

1 STATE OF OKLAHOMA

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

3 HOUSE BILL 2003

By: Boatman

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6 AS INTRODUCED

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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1 B. A taxpayer electing the prepayment option or electing to opt  
2 out of using the prepayment option must notify the county treasurer  
3 in writing no later than January 15th of the fiscal year for which  
4 the prepayments may be made and no earlier than December 1st of the  
5 preceding year. If the county treasurer does not receive written  
6 notification, the taxpayer must pay the taxes in the same manner as  
7 the previous year.

8 C. The prepayment option shall consist of six installment  
9 payments. Each installment payment shall be based on an estimated  
10 property tax obligation which shall be computed using the total  
11 property tax amount from the previous fiscal year, after applying  
12 all applicable credits and adjustments reflecting changes in value  
13 as determined by the county assessor. The installment payments  
14 shall be divided equally, rounded to the nearest whole dollar, of  
15 the estimated property tax obligation and must be paid to the county  
16 treasurer on or before the following dates:

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

- 1 9. The fifteenth day of September;
- 2 10. The fifteenth day of October;
- 3 11. The fifteenth day of November;
- 4 12. The thirty-first day of December.

5 After the tenth installment payment is received in October and  
6 before the first day of November, a notice of the final tax due  
7 based on the official tax notice, the tax notice, and a statement  
8 explaining any adjustments to the final installment payment amount  
9 must be prepared and mailed to the taxpayer.

10 D. The county treasurer must notify the county assessor of each  
11 taxpayer electing the prepayment option each year. If the county  
12 assessor determines the property has changed in value or that there  
13 will be any other significant change in tax amount due, the county  
14 assessor must notify and provide the county treasurer with an  
15 estimated change in amount due. Upon being notified of an estimated  
16 change in amount from the county assessor, the county treasurer must  
17 notify the taxpayer in writing of the estimated change in amount and  
18 of the adjusted estimated property tax obligation including the  
19 adjusted installment payment amounts.

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

3 F. The taxes paid under the prepayment option shall be  
4 considered a credit against the total tax amount due for the current  
5 fiscal year. The taxes paid under prepayment options must be  
6 deposited by the county treasurer in an interest bearing account.  
7 The interest shall be retained by the county treasurer to offset the  
8 administrative expenses of the prepayment option. Once the final  
9 installment payment is made, and no later than the last day of  
10 December, the installment payments must be credited to the accounts  
11 of the property taxing entities in the county in the same proportion  
12 that millage was imposed by such entities in the previous tax year  
13 with the necessary adjustments made to reflect current tax year  
14 millage impositions when property taxes for the current year are  
15 paid.

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

20 H. For every property of which the owner has elected the  
21 prepayment option, each tax notice for the property must contain a  
22 calculation of the estimated property tax obligation for the  
23 following year, the installment payment amounts based on the  
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1 calculation, the following year's payment schedule, and return  
2 envelopes for those installment payments.

3 I. The prepayment of estimated property tax as provided in this  
4 section and the credit allowed arising from these prepayments in no  
5 way alters the due date, penalty schedule, or enforced collection of  
6 property taxes as provided by law.

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

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