

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 59th Legislature (2023)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 2003

By: Boatman of the House

and

Seifried of the Senate

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10 COMMITTEE SUBSTITUTE

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

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

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

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

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

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

14 In no event may payment be made in more than two installments
15 subject to the provisions of the payment schedule specified in this
16 subsection.

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

21 C. If the total tax owed is ~~Twenty-five~~ Fifty Dollars ~~(\$25.00)~~
22 (\$50.00) or less, then the total amount must be paid before January

23 1. If the total tax is not paid before January 1, the unpaid
24 balance owing shall become delinquent on the first day of January

1 and shall be subject to delinquent charges as provided for in this
2 section.

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

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

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

1 or her taxes until after they have become delinquent, the county
2 treasurer is directed and required to collect the delinquent tax as
3 provided for by law. The first installment of taxes payable
4 pursuant to the provisions of this section shall not become
5 delinquent until thirty (30) days after the tax rolls have become
6 completed and filed by the county assessor with the county
7 treasurer.

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

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

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

24 1. Accounts with delinquent taxes;

1 2. Accounts with an ongoing valuation protest from the previous
2 tax year;

3 3. Taxes paid through an escrow account; or

4 4. Public service corporations.

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

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

22 1. The fifteenth day of January;

23 2. The fifteenth day of February;

24 3. The fifteenth day of March;

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

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

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

21 E. The taxes paid under the prepayment option shall be
22 considered a credit against the total tax amount due for the current
23 calendar year. The taxes paid under prepayment options must be
24 deposited by the county treasurer in a dedicated Trust and Agency

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

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

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

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

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23 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated
24 03/02/2023 - DO PASS, As Amended and Coauthored.