

1 **SENATE FLOOR VERSION**

2 April 13, 2023

3 **AS AMENDED**

4 ENGROSSED HOUSE
5 BILL NO. 2003

6 By: Boatman of the House

7 and

8 Seifried of the Senate

9 [revenue and taxation - ad valorem tax payments -
10 additional payment method - prepayment option -
11 installment payments schedule - notice - distribution
12 of prepayments - refund of overpayments -
13 codification - effective date]

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

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

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

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

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

6 In no event may payment be made in more than two installments
7 subject to the provisions of the payment schedule specified in this
8 subsection.

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

13 C. If the total tax owed is ~~Twenty-five~~ Fifty Dollars ~~(\$25.00)~~
14 (\$50.00) or less, then the total amount must be paid before January

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

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

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

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

24

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

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

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

- 17 1. Accounts with delinquent taxes;
- 18 2. Accounts with an ongoing valuation protest from the previous
19 tax year;
- 20 3. Taxes paid through an escrow account; or
- 21 4. Public service corporations.

22 B. A taxpayer electing the prepayment option or electing to opt
23 out of using the prepayment option must notify the county treasurer
24 in writing no later than January 15th of the calendar year for which

1 the prepayments may be made and no earlier than December 1st of the
2 preceding year. If the county treasurer does not receive written
3 notification, the taxpayer must pay the taxes in the manner as
4 prescribed in subsection A of Section 2913 of Title 68 of the
5 Oklahoma Statutes.

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

- 15 1. The fifteenth day of January;
- 16 2. The fifteenth day of February;
- 17 3. The fifteenth day of March;
- 18 4. The fifteenth day of April;
- 19 5. The fifteenth day of May;
- 20 6. The fifteenth day of June;
- 21 7. The fifteenth day of July;
- 22 8. The fifteenth day of August;
- 23 9. The fifteenth day of September;
- 24 10. The fifteenth day of October;

1 11. The fifteenth day of November; and

2 12. The thirty-first day of December.

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

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

14 E. The taxes paid under the prepayment option shall be
15 considered a credit against the total tax amount due for the current
16 calendar year. The taxes paid under prepayment options must be
17 deposited by the county treasurer in a dedicated Trust and Agency
18 Fund to be known as the "Property Tax Prepayment Fund". The fund
19 shall receive interest and the interest shall be retained by the
20 county treasurer and placed into a separate existing cash fund known
21 as the "County Treasurer's Mortgage Certification Fee Account" to
22 offset the administrative expenses of the prepayment option. Once
23 the final installment payment is made, and no later than the last
24 day of December, the installment payments must be credited to the

1 accounts of the property taxing entities in the county in the same
2 proportion that millage was imposed by such entities in the previous
3 tax year with the necessary adjustments made to reflect current tax
4 year millage impositions when property taxes for the current year
5 are paid.

6 F. If the amount of taxes paid using the prepayment option
7 results in an overpayment of property tax, the overpayment must be
8 refunded to the taxpayer within sixty (60) days after the date of
9 the final installment payment. **A taxpayer may request a refund**
10 **equal to the sum of all installment payments for the current**
11 **calendar year. The refund shall be paid to the taxpayer within ten**
12 **(10) business days.**

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

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

18 COMMITTEE REPORT BY: COMMITTEE ON GENERAL GOVERNMENT
19 April 13, 2023 - DO PASS AS AMENDED

20
21
22
23
24