

1 STATE OF OKLAHOMA

2 1st Session of the 59th Legislature (2023)

3 COMMITTEE SUBSTITUTE

4 FOR

5 HOUSE BILL NO. 2003

By: Boatman

6  
7 COMMITTEE SUBSTITUTE

8 An Act relating to revenue and taxation; amending 68  
9 O.S. 2021, Section 2913, which relates to ad valorem  
10 tax payments; creating additional payment method;  
11 permitting county treasurer to offer prepayment  
12 option; limiting eligibility for prepayment option;  
13 requiring certain notification to county treasurer;  
14 creating installment payments schedule; requiring  
15 certain notice; requiring certain notice from county  
16 assessor; requiring certain notice from county  
17 treasurer; requiring prepayments be deposited in  
18 certain account; providing for distribution of  
19 prepayments; providing for refund of overpayments;  
20 requiring certain notification; limiting effect of  
21 prepayment option on current law; providing for  
22 codification; and providing an effective date.

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

24 SECTION 1. AMENDATORY 68 O.S. 2021, Section 2913, is  
amended to read as follows:

Section 2913. A. All taxes levied upon an ad valorem basis for  
each fiscal year shall become due and payable on the first day of  
November. Except for mortgage servicers and taxes prepaid using the

1 prepayment option provided for in Section 2 of this act, the  
2 exclusive method for payment shall be as follows:

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

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

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

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

18 C. If the total tax owed is ~~Twenty-five~~ Fifty Dollars ~~(\$25.00)~~  
19 (\$50.00) or less, then the total amount must be paid before January

20 1. If the total tax is not paid before January 1, the unpaid  
21 balance owing shall become delinquent on the first day of January  
22 and shall be subject to delinquent charges as provided for in this  
23 section.

24

1 D. All delinquent taxes shall bear interest at the rate of one  
2 and one-half percent (1 1/2%) per month or major fraction thereof  
3 until paid. In no event shall such interest exceed a sum equal to  
4 the unpaid principal amount of tax, and when such interest has  
5 accumulated to a sum equivalent to one hundred percent (100%) of the  
6 unpaid tax the further accumulation of interest shall cease.

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

17 F. The county treasurer shall stamp the date of receipt on each  
18 letter received containing funds for payment of taxes and no  
19 interest shall be added or charged after the receipt of such letter  
20 or the amount due. It shall be the duty of every person subject to  
21 taxation according to the law to attend the county treasurer's  
22 office and pay his or her taxes. If any person neglects to pay his  
23 or her taxes until after they have become delinquent, the county  
24 treasurer is directed and required to collect the delinquent tax as

1 provided for by law. The first installment of taxes payable  
2 pursuant to the provisions of this section shall not become  
3 delinquent until thirty (30) days after the tax rolls have become  
4 completed and filed by the county assessor with the county  
5 treasurer.

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

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

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

- 22 1. Accounts with delinquent taxes;
- 23 2. Accounts with an ongoing valuation protest from the previous  
24 tax year;

1       3. Taxes paid through an escrow account; or

2       4. Public service corporations.

3       B. A taxpayer electing the prepayment option or electing to opt  
4 out of using the prepayment option must notify the county treasurer  
5 in writing no later than January 15th of the calendar year for which  
6 the prepayments may be made and no earlier than December 1st of the  
7 preceding year. If the county treasurer does not receive written  
8 notification, the taxpayer must pay the taxes in the manner as  
9 prescribed in subsection A of Section 2913 of Title 68 of the  
10 Oklahoma Statutes.

11       C. The prepayment option shall consist of twelve installment  
12 payments. Each installment payment shall be based on an estimated  
13 property tax obligation which shall be computed by the taxpayer  
14 using the total property tax amount from the previous calendar year,  
15 adjusted for any anticipated changes in property value. The  
16 installment payments shall be divided equally, rounded to the  
17 nearest whole dollar, of the estimated property tax obligation and  
18 must be paid to the county treasurer on or before the following  
19 dates:

20       1. The fifteenth day of January;

21       2. The fifteenth day of February;

22       3. The fifteenth day of March;

23       4. The fifteenth day of April;

24       5. The fifteenth day of May;

- 1       6. The fifteenth day of June;
- 2       7. The fifteenth day of July;
- 3       8. The fifteenth day of August;
- 4       9. The fifteenth day of September;
- 5       10. The fifteenth day of October;
- 6       11. The fifteenth day of November;
- 7       12. The thirty-first day of December.

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

13       If a taxpayer electing the prepayment option does not timely  
14 make each installment payment, the county treasurer may refuse to  
15 accept all other installment payments. If the county treasurer  
16 refuses to accept other installment payments, the remaining balance  
17 is due in accordance with Section 2913 of Title 68 of the Oklahoma  
18 Statutes.

19       E. The taxes paid under the prepayment option shall be  
20 considered a credit against the total tax amount due for the current  
21 calendar year. The taxes paid under prepayment options must be  
22 deposited by the county treasurer in a dedicated Trust and Agency  
23 Fund to be known as the "Property Tax Prepayment Fund". The fund  
24 shall receive interest and the interest shall be retained by the

1 county treasurer and placed into a separate existing cash fund known  
2 as the "County Treasurer's Mortgage Certification Fee Account" to  
3 offset the administrative expenses of the prepayment option. Once  
4 the final installment payment is made, and no later than the last  
5 day of December, the installment payments must be credited to the  
6 accounts of the property taxing entities in the county in the same  
7 proportion that millage was imposed by such entities in the previous  
8 tax year with the necessary adjustments made to reflect current tax  
9 year millage impositions when property taxes for the current year  
10 are paid.

11 F. If the amount of taxes paid using the prepayment option  
12 results in an overpayment of property tax, the overpayment must be  
13 refunded to the taxpayer within sixty (60) days after the date of  
14 the final installment payment.

15 G. The prepayment of estimated property tax as provided in this  
16 section and the credit allowed arising from these prepayments in no  
17 way alters the due date, penalty schedule, or enforced collection of  
18 property taxes as provided by law.

19 SECTION 3. This act shall become effective September 1, 2023.  
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