2915(B)

- Collect the taxes
- Forward the taxes to the proper (originating) county

If a taxpayer does not receive an ad valorem tax statement, the taxpayer must still pay the tax on or before the date the tax is due. This is true even if the County Treasurer fails to mail the tax bills.

## Important Dates

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Table 23.2 includes all of the important duties and deadlines of which the County Assessor should be aware.

**Table 23.2 Important Duties/Deadlines for the County Assessor, Taxpayer, and County Treasurer**

<b>County Assessor Duties</b>	<b>Deadlines</b>
Enter all tax levies & tax bills on the tax roll	October 1
Deliver complete tax roll to County Treasurer	October 1
File tax roll abstract with County Clerk	October 1 or the first working day in October
<b>Taxpayer Duties</b>	<b>Deadlines</b>
Partial payments: First half due	January 1 or the first working day in January
Partial payments: Second half due	April 1 or the first working day of April
<b>County Treasurer Duties</b>	<b>Deadlines</b>
Enter all taxes on the tax roll that are still unpaid from prior years	Within 15 days from receiving the tax roll from the County Assessor
Prepare & mail an ad valorem tax statement to each taxpayer owning property in the county	30 days from when the County Treasurer receives ad valorem tax rolls from the County Assessor

## Chapter Twenty-Four

# Corrections to the Tax Roll

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**NOTE:** For complete information on corrections to the tax roll, consult the **Board of Tax Roll Corrections publication (2002 revision) provided by the Oklahoma Tax Commission (OTC).**

## Corrections to the Tax Roll

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Three classifications of corrections can be made to the tax roll: erroneous assessment, clerical error, and omitted property.

## Delivering the Tax Roll

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68 O.S. § 2868(F)

In Chapter Twenty-One, *The Tax Roll*, of this handbook, the tax roll is defined as a list of the dollar amount of property taxes levied on all the taxable property in the county. The tax rolls must be made up as required by the Office of the State Auditor and Inspector and must be prepared on forms prescribed by that office and must contain information required by that office.

The County Assessor's duty is to apply the tax levy to the assessed value on the tax roll immediately after receiving certification of the levies from the County Excise Board. The County Assessor extends the tax levies, disregarding any protest that may be filed against any levy. The County Assessor must disregard any correction or change that occurs in the levy of any municipality after the County Excise Board has certified the levy to the County Assessor and must deliver the tax rolls to the County Treasurer without the correction or change, even if the change is made by order of the County Excise Board or by a court of competent jurisdiction.

68 O.S. § 2869

## Correcting the Tax Roll

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Once the County Assessor certifies and delivers the levies to the County Treasurer, the County Treasurer (with the assistance of the County Assessor) makes the necessary corrections on the tax rolls. The County Treasurer is the only authority who can correct errors on the tax roll, and only under the following conditions:

- On the authority of a proper State Auditor and Inspector (SA&I) correction form

Three correction forms authorized by the State Auditor and Inspector can authorize the County Treasurer to change the items on the tax rolls:

- \* *County Assessor's Certificate of Clerical Error* (SA&I Form No. 368)

- \* *Complaint of Erroneous Assessment and Order of Correction* (SA&I Form No. 348)
- \* *Certificate of Assessment of Omitted Real and/or Personal Property* (SA&I Form No. 1231)
- By court order or decree involving a tax protest

## ***Seventeen Reasons for Correcting the Tax Roll***

68 O.S. § 2871

The tax roll may be corrected for the following reasons. For additional information and specific examples, refer to the OTC Board of Tax Roll Corrections publication.

1. Any personal or real property has been assessed to any person, firm, or corporation that does not own or claims not to own the property.
2. Exempt property has been assessed.
3. Exemption deductions allowed by law have not been considered.
4. The same property, whether real or personal, has been assessed more than once for the taxes of the same year.
5. Property, whether real or personal, has been assessed in the county for the taxes of a year to which the property was not subject to taxes.
6. After January 1 of any year, and before May 1 of the same year, the County Board of Equalization, after delivery of the tax rolls, discovers either of the following conditions:
  - Improvements to real estate or other assessed property have been destroyed by fire.
  - The value of the land has been impaired, damaged, or destroyed by floods or overflow of streams.

Plus, due to either of these conditions, the Board of Tax Roll Corrections made and entered an adjustment to assessments previously made and entered.
7. Lands or lots have, in any way, been erroneously described.
8. Any valuation(s) assessed and entered on the tax roll differs from the valuation finally equalized.
9. Any valuation(s) returned for assessment and not increased by the County Assessor has been entered on the assessment rolls for equalization that differs with the returned value; or, the County Assessor or County Board of Equalization increases the valuation of a property and no notice of increase is sent. (An offer of proof of failure to receive the notice may not be heard.)
10. As of the date of assessment, any valuation assessed and entered included, in whole or in part, any property that meets one of the following criteria:
  - The property has no taxable situs in the county
  - The property does not exist
  - The property has been erroneously placed

11. Any property subject to taxation as of January 1 of any year is thereafter acquired by conveyance of title, including tax title, by the county, or any city, town, or school district within the county.

12. An error results from the use of an improper levy.

13. For personal tax, an error occurs in the name of the person assessed, or for real property, the record owners at the time of assessment desire that their name be entered in lieu of whatever other name may have been entered as owner on the tax roll.

14. An error occurs in the tax extended against the valuation entered, whether by erroneous computation or otherwise.

15. An error occurs in transcribing from the County Assessor's permanent survey record to the assessment rolls, either as to area, value of lands, lots, or improvements.

16. The County Treasurer, upon individual decision, restores any tax or assessment to the tax rolls, where the entry on the tax rolls shows this tax or assessment was stricken or reduced by certificate. If the tax or assessment was restored by court order or by decree of the Oklahoma Supreme Court, such court action invalidates "in mass" all certificates of a certain class, and the tax roll does not need to be corrected.

Further, the tax roll does not need to be corrected if the owner of such property, within a class invalidated by the court, demands the property be restored on the tax roll and makes payment on the property. In this case, the County Treasurer shall require that the owner sign the receipt of payment, in the County Treasurer's presence, that the tax or assessment was "paid voluntarily without demand, request, or duress."

17. Any personal property assessment and personal tax charge has been entered on the assessment and tax rolls. The following situations are reasons for an exemption to this correction:

- Proper return of assessment by the taxpayer
- Increase of assessment with due notice
- The County Assessor or his deputies made as a delinquent assessment, the personal property assessment and personal tax charge, either on sight or upon reliable information.

## **County Board of Tax Roll Corrections**

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68 O.S. § 2871

The County Board of Tax Roll Corrections is the governing body that is authorized to hear and determine allegations of error, mistake, or difference to any item on the tax rolls. The purpose of this board is to correct or alter the tax rolls once errors have been determined.

The owner of a property in error, the owner's agent or attorney, or the County Treasurer or County Assessor can bring errors before this board. Attorneys or agents representing taxpayers must be verified by affidavit to represent the protestant, and they must show that the complainant was not at fault.

## ***Board Members***

The County Board of Tax Roll Corrections consists of the following members:

- The Chairman of the Board of County Commissioners as Chairman
- The Chairman of the County Equalization Board as Vice-Chairman
- The County Assessor as a member
- The County Clerk as a **Non-Voting** member and Secretary

In the event the Chairman of the Board of County Commissioners is absent, the Vice-Chairman of the Board of County Commissioners or their statutory designee shall serve as Chairman of the Board of Tax Roll Corrections. In the Vice-Chairman's absence, the Chairman of the County Equalization Board shall serve as Chairman. In the absence of the Chairman of the County Equalization Board, the Vice-Chairman of the County Equalization Board shall serve as Chairman

## **Complaints Involving the Tax Roll**

68 O.S. § 2871(B)

When a complaint involving the tax roll is pending before the County Board of Tax Roll Corrections, the taxes owed by the protesting taxpayer are not due until **30 days** after the Board's decision regarding the complaint. When a complaint is filed with this board on a tax account that has been delinquent for more than **one year**, and it is shown that tax is still delinquent, the complaint shall be dismissed.

## **Erroneous Assessment**

If an error exists due to any of these 17 reasons, the County Board of Tax Roll Corrections has the duty to order a correction. The County Clerk, as secretary to this board, records the decision of this board and performs the following actions:

- If the error increases the amount of tax charged, the County Clerk issues a *Complaint of Erroneous Assessment and Order of Correction* (SA&I Form No. 348) to the County Assessor, ordering the County Assessor to certify the correction and/or increase to the County Treasurer to enter on the tax rolls.
- If the error does not increase the amount of tax charged, the County Clerk issues a *Complaint of Erroneous Assessment and Order of Correction* to the County Treasurer, who enters the correction on the tax rolls.

If the property owner files the application for correction of error with the County Board of Tax Roll Corrections less than **one year** after the payment of the tax, and less tax was due, the owner is entitled to a refund. The owner, **or the County Treasurer on behalf of the taxpayer**, **must** apply for the refund within **six** months of the board's decision regarding the correction.

## Appealing the Board's Decisions

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Both the taxpayer and the County Assessor have the right to appeal any order of the County Board of Tax Roll Corrections to the District Court.

## Changes to Property

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68 O.S. § 2873

The County Board of Tax Roll Corrections may make changes to property affected by an order of the State Board of Equalization if the error meets any of the 17 reasons for a tax roll correction. **However, any modification by the County Board of Tax Roll Corrections to a value that has been modified because of an order by the State Board of Equalization, shall be reported to the OTC.** The OTC may approve, alter, or deny any change, on the authority of the State Board of Equalization.

## Clerical Error

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68 O.S. § 2874

If the County Treasurer is issued a *County Assessor's Certificate of Clerical Error* (SA&I Form No. 368) by the County Assessor, the County Treasurer may make corrections to the tax roll that do not involve valuations or exemptions. The County Assessor and the County Clerk must keep duplicates of this form. Clerical errors are not required to be heard by the County Board of Tax Roll Corrections.

A County Assessor's Certificate of Clerical Error can only be issued when one or more of the following conditions occur:

- An error occurs in the name of the person assessed, upon affidavit verifying the name of the true owner as of **January 1** of the taxable year involved.
- An error occurs in the address of the person, firm, or corporation assessed, when furnished by such a person or a representative of the firm or corporation.
- An error occurs in the legal description of real property, when verified by the County Clerk, certifying to the description on the Clerk's land records as of **January 1** of the taxable year involved.
- An error occurs in the land-list entry, such as section or part of a section, township, range, or of lot, block, or designation of urban addition, when verified with the County Clerk's land records or plats on file, as of **January 1** of the taxable year involved.
- An error occurs in the school district designation as of the date when the school district tax levies attached themselves to such property, when verified by the County Superintendent of Schools.
- The Superintendent must certify to the date, if after **January 1** of such taxable year, (1) when the school district designation or location changed, or (2) when the school district designation changed prior to **January 1** of the taxable year where no change of the boundaries was ordered. If a school district boundary changes after **April 15** of the taxable year, the opinion of the District Attorney regarding the designation of the applicable school district for tax purposes shall be attached to the certification.

- The error of school district designation caused the application of non-applicable levies, then also the “extension of tax,” when verified by the County Clerk with proof of computation attached.
- An error commonly called **duplicate assessment** occurs. A duplicate assessment occurs only where two entries on the tax roll are completely identical in every specific detail, as verified by the County Treasurer or the County Treasurer’s deputy
- An error occurs in transcribing to the tax rolls from the assessment rolls or assessment lists. The tax roll must have no indication of erasures or other alteration of original entry; the County Clerk endorses the clerical error certificate by certifying to a personal visual inspection, and verifying absence of all indication of erasure or change in the original entry.

## Omitted Property

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If any taxable property is omitted in the assessment of any prior year or years, the County Assessor or County Board of Equalization shall ensure that the property is assessed and entered on the assessment and tax rolls, **as soon as the omitted property is discovered** (see note below). The property shall be listed for the year or years it should have been taxed. Personal property can be assessed as far back as three years, and real property as far back as 15 years. However, the County Treasurer may only collect seven years back. All taxes delinquent more than seven years are extinguished forever.

This property must also be listed and assessed on the assessment and tax rolls. The certificate prescribed for this purpose is *SA&I Form No. 1231, Certificate of Assessment of Omitted Real and/or Personal Property*. This certificate is completed in triplicate, with one copy each sent to the County Treasurer, the County Clerk, and the County Assessor. The Certificate of Assessment of Omitted Real and/or Personal Property is not required to be heard by the County Board of Tax Roll Corrections.

**NOTE: The following Oklahoma Attorney General Opinion (00-23) applies to this situation: Pursuant to the provisions of 68 O.S. 2844, where taxable property is omitted from the assessment and tax rolls, it may be entered on the assessment or tax rolls for the years omitted only after reasonable notice and an opportunity to be heard to the parties affected. Therefore, such property may not be entered on the assessment or tax rolls until the party affected has had an opportunity to protest before the County Board of Equalization on the determination that property was in fact omitted.**

## Chapter Twenty-Five

# The Appeals Process

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## Steps in the Appeals Process

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Through the right of due process, taxpayers have the right to appeal a value of a property or to appeal the method used in determining the value of a property, regardless of the merit of the appeal. The process begins when the taxpayer receives a notice of increase of property value from the County Assessor. If the taxpayers wish to appeal the increase, they file an informal protest with the County Assessor. The taxpayer may file a formal protest with the County Board of Equalization. If the appeal is not resolved, it may reach the District Court or Supreme Court.

The following steps occur in the appeals process:

- The County Assessor issues a notice of increase of valuation for both real and personal property value on *OTC Form No. 926, Notice of Change in Assessed Value of Real Estate*.
- The taxpayer files an informal protest with the County Assessor on *OTC Form No. 974, Informal Protest to County Assessor*.
- The County Assessor issues a notice of the decision of the informal hearing by the County Assessor on *OTC Form No. 975, County Assessor Notice of Informal Hearing*.
- The taxpayer requests a formal protest hearing with the County Board of Equalization on *OTC Form No. 976, County Board of Equalization Formal Appeal*.
- The County Board of Equalization issues a notice of the decision of the formal hearing on *OTC Form No. 977, County Board of Equalization Notice of Formal Appeal Decision*.
- The taxpayer or the County Assessor makes an appeal to the District Court/Supreme Court.

**WARNING:** The Assessor must be prepared to defend all values and procedures used in deriving the values during an appeal.

## *Increase in Valuation and Notice of Increase*

68 O.S. § 2876(A)

If the County Assessor performs any of the following actions, the County Assessor shall notify, in writing on *OTC Form No. 926*, the person in whose name the property is listed, stating the amount of the increase in valuation or the valuation of added property:

- Increases the valuation of any property above the valuation declared by the taxpayer
- Increases the valuation from the amount of the assessment from the preceding year (in the case of real property)
- Adds property not listed by the taxpayer

If an increase in valuation of real property occurs, the notice shall include the following items:

68 O.S. § 2876(B)

- The fair cash value of the property used in determining the assessment for the preceding and current year
- The assessed value for the preceding and current year
- The taxable value if different than the fair cash value (preceding and current year)
- The assessment percentage for the preceding and current year

In addition, the notice shall describe the property sufficiently so that the taxpayer easily recognizes which property is increasing in valuation.

68 O.S. § 2876(C)

The notice is mailed or delivered to the last-known address of the person affected by the increase, or to the person in charge of or in possession of the property. The notice shall be clearly marked with the date on which the notice was prepared. Once the notice has been dated, it must be mailed within one working day of this date.

Duplicate copies of the notice showing the issue date and the mailing or delivery date shall be kept in the County Assessor's office. The duplicate copy is a record that shall be "prima facie" evidence that notice has been given to the taxpayer. (Prima facie evidence is evidence that would, if uncontested, establish a fact or raise a presumption of fact.)

### ***Taxpayer Complaints***

68 O.S. § 2876(D)

The taxpayer has **30 calendar days** from the date the notice of increase is mailed or delivered to file with the County Assessor a written complaint against the increase. The taxpayer must file the complaint on OTC form Number 974 and must describe on the form, in clear and understandable language, the reason(s) for the objection to the increase. Other than the increase or decrease of the valuation of property from the previous year, a complaint may also be filed for other reasons, such as objecting to actions taken; however, the complaint must be filed **on or before the first Monday in April**.

68 O.S. § 2876(E)

### ***Informal Hearing of Notice of Increase & Decision***

68 O.S. § 2876(F)

After a taxpayer formally files a written complaint, the County Assessor shall schedule an informal hearing with the taxpayer to hear the protest of valuation of property or addition of omitted property. The informal hearing may be held in person or may be held telephonically, if requested by the taxpayer. The County Assessor shall act on the appeal **within seven (7) calendar days** of the informal hearing, and shall mail or deliver the notice of final action to the taxpayer on OTC Form Number 975.

This notice shall be clearly marked with the date it was prepared, and shall be mailed or delivered within one working day of this date.

Within **15 calendar days** of the mailing or delivery date of the notice, the taxpayer may file an appeal with the County Board of Equalization on OTC Form Number 976. One copy of the appeal form shall be mailed or delivered to the County Assessor, and another copy shall be mailed or delivered to the County Board of Equalization.

## **County Board of Equalization**

68 O.S. § 2862

The duty of the Board of Equalization (BOE) is to ensure that each taxpayer in the county is treated justly, fairly and equitably. The County Board of Equalization is an agency of the state and is a vital part of the system of checks and balances required by the Oklahoma Constitution. The BOE consists of three members appointed in the following manner:

- One member by the Oklahoma Tax Commission upon recommendation of the county's senior state senator
- One member by the Board of County Commissioners
- One member by the District Judge or a majority of the District Judges in all judicial districts with more than one District Judge

Each member of the Board is required to attend and successfully complete an educational program developed by the Center for Local Government Technology.

68 O.S. § 2861

The tenure of office of each County Equalization Board Member shall be coterminous with that of the first and third County Commissioner districts. No more than one board member shall live in any one County Commissioner's district. This requirement allows fair representation for all taxpayers in the county.

In most counties, the County Equalization Board convenes and holds sessions from April 1 to May 31 each year to perform the following duties:

68 O.S. § 2863

1. Raise or lower appraisals to conform to the fair cash value of the property, as defined by law in response to a protest filed as prescribed by law;
2. Add omitted property;
3. Cancel assessments of property not taxable; and
4. Hear all grievances and protests filed with the board secretary

It is the duty of each County Board of Equalization to cooperate with and assist the County Assessor in performing the duties imposed upon the assessor, specifically, that the permanent records required by the statutes, shall be fully and accurately prepared and maintained and shall harmonize with the assessed valuations of the real property of the county.

After the records have been prepared and the assessed valuations adjusted, the County Board of Equalization shall not raise or lower the assessed valuation of any parcel or tract of real estate

without preparing competent evidence justifying such change or until at least one member of the board or a person designated by the board has made a personal inspection of the property and submitted a written report to the Board. In no event, shall any change be made by the County Board of Equalization if such change would be inconsistent with the equalized value of other similar property in the county.

68 O.S. § 2863

## Regular Sessions

In most counties, the County Equalization Board meets for regular sessions beginning April 1, or the first working day thereafter, to organize and set dates for future meetings through May 31. However, in counties having an assessed valuation in excess of One Billion Dollars (\$1,000,000,000.00), sessions shall commence on the fourth Monday in January and end not later than May 31. The meetings of each board shall be called by the chair or, in the event of the refusal or inability of the chair, by a majority membership of the board.

## Special Sessions

AG Opinion 00-23  
68 O.S. § 2863

A special session may be called between June 1 and no later than July 31, if the number of protests pending would, in the estimation of the board, make it impracticable for the County Board of Equalization to complete hearing and adjudication of such protests on or before May 31. Additionally, the county board of equalization may meet in special session between March 1 and March 31 for the purpose of considering protests pending on or before the date of notice of such special session, if the number of protests pending of said date would, in the estimation of the board, make it impracticable for the County Board of Equalization to complete hearing and adjudication of such protests on or before May 31. The secretary of the Board of Equalization shall fix the dates of the extended special session hearings.

## Formal Hearing with County Board of Equalization

68 O.S. § 2877  
68 O.S. § 2877(A)

Upon receipt of an appeal from action by the County Assessor, the secretary of the County Board of Equalization shall set a hearing date with 10 days between (except for counties with more than 300,000) the taxpayer. For use in the hearing, the Board is authorized and empowered to take evidence pertinent to the appeal. Such evidence includes requiring the attendance of witnesses and subpoenaing any written evidence (books, records, papers) to confirm, correct, or adjust the valuation of real or personal property. Witnesses and written evidence may also be used to cancel an assessment of personal property added by the County Assessor that was not listed by the taxpayer, if the personal property is not subject totaxation, or if the taxpayer is not responsible for payment of ad valorem taxes on such property.

The secretary of the Board, who is either the County Clerk or a representative from that office, is responsible for setting the dates of the hearings so that the Board is able to hear all complaints within the time provided for by law. The Board must follow the procedures prescribed by the Ad Valorem Tax Code, or administrative rules and regulations established in the Code, governing the valuation of real and personal property.

68 O.S. § 2877(C)

If the taxpayer or agent fails to appear before the County Board of Equalization at the scheduled hearing, unless advance notification is given for the reason of absence, the county shall be authorized to assess against the taxpayer the costs incurred by the county in preparation for the scheduled hearing. If such costs are assessed, payment of the costs shall be a prerequisite to the

filing of an appeal to the district court. A taxpayer that gives advance notification of their absence shall be given the opportunity to reschedule the hearing.

## Modifying Valuations

Further, the Board shall not modify a valuation of real or personal property established by the Assessor unless the modification is explained in writing by the Board on OTC Form Number 977. The County Board of Equalization shall make a record of each proceeding involving an appeal from action by the County Assessor either in transcribed or tape-recorded form. Only the County Board of Equalization has the authority to address current year values. The Board cannot address future or previous years' values.

68 O.S. § 2877(B)

If the County Assessor has increased the valuation of property listed by the taxpayer without giving notice, as required by law, and the taxpayer is aware of such an adjustment or addition, then the taxpayer may, at any time prior to the adjournment of the Board, file an appeal. Resulting from this action, the Board shall set a hearing date, notify the taxpayer, and conduct the hearing.

## *Guidelines for Conducting Hearings*

### Organization

In order to ensure a fair and productive protest hearing, the County Board of Equalization should meet well in advance of the hearing to organize the hearing. Within these meetings, the Board should establish a consistent agenda for how it will hold each hearing. Also, both the protester and the County Assessor should be notified in advance of the meeting to allow them time to prepare for the meeting. The property under protest should also be physically inspected by at least one of the County Board of Equalization Members, or their representative.

### *Suggested Procedure*

Once the hearing begins, the following steps should be followed:

- The Chairman of the County Board of Equalization calls the meeting to order.
- The Secretary calls the roll of members and recognizes any guest(s) present.
- Verbatim minutes must be kept of the hearing; a tape recording is also allowed.
- Once a protester is asked into the room, the Chairman should introduce the Board, including the County Assessor and the County Clerk.
- The protester should be allowed to express the complaint first.
- The County Assessor should then be allowed to voice a rebuttal to the protest and defend the appraisal. Both parties should then be allowed to give their closing remarks.

**NOTE: The County Board of Equalization should conduct the protest hearing like a court hearing, and therefore should conduct each step of the hearing in a like manner.**

After these formal steps in the appeals hearing are completed, the County Equalization Board can

then either briefly discuss and vote on whether to change the valuation or to take the protest under advisement, discuss it later, and mail its decision to the taxpayer. If the Board takes a protest under advisement to discuss later, it should take care not to allow any further testimony from either party to influence its decision without the other party being present.

After all testimony on both sides is given, the County Board of Equalization must make an unbiased and rational decision based on what the law requires, and should not allow any personal feelings to prejudice the decision.

The Board must remember that it is making adjustments to the appraised value of the property, not to the assessed value or to the taxes. Care must be taken not to create inequities to other properties by changing values just to satisfy the protester.

Once the Board has reached a decision on the appeal, it must notify the taxpayer and the County Assessor's office of the decision. The County Assessor must then make any corrections to the property data cards and the assessment rolls. The minutes of the hearing become part of the record for any case that is appealed to the District Court.

### ***Appeal to District Court or Court of Tax Review***

68 O.S. § 2880.1

If the protester or Assessor disagrees with the Board's decision, they have 30 calendar days from the date the Board's decision was mailed or delivered to file an appeal with the District Court of the same county or to the Court of Tax Review if qualifications are met in the Court of Tax Review. Either party has the right to appeal based on questions of law or fact regarding value; moreover, the trial of an appeal shall be "de novo," or without bias to the decisions of other hearings.

68 O.S. § 3024A

### **Notice of Appeal to District Court/Supreme Court**

Notice of appeal to the District Court shall be filed with the County Clerk, who serves as the secretary of the County Board of Equalization. The County Clerk's duty is to preserve all complaints, and to make a record of all orders of the Board; both complaints and orders shall be part of the record in any case appealed to the District Court by the County Board of Equalization.

Further, either the taxpayer or the County Assessor may appeal to the Supreme Court any decision the District Court makes; however, no matter shall be reviewed on an appeal that was not presented to the District Court.

In such appeals to the District Court and to the Supreme Court, it is the District Attorney's duty to appear for and to represent the County Assessor. The duty of the General Counsel or an attorney for the Tax Commission is to appear in such appeals on behalf of the County Assessor, either upon request of the District Attorney for assistance, or upon request of the County Assessor. The mandatory duty of the Board of County Commissioners and the County Excise Board is to provide the necessary funds for the County Assessor to pay the costs incurred in making appeals to the courts. Both boards must hear all appeals filed, even though the statutory time limit for the appeal has expired. Finally, in all appeals to the County Assessor's valuations, the correctness of the County Assessor's valuation and the procedures followed are assumed to be accurate. (Oklahoma City Golf and Country Club v. Keyes, Okla., 836 P.2d 1282 (1992))

## Payment of Taxes Pending Appeals

68 O.S. § 2884

The full amount of the taxes assessed on the property of any taxpayer who has appealed a decision of valuation or taxable status of the property, shall be paid as provided by law.

If the taxes or part of the taxes become delinquent due to a pending appeal, then the appeal shall be abated and dismissed upon a showing that such taxes have not been paid.

At the time the taxpayer pays the taxes, the taxpayer shall also notify the County Treasurer that an appeal involving the taxes has been taken and is pending, and that a specified portion of the tax amount is being paid under protest. Then, the taxpayer must attach to the notice a copy of the petition filed in the court or other appellate body in which the appeal was taken.

If the taxes are paid in two equal installments, and the amount paid under protest does not exceed **50 percent** of the full amount of assessed taxes, then the County Treasurer shall specify on the tax bill for the first installment payment the portion of protested taxes that **exceeds 50 percent** of the full amount of assessed taxes; the entire second installment shall be specified to be paid under protest.

## Refunds for Over-Assessed Property

68 O.S. § 2884(E)

If the court discovers that the property was assessed at too great an amount, then the Board of Equalization from whose order the appeal was taken shall certify the corrected valuation of the property to the County Assessor. The Board must then send a copy of this 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 County Treasurer must then refund to the taxpayer the difference between the amount paid and the correct amount payable with accrued interest. Before receiving the refund, however, the taxpayer must file a proper verified claim, and the remainder paid under protest with accrued interest shall be apportioned as provided by law.

## Appeals Based on Questions of Valuation

68 O.S. § 2884(F)

If an appeal is based on a question of valuation of a property, then the amount paid under protest shall be limited to the amount of taxes assessed against the property for the year in question, less the amount of taxes that would be payable by the taxpayer for that year. (These conditions apply if the valuation of the property asserted by the taxpayer in the appeal was determined by the court to be correct.)

## Appeals Based on Questions of Assessment

68 O.S. § 2884(G)

If an appeal is based on a question of assessment of a property, then the amount paid under protest shall be limited to the amount of taxes assessed on the property for the year in question, less the amount of taxes that would be payable by the taxpayer for that year. (These conditions apply if the assessment of the property asserted by the taxpayer in the appeal was determined by the court to be correct.)

## Correcting Assessments/Abating Taxes

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68 O.S. § 2885

The only way that assessments or equalization can be corrected, or taxes abated (lessened), is through proceedings before the County Assessor and County Boards of Equalization. Other equitable remedies shall be resorted to only where the aggrieved party has no taxable property within the tax district where the complaint is made. Also, appeals taken from all Boards of Equalization shall have precedence in the court in which the appeals were originally taken.

## Noncompliance with Legal Requirements

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### State Board of Equalization—Notification of Noncompliance

In any case where the State Board of Equalization, in equalizing locally assessed property, determines that the ratio of the assessed value of real property within the county to the fair cash value of the real property does not comply with the legal requirements for the level of assessment, then the Board must notify the following entities:

- The Board of County Commissioners of the county in question
- The County Assessor

(See [Chapter Eleven, \*The Appraisal Process\*](#), for further discussion on assessment ratios.) The notice should state the determined ratio and the percentage of valuation increase or decrease that the county must achieve during the next assessment period, or the action required for compliance with an order for uniform assessments.

**NOTE: No individual notice of valuation change is required to be mailed or delivered to an affected taxpayer.**

68 O.S. § 2882(A)

### District Attorney—Files Written Complaint

68 O.S. § 2882(B)

The District Attorney, acting under the direction of the Board of County Commissioners and for the entire taxpaying public of the county, shall have **20 days** from the date the Board of County Commissioners and the County Assessor receive the notice of noncompliance, to file a written complaint with the Clerk of the Court of Tax Review. This complaint must specify, in clear and ordinary language, the grievances and the pertinent facts of the noncompliance.

### Board of County Commissioners—Publishes Notice

The Board of County Commissioners requires a notice of the order for a valuation increase or decrease, made by the State Board of Equalization, to be published in at least one newspaper of general circulation within the county. The notice must be published at least one time each week for two consecutive weeks. The notice will also constitute sufficient notice to any taxpayer within a county of the possible increase or decrease in the valuation of property owned by the taxpayer located within this county.

After the District Attorney files the complaint, the State Board of Equalization has **15 days** within which to file a response to the complaint. The Court of Tax Review shall set a hearing date within **60 days** of the date of notice of noncompliance filed by the State Board of Equalization. The Court shall also be authorized and empowered to take evidence pertinent to the complaint of noncompliance. This evidence includes compelling the attendance of witnesses and, by subpoena, compelling the production of books, records, and papers. The Court is also authorized by law to confirm, correct, or adjust the compliance order issued by the State Board of Equalization.

At the time of the hearing for a complaint, the State Board of Equalization shall bear the burden of proof in supporting its order for compliance.

## State Board of Equalization—Files Notice of Intent to Appeal

In addition to filing a response to a complaint, the State Board of Equalization or the party filing a complaint may appeal the decision of the Court of Tax Review by filing a notice of intent to appeal. This notice is filed with the Clerk of the Court of Tax Review within **10 calendar days** of the date the final decision of the complaint hearing is rendered. Appeal shall be made to the Oklahoma Supreme Court, which shall affirm the decision of the Court of Tax Review if supported by competent evidence.

## Appeal of Noncompliance to Court of Tax Review

A County Assessor may appeal the OTC's decision to correct Category 2 noncompliance or a decision ordering corrective action for Category 3 noncompliance. (See [Chapter Twenty-One, Compliance Measures](#), for a more detailed discussion.) This is done by filing a **notice of intent to appeal** with the Clerk of the Court of Tax Review within **10 calendar days** of the date the final decision is rendered regarding the decision of noncompliance.

## OTC—Answer to Order of Appeal

After the notice of intent to appeal has been filed, the OTC shall have **15 days** within which to file an answer to the appeal order.

Next, the Court of Tax Review shall set a hearing date within **60 days** from the date of the answer date. For the hearing, the Court is authorized and empowered to take evidence pertinent to the appeal, which entails compelling the attendance of witnesses and subpoenaing books, records, and papers. The Court is also authorized to confirm, correct, or adjust the order of the OTC for corrective action. At the time of the hearing for a complaint, the OTC shall bear the burden of proof in supporting its answer to the appeal.

## Appealing the Decision of the Court of Tax Review

Either the County Assessor or the OTC may appeal the decision of the Court of Tax Review by filing a **notice of intent to appeal** with the Clerk of the Court of Tax Review. The notice must be filed within **10 calendar days** of the date the final decision is rendered regarding the appeal. Appeal shall then be made to the Oklahoma Supreme Court, which shall affirm the decision of the Court of Tax Review if competent evidence is available.

## Chapter Twenty-Six

# Compliance Measures

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**NOTE: Information within this chapter was taken from Permanent Rules and Regulations for the Equalization Audit, published by the Oklahoma Tax Commission (OTC).**

### Purpose of the Equalization Ratio Study

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OTC Rule  
710:10-3-10

68 O.S. § 2866

Each year, the OTC Ad Valorem Division shall perform an equalization ratio study of each county in Oklahoma. The purpose of the equalization ratio study is to collect and analyze data that is used in formulating compliance recommendations regarding county compliance status for the State Board of Equalization. The State Board of Equalization may use these recommendations of the OTC Ad Valorem Division in equalizing and adjusting the valuation of real property within and among several counties.

The purpose of the equalization ratio study among counties is to ensure the following criteria is being met:

- The legal assessment percentage level of each county must be at the level ordered by the State Board of Equalization. Should the State Board of Equalization determine that new legal levels of assessments be mandated, then the purpose of this study among the counties is to ensure that each county maintains the constitutionally-mandated assessment level.

(Poulos v. State Board of Equalization, Okla., 646 P.2d 1269 (1982))

- All classes of real property must be valued uniformly and assessed at one ratio.

OTC Rule  
710:10-3-1C

(Cantrell v. Sanders, Okla., 610 P.2d 227 (1980))

- The State Board of Equalization must be alerted to any inequities that exist within any class or classes of real property within a county, or among several counties.

(Poulos III, Supra.)

- A comprehensive review of the assessment function in each County Assessor's office must be conducted. This equalization ratio study is the basis for the OTC's findings and recommendations presented to the State Board of Equalization.

Oklahoma  
Constitution  
Article 10 § 21

# Definition of Terms & Statistics Used in the Equalization Ratio study

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The following words and terms, when pertaining to an equalization ratio study, shall have the indicated meanings, unless the context clearly suggests otherwise:

OTC Rule  
710:10-3-2

- **Aggregate assessment ratio:** The ratio of the total of assessed values to the total of the market–use values. This measure of central tendency (the median) may be distorted in that the ratio of a higher–priced property will have a greater impact than the ratio of a lower–priced property.
- **Assessed value:** The fractional portion of market–use value against which ad valorem tax millage is levied. These statistics are obtained from the County Assessor’s office.
- **Average Deviation:** The mathematical average of the total deviations and the total number of samples, which is a measure of dispersion or uniformity. It deals with the inconsistency between individual ratios and the median, or mean.
- **Coefficient of Dispersion:** The measure that shows the distribution of the individual ratios about the median. The coefficient of dispersion is calculated by dividing the measure of dispersion (the average deviation) by the measure of central tendency. The more uniform the assessments, the lower the coefficient of dispersion.
- **Deviation from the Median:** The distance and direction of the individual assessment ratio from the median.
- **Market Use–Related Differential:** The measure calculated by dividing the mean assessment ratio by the aggregate assessment ratio. The market use–related differential is used to indicate the direction of the bias of the mean assessment ratio and the aggregate assessment ratio. This measure shows any tendency for assessing relatively high–priced properties as higher or lower than relatively lower–priced properties. A differential of more than 100 indicates lower ratios on the higher–priced properties, while a differential of less than 100 indicates lower ratios on the lower–priced properties. (This differential is also known as the price–related differential.)
- **Market–Use Value:** The property value established by either the market or appraised value of the sample according to the actual use of the sample property.
- **Mean Assessment Ratio:** A mathematical average of all the ratios that represents a measure of central tendency, which is weighted.
- **Median Assessment Ratio:** The ratio of the middle term, or the middle value in a set of assessed value / market use value ratios. The median represents a measure of central tendency. Rather than the mean or aggregate ratio, the median is most often used in dispersion analysis.
- **Ratio:** The ratio of assessed value to market use value.

**NOTE: For further explanation of these terms and concepts, consult Unit 1 of the County Assessor Accreditation Program or the IAAO textbook, Property Assessment Valuation, [Second Edition].**

## Steps in the Equalization Ratio Study Process

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The OTC conducts and/or considers the following procedures in the equalization ratio study process:

OTC Rule  
710:10-3-11

- Initial equalization ratio study interview

At the initial interview, the OTC Ad Valorem Division personnel shall review the purpose of the ratio study and the schedule for the ratio study completion with the County Assessor, Chief Deputy, or designated person.

- Follow-up visits, sales research, and field verifications of sales data information

## Analysis of Assessment & Valuation Equity

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OTC Rule  
710:10-3-12

The analysis of assessment and valuation equity within each county is the first area for review and analysis in the ratio study process. This analysis consists of a comprehensive review of sales and assessments within the county, and is used to prepare a median sales ratio for residential and commercial property, and a use-value ratio for agricultural property within each county in the state. This information must be used to obtain, at a minimum, the following statistics:

- Median sales assessment ratio for each of the three subclasses of real property
- Coefficient of dispersion for each of the three classes of property
- Comparative data for each class of property to determine the deviation between the three use classifications of real property
- Other data as deemed necessary by the Director of the Ad Valorem Division to ensure a valid and accurate report.

## Categories of Noncompliance

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68 O.S. § 2830

The following categories for non-compliance are based on the findings of the equalization ratio study:

- **Category 1 Noncompliance:** If a county receives a ratio study below 11 percent (11%); above 13.5 percent (13.5%); or greater than a one-and one-half (1.5%) spread between the highest and lowest median ratio for the three property classes on its annual ratio study as certified by the State Board of Equalization at the December meeting the county is classed in Category 1 Noncompliance. The county would have until the following June 15 meeting of the State Board of Equalization to correct the deficiencies noted in the equalization ratio study.
- **Category 2 Noncompliance:** If the county does not correct the problems noted in the equalization ratio study by the June date, it is noted in the OTC's report to the State Board of Equalization, with a recommendation to reclassify the county to Category 2 Noncompliance. At the next State Board of Equalization meeting in December, if all compliance criteria have been achieved, the State Board of Equalization may certify the county abstract. If the county is found out-of-compliance at the December meeting,

the county would then have until the following June meeting to achieve compliance. If compliance is not achieved, the State Board of Equalization would have the option not to certify the county abstract until all compliance criteria are achieved.

- **Category 3 Noncompliance:** If a county that has been previously declared Category 2 fails to meet compliance criteria set forth by the State Board of Equalization by the next December 1 meeting of that board, the county could be classified in Category 3 Noncompliance by the State Board of Equalization.

**NOTE: A county shall have the right to appeal an order of noncompliance issued by the State Board of Equalization to the Court of Tax Review.**

## **Collection, Review & Finalization**

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OTC Rule  
710:10-4-9(E)

### ***Verified Sales***

For the purposes of gathering sales data, the OTC staff examines verified sales for the period to be included in the ratio study. The study period shall be from **January 1** to **December 31** of the previous assessment year.

OTC Rule  
710:10-3-22

A verified sale is indicated by documentary stamps affixed to a warranty deed and a verified sale is presumed to have occurred based on the presence of the stamps. A verified sale shall be qualified by one of the following methods:

- The amount of consideration paid is stated on the warranty deed or attached documents.
- A mortgage or mortgages follows the warranty deed, which reasonably indicates that the documentary stamp value is correct.
- Confirmation is made by one or more of the following entities:
  - \* Buyer
  - \* Seller
  - \* Real estate broker or agent
  - \* Bank or other lending institution
  - \* Real estate appraiser
  - \* Real estate data banks and multi-list services
  - \* Attorneys and other third parties who are familiar with the transaction
- Commercial and industrial property is qualified by the confirmation method to edit for personal property or goodwill.
- The residential property data is qualified by using the methods listed above.
- Agricultural properties are appraised using the OTC-approved dollar per point, OTC

and State Board Of Equalization approved agricultural use value methodology

- The following instruments may be used to complete an adequate sample size:
  - \* An instrument other than a warranty deed when it is determined that an arm's-length transaction exists.
  - \* A warranty deed or other instrument, which does not have a documentary stamp affixed, may be used only upon confirming that an arm's-length transaction exists.
  - \* The book and page numbers of all sales transactions to be included in the equalization study are submitted to the County Assessors for their review and comment.
  - \* All commercial and industrial properties shall be verified and then qualified by the confirmation method to determine the presence of personal property.
  - \* The value of the personal property is deducted from the sales consideration. The adjusted sales price is then used in the equalization study.

## *Screening of Sales*

OTC Rule  
710:10-3-24

If one of the following conditions exists, a non-arm's-length sale is considered to exist:

- Sales which secure debt or other obligation.
- Sales without additional consideration, conform, correct, modify or supplement a deed previously recorded.
- Sales between a husband and wife, parent and child, grandparent and grandchild, those deeds within the second degree of consanguinity, without actual consideration thereafter or sales between any person and a revocable trust. See: 68 O.S. § 2802.1(4)(a).
- Sales of release of property which is security for debt or other obligation.
- Sales of partition, those between co-owners, resulting in individual ownership of the interests of each.
- Sales between corporate affiliates with no consideration or sales made pursuant to mergers or sales from a person to a partnership, LLC or corporation.
- Sales pursuant to foreclosure proceedings in which the grantee is the holder of a mortgage on the property being foreclosed.
- Sales pursuant to a judicial ordered sheriff sale.
- Sales of property to the United States Government, State of Oklahoma or the counties and cities within Oklahoma.
- Splits or combinations of non-contiguous property.
- Sales contract for deed in excess of one (1) year.
- Trades of property with no consideration stated.
- Sales of partial interests in property.

Real estate sales, including personal property and business goodwill (inventories, furniture, fixtures, etc.), are excluded unless terms of the sale are known and the personal property value and the value attributed to goodwill can be ascertained.

## *Adequate Sample Size*

OTC Rule  
710:10-3-30

For purposes of assessment and equalization data for the equalization ratio study, a sample size of one percent of the total parcel count of a county is deemed generally adequate for the equalization study, not to exceed 1,000 samples. The OTC Ad Valorem Division prepares an annual statewide list of the number of samples to be used in each county. If a county's number substantially deviates from that of the statewide list, then the Director of the OTC Ad Valorem Division must approve it in writing.

## **County Assessor's Inspection of Sales & Use-Value Data**

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OTC Rule  
710:10-3-32

The Director of the OTC Ad Valorem Division shall submit to each County Assessor a list of the sales data and assessment data for further screening, used to determine assessment equity statistics. The OTC Ad Valorem Division staff shall not make any corrections, deletions, or adjustments without approval of the Director of the Ad Valorem division, or a person the Director designates with the authority to make such approvals.

Any objection shall be made on the OTC equalization ratio study objection forms provided to the County Assessors. These forms are returned with objections noted and properly documented, and with deeds, instruments, or affidavits for exclusion from the study or correction of error.

Objections to sampling techniques and suspected sampling problems are subject to the procedure outlined in Tax Rule 710:10-3-33.

## **Informal Protest by the County Assessor**

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OTC Rule  
710:10-3-33

A County Assessor may file an informal protest related to the findings of an equalization ratio study, detailing any suspected problem in sampling that may distort the true picture of the assessment levels and uniformity in the County Assessor's county, or any other finding in the study with which the County Assessor disagrees.

This informal protest should be made in writing, as soon as possible after an examination of documents provided by the OTC Ad Valorem Division that alerts the County Assessor to a possible problem. The protest must be filed before the **first Monday in November**, and should specifically state the suspected problem and the class or classes of property affected.

The OTC may use any generally accepted statistical techniques or methods of observation that would detect problems in sampling. If any sampling problems should occur, the County Assessor is notified in writing of the problem(s) and the method used to correct them, and is also notified of the new numbers that will be submitted to the State Board of Equalization.

## **Time Schedule for Equalization Ratio Study of Real Property**

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The following time schedule applies to the equalization ratio study of real property:

1. OTC completes all data collection by the third Monday in July.
2. OTC provides a list of sample data ratio study results by the fourth Monday in August to the County Assessor for examination.
3. The County Assessor examines the list of sample data for corrections and deletions, and returns it to the OTC by the third Monday in September.
4. OTC provides to the County Assessor a final listing of sample data ratio study results by the second Monday in October.
5. If the County Assessor objects to the findings, then the County Assessor files an informal protest of the findings of the equalization ratio study by the first Monday in November.
6. OTC shall make a review and disposition of an informal protest by the second Monday in November.
7. The OTC Ad Valorem Division provides a final response to the County Assessor regarding informal protests by the second Monday in November.
8. The OTC Ad Valorem Division presents findings and recommendations to the OTC by the fourth Tuesday in November.
9. OTC Commissioners present findings and recommendations to the State Board of Equalization on December 1 or the first working day thereafter.

## **Review of Assessment & Tax Rolls**

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The OTC Ad Valorem Division personnel may, from time to time, compare assessment valuations used in the equalization ratio study from the assessment rolls, with the assessment valuation of the tax rolls. If a pattern of inconsistency becomes apparent between these two rolls, then the OTC Ad Valorem Division may conduct an in-depth review of assessment records in the county, and report its findings to the State Board of Equalization.

OTC Rule  
710:10-3-54

## Chapter Twenty-Seven

# Public Service

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The Oklahoma Tax Commission, Ad Valorem Division, acting as an agent of the State Board of Equalization, is responsible for valuing all railroad, air carrier, and public service corporation property in accordance with Article X, § 21 of the Oklahoma Constitution, Title 68 O.S. 2011, §§ 2808, 2858, and 2859. The term public service corporation includes electric companies, fluid or product pipeline companies, gas distribution and transmission companies, telecommunication, water companies, and a subgroup, video services providers.

68 O.S. § 2808

All state or centrally valued companies have an effective valuation date of January 1, and a filing deadline of April 15th. A 15 day extension may be requested and granted, with just cause shown by the taxpayer. This extension pushes the filing deadline to April 30th.

Balance sheet information as of January 1 is submitted with the state return, accompanied by income statement information reflecting company operations for the prior year ending December 31. County detail (OTC Form 913-D) work sheets are required showing taxable property by county and taxing jurisdiction, with proper descriptions pertaining to situs and disposition of the property. All property of the centrally valued company is to be filed at the state level.

Each year the Ad Valorem Division conducts a Capitalization Rate Conference on the last Thursday and Friday of March. This gives taxpayers the opportunity to present opinions and concerns regarding the development of the capitalization rate component in the valuation process. Following the conclusion of the capitalization rate conference, the Ad Valorem Division posts a draft of its capitalization rate study, beginning a five (5) business day comment period seeking legitimate taxpayer concerns regarding the theory and conclusions presented. All comments are posted for review on the website with the final Capitalization Rate Study posted on or before April 30.

The unit valuation methodology is employed, utilizing three approaches to value, Income, Cost, and Stock & Debt or Market. This methodology requires that integrated properties be appraised as a whole or as a unit, as opposed to the summation methodology, which totals the value of each of the component parts. The value created by, and resulting from, the synergistic effect of the combined operations of all the parts as a unit does not exist until the combination is formed. Any exempt property, where the taxpayer pays an in-lieu tax, such as gross production, is accounted for in determining the taxpayers Oklahoma taxable value or fair cash value.

The fair cash value as determined for each filing company is presented to the State Board of Equalization on the third (3rd) Monday in June for certification. The State Board is comprised of the Governor, the Lieutenant Governor, the State Auditor and Inspector, the Attorney

General, the Superintendent of Public Instruction, the State Treasurer, and the Secretary of Agriculture. This Board also confirms the proper assessment ratio for each industry type, 11.84% for airlines and railroads, 22.85% for public service companies, and 12% for video service providers.

With the certification of each company's fair cash value and the application of the proper assessment ratio, a notice of certification is sent to the respective companies, which starts the 20 day protest period. With the expiration of the protest period, assessed values are apportioned by company, by county and by taxing jurisdiction. This apportionment, sometimes referred to as distribution, is the spread of each company's assessed value to the respective taxing jurisdictions within which they report to be operating. On completion, these are forwarded to the State Auditor & Inspectors office with the OTC Form 913-D County Details, as completed by the taxpayers, along with the Ad Valorem Divisions County Review sheets for dissemination to the proper counties.

Upon receipt, the County Assessor reviews the apportioned assessed values and the county detail sheets comparing them to the previous years, and examines the conclusions presented in the Ad Valorem Division County Review. If the assessor has further questions, they can call the Public Service Section of the Ad Valorem Division. Values are presented to the County Excise Board for certification within 10 calendar days of receipt. On the incidence of a corrected certificate being issued restating a valuation or designation of a taxing jurisdiction, a tax roll correction is necessary.

Once entered in the county tax rolls, state assessed values are managed thereafter in a similar manner to those developed at the county level. The County Treasurer is responsible for application of the proper millage rates, notice of the tax obligation or liability, and ultimately collection.

## Appendix A

# Using the Oklahoma Statutes

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**NOTE: For any questions on how to interpret a statute or law, the County Assessor should request legal advice from the District Attorney's office.**

19 O.S. § 215.5

## The Oklahoma Statutes On-line

The *Oklahoma Statutes* can be accessed on line through the Oklahoma Supreme Court Network (OSCN). The URL or web address is <http://www.oscn.net>. Once the site comes up, click on the part of the black bar at the top of the page that says "Legal Research." Then click on "Oklahoma Statutes Citationized." When the list of statute titles appears, click on "expand" at the right-hand side of the title listing. After the title sections appear, click on the section needed. These copies of the statutes have all of the information found in the statute books plus historical information and court case data. They are updated once each year in August.

## The Oklahoma Statutes

The *Oklahoma Statutes* are made up of statutes, supplements, and session laws.

All the laws enacted, amended, and repealed since statehood comprise a multi volume set published every 10 years. For example, the *Oklahoma Statutes*, 2020 contains all the laws passed from statehood up to and including the 2020 legislative session.

## The Supplements

Each year, legislators publish a supplement containing all the laws enacted, amended, or repealed since the *Oklahoma Statutes* were last published. Therefore, a full reading of the law would require the reader to consult the *Oklahoma Statutes* and the latest supplement.

## Session Laws Citations

Following each session of the state legislature, all laws enacted in that session are published as the Oklahoma Session Laws for that year.

In the interim between the time legislators pass the laws and the time they publish the Annual Supplement to the *Statutes*, the Oklahoma Session Laws are the only reference available for the new laws. In order to find a law, you need either the date of passage or the number of the Bill, as the Session Laws index lists laws both chronologically and by number.

## Index

The last volume of the *Oklahoma Statutes* has two parts. The first part is an alphabetical index of topics found in the previous volumes. The second part presents tables showing where the laws from former revisions and compilations appear in the most recent compilation.

## Alphabetical Index

The index to the *Statutes* is organized by major topics. Following each major topic heading is an alphabetical list of subentries to the major topic. Each subentry may be further subdivided as well. Following each subentry is the title and section where you can find it. For example, to find the laws addressing fees charged by Court Clerks, you would locate the major topic heading “Court Clerk” and search the alphabetical list under the heading for “Fees.”

This particular example appears in the index in the following manner:

### COURT CLERKS

Fees, 28 § 31, 151 et. seq.

Alimony without divorce, 28 § 152

Conveyances, 28 § 32

Divorce Actions, 28 § 152

Therefore, statutes addressing fees are in Title 28, § 31 and § 151 and the following sections (et. seq. means “and following”).

Other notations following a concept listing are:

- *generally, this index* means the sub entry is a major topic elsewhere in the index
- *ante* means the concept is listed prior to that listing under the same topic heading
- *post* means the concept is listed after that concept listing under the same topic heading

## Tables

The tables in the index help you locate a statute when only the session law date and number are known. For example, to find the location of the session law “laws 1970, C. 110 § 1” in the *Oklahoma Statutes, 1991*, you would locate the table for “laws 1970” under the major heading “session laws 19311991.” The table will read as follows:

Laws 1970			
Chapter	Section	Title	Section
110	----- 1	----- 19	138.4

## A Closer Look

Statutes, supplements, and session laws are made up of titles, which are divided into chapters, which are divided into sections.

## **Titles**

Each part of the *Oklahoma Statutes* is organized into major categories called titles, which are arranged alphabetically by the title of the category. These are titles. Each title is numbered consecutively in both the Table of Contents and throughout the *Statutes*. The titles listed in Volume I begin as follows:

	<b>Title</b>	<b>Page</b>
1.	Abstracting	187
2.	Agriculture	192
3.	Aircraft and Airports	412

Thus, a reference made to “title 2 of the *Statutes*” is actually a reference to laws generally pertaining to agriculture.

## **Chapters and Sections**

Each title in the *Statutes* is organized by chapters which pertain to the major topic of the title. Chapters are further divided into sections. Instead of starting over with one at every new chapter, sections are numbered continuously throughout each title, so that you only need to know the title and section number. The chapter number is unnecessary.

At the beginning of each title, a listing of the chapter headings and section numbers can be found. Thus, title 19, Counties and County Officers, is subdivided in the following manner:

	<b>Chapter</b>	<b>Section</b>
1.	Status and Powers of Counties	1
2.	Creation and Alteration of Counties	11
3.	Assets and Liabilities Among	61

## **Constitutional Counties**

At the beginning of each chapter is a complete list of topics covered in that chapter and sections where topics are found. For example, title 19, Chapter 1, begins as follows:

Chapter 1: Status and Powers of Counties

Section

1. Powers in General
2. Property of County
3. Powers of county Exercised by Board of Commissioners

The symbol designating a section in the *Statutes* is §. Therefore, title 19, of the 2001 *Oklahoma Statutes*, section 116 is written 19 O.S. § 116. *Statutes* from the 2001 volumes usually do not have a date indication. If the law has been changed or a new law has been passed, references from the Supplements are written 19 O.S. 2007, § 116 to show that the law must be looked up in the most recent *Supplement* for the latest version.

After each section of the *Statutes* will be a footnote listing the following information:

- The year in which the law enacted
- The year(s) in which amendments were made
- The date on which the law or amendment became effective if an emergency was declared
- The chapter (or page number) and the section of the Oklahoma Sessions
- The Laws at which the law or amendment is found

For example, following 19 O.S. § 165 is the footnote:

Laws 1979, C. 221, § 5, emerg. eff. May 30, 1979

Laws 1980, C. 302, § 2, eff. July 1, 1980.

Therefore the law relating to 19 O.S. § 165 was enacted in 1979, is found at Chapter 221, § 5 of the Oklahoma Session Laws 1979, and became effective May 30, 1979. The law was amended in 1980. The amendment can be found at Chapter 302, § 2 of the Oklahoma Session Laws 1980. The amendment became effective July 1, 1980.

## Appendix B

# Related Sources, Addresses, and Phone Numbers

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**Association of County Commissioners of Oklahoma (ACCO)**

429 N. E. 50th Street

Oklahoma City, Oklahoma 73105

Phone: 405-524-3200

800-982-6212

Fax: 405-524-3700

<http://www.okacco.com>

**Publications Available:**

Employment Policies and Procedures Handbook for County Elected Officials  
ACCO Fire and Safety Manual

**Center for Local Government Technology**

1201 S Innovation Way Dr, Suite 400

Oklahoma State University

Stillwater, Oklahoma 74074

Phone: 405-744-6049

Fax: 405-744-7628

[clgt@okstate.edu](mailto:clgt@okstate.edu)

<http://clgt.okstate.edu/>

- **Assessor Training Accreditation Program (ATAP)**

<http://clgt.okstate.edu/atap.htm>

**Publications Available:**

Handbook for County Assessors of Oklahoma

- County Computer Assistance Program (CCAP)

<http://ccap.okstate.edu/>

**Commission on County Personnel Education and Training County Training Program**

311 Ag Hall

Oklahoma State University

Stillwater, OK 74078-8088

Phone: 405-744-6160

Fax: 405-744-8120

ctp@okstate.edu <http://agecon.okstate.edu/ctp>

**Publications Available:**

Handbook for County Clerks of Oklahoma

Handbook for County Court Clerks of Oklahoma

Handbook for County Commissioners of Oklahoma

Handbook for County Treasurers of Oklahoma

County Excise Board Handbook

The Purchasing Handbook for Oklahoma Counties

available on line at <http://www.agecon.okstate.edu> (password purch)

**Department of Central Services**

**Central Purchasing Division**

Will Rogers Office Building

2401 North Lincoln, Suite 116

P. O. Box 528803

Oklahoma City, OK 73152-8803

Phone: 405-522-0955

Fax: 405-521-4475

[http://www.ok.gov/DCS/Central\\_Purchasing/index.html](http://www.ok.gov/DCS/Central_Purchasing/index.html)

**Governmental Finance Officers Association (GFOA)**

203 N. LaSalle Street, Suite 2700

Chicago, Illinois 60601-1210

Phone: 312-977-9700

Fax: 312-977-4806 or 312-977-9083

660 N Capitol Street NW, Suite 410

Washington, D.C. 20001

Phone: 202-393-8020

Fax: 202-393-0780

<http://www.gfoa.org>

**International Association of Assessing Officers (IAAO)**

314 West 10th St.

Kansas City, MO 64105-1616

Payments Address:

IAAO Lockbox

P. O. Box 29900 Dept. 929

Phoenix, AZ 85038-0900

Phone: 816-701-8100

Fax: 816-701-8149

<http://www.iaao.org/contact/index.cfm>

**Publications Available:**

Property Assessment Valuation, Second Edition

Property Appraisal and Assessment Administration

**National Association of Counties**

660 N Capitol Street NW, Suite 400

Washington, DC 20001

Phone: 202-393-6226

Fax: 202-393-2630

<http://www.naco.org/Pages/default.aspx>

**Oklahoma Cooperative Extension Service (OCES)**

Division of Agricultural Sciences and Natural Resources

Department of Agricultural Economics

139 Agriculture Hall

Oklahoma State University 74078-6026

Phone: 405-744-5398

Fax: 405-744-5339

<http://www2.dasnr.okstate.edu/extension>

**Publications Available:**

County Financial Statement Handbook

OSU Extension Fact Sheets

**Oklahoma Department of Agriculture**

2800 North Lincoln Boulevard

Oklahoma City, Oklahoma 73105

Phone 405-521-3864

Fax: 405-522-0909

<http://www.oda.state.ok.us/>

**Oklahoma Department of Libraries**

209 N.E. 18th Street

Oklahoma City, Oklahoma 73105

Fax: 405-535-7804

<http://www.odl.state.ok.us>

**Publications Available:**

Directory of Oklahoma (published every two years)

Oklahoma state agencies, boards, commissions, courts, institutions, legislatures,  
and officers

**Oklahoma Department of Transportation**

200 N.E. 21st Street

Oklahoma City, Oklahoma 73105

Local Government Division – 405-522-8000

Office Engineering – 405-521-2625

<http://www.okladot.state.ok.us>

**Oklahoma Insurance Commission**

3625 N.W. 56th, Suite 100

Oklahoma City, Oklahoma 73112

P. O. Box 53408

Oklahoma City, Oklahoma 73152-3408

Phone: 405-521-2828

<http://www.ok.gov/oid>

**Oklahoma Land Office**

204 Robinson, Suite 900

Oklahoma City, Oklahoma 73102

Phone: 405-521-4000

Toll-free: 888-355-2637

fax: 405-521-4444

<http://www.clo.state.ok.us>

**Oklahoma Press Service, Inc.**

An affiliate of the Oklahoma Press Association

3601 North Lincoln Boulevard

Oklahoma City, Oklahoma 73105-5499

Phone: 405-499-0020

888-815-2672 (In Oklahoma)

<http://www.okpress.com>

**Publications Available:**

Open Meeting and Open Records Book

**Oklahoma Public Employees Retirement System (OPERS)**

5400 N Grand Blvd #400

Oklahoma City, Oklahoma 73112-5625

P. O. Box 53007

Oklahoma City, Oklahoma 73152-3007

Phone: 405-858-6737

800-733-9008

Fax: 405-848-5946

<http://www.opers.ok.gov>

**Publications Available:**

Oklahoma Public Employees Retirement Handbook

**Office of the State Auditor and Inspector (SA&I)**

2300 N Lincoln Blvd Rm 123

Oklahoma City, Oklahoma 73105

Phone: 405-521-3495

Fax: 405-521-3426

<http://www.sai.state.ok.us>

**Publications Available:**

County Government Chart of Accounts

County Assessor Forms

Purchasing Forms

**Oklahoma State Department of Health**

1000 N.E. 10th Street

Oklahoma City, Oklahoma 73117-1299

Phone: 405-271-5600

800-522-0203

<http://www.ok.gov/health>

**Oklahoma Tax Commission**

Connors Building

2501 North Lincoln Boulevard

Oklahoma City, Oklahoma 73194

Phone: 405-521-4321

**OTC/Ad Valorem Division**

P. O. Box 269060

Oklahoma City, Oklahoma 73126-9060

3700 N. Classen, Suite 200

Oklahoma City, Oklahoma 73118

Phone: 405-319-8200

Fax: 405-521-0166

<http://www.tax.ok.gov/adval.html>

**Publications Available:**

Manufactured Homes Quick Reference Guide

State Payments to Local Governments

**Secretary of State**

421 NW 13th Suite 210

2300 North Lincoln Boulevard

Oklahoma City, Oklahoma 73105-4897

Phone: 405-521-3912

<http://www.sos.ok.gov>

**Publications Available:**

Oklahoma Statutes, Session Laws, and Yearly Supplements

**State Election Board**

Room G-28, State Capitol Building

2300 N Lincoln Blvd

State Capitol Building

Oklahoma City, Oklahoma 73105

P. O. Box 53156

Oklahoma City, Oklahoma 73152

Phone: 405-521-2391

Fax: 405-521-6457

<http://www.ok.gov/elections>

**Publications Available:**

Roster, state and county officers and elections returns

**Wildlife Conservation Department**

1801 North Lincoln Boulevard

Oklahoma City, Oklahoma 73105

Postal Address:

ODWC

P. O. Box 53465

Oklahoma City, Oklahoma 73152

Phone: 405-521-3851

<http://www.wildlifedepartment.com>

## Appendix C

# OSU Fact Sheets

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The following fact sheets are contained in this appendix:

- Use Tax for County Government (AGEC-765)
- Duties and Responsibilities of Elected County Officials (AGEC-802)
- Bills, Laws, and Regulations as Legal References (AGEC-884)
- Primary Sources of County Road Funding (AGEC-889)
- Financial Analysis for County Government (AGEC-901)
- Comparison of County Government Finances Among Different Size Counties (AGEC-902)

## Appendix D

# County Assessor Forms

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The forms in this appendix are forms that are referenced in this *Handbook for County Assessors of Oklahoma*. All references to these forms in the body of this handbook are highlighted in blue. Clicking on a reference will link you directly to the corresponding form online.

These forms can be researched for use.

**NOTE:** County Assessor forms can also be downloaded directly from the SA&I and OTC websites. SA&I Forms are available at [http:// www.sai.state.ok.us/](http://www.sai.state.ok.us/). General Ad Valorem forms are available on the OTC website at <http://www.tax.ok.gov/adval.html>.





