

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 57th Legislature (2019)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 2248

By: Russ

7
8 COMMITTEE SUBSTITUTE

9 An Act relating to revenue and taxation; amending 68
10 O.S. 2011, Sections 2835, as amended by Section 1,
11 Chapter 263, O.S.L. 2015, 2836, as amended by Section
12 1, Chapter 276, O.S.L. 2012, 2838, 2839, 2843, 2850,
13 2851, as amended by Section 1, Chapter 285, O.S.L.
14 2015, 2852, 2853, 2854, 2855 and 2856 (68 O.S. 2018,
15 Sections 2835, 2836 and 2851), which relate to lists
16 and returns; modifying requirement for statements to
17 be submitted under oath; and providing an effective
18 date.

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

20 SECTION 1. AMENDATORY 68 O.S. 2011, Section 2835, as
21 amended by Section 1, Chapter 263, O.S.L. 2015 (68 O.S. Supp. 2018,
22 Section 2835), is amended to read as follows:

23 Section 2835. A. On or before January 1 of each year, the
24 Oklahoma Tax Commission shall prescribe for the use of all county
assessors, suitable blank forms for the listing and assessment of
all property, both real and personal. Such forms shall contain such

1 information and instructions as may be necessary in order to obtain
2 a full and complete list of all taxable property and such forms
3 shall be used uniformly throughout the state. Any change in these
4 forms must have the approval of the Tax Commission.

5 B. It shall be the duty of the county assessor to furnish such
6 forms to any taxpayer upon request, and all personal property shall
7 be listed on such forms in the manner provided therein. Such lists
8 shall be signed and ~~sworn to~~ include the declaration prescribed by
9 Section 2945 of this title and filed with the county assessor not
10 later than March 15 of each year; and such lists may show the
11 description of real property, which may be by subdivision of quarter
12 sections, or less if any such subdivision is owned in less quantity,
13 describing such less quantity by United States Land Survey
14 nomenclature if that can be done, otherwise by metes and bounds,
15 according to ownership.

16 C. Real estate need not be listed by the taxpayer, but may be
17 listed if the taxpayer so desires, in which case the list shall show
18 the taxpayer's estimate of the value of each tract of land and shall
19 separately show the value of the buildings and improvements thereon.

20 D. All such ~~sworn~~ lists of property shall contain such other
21 information concerning both real and personal property as may be
22 required by such forms so prescribed.

23 E. All such ~~sworn~~ lists of property, any other documents
24 produced by a taxpayer to the assessor or the board of equalization

1 during the informal and formal hearing process, or during discovery
2 in any ad valorem tax appeal in the Court of Tax Review or the
3 district court, shall be protected as confidential and shall not be
4 available for inspection under the Open Records Act.

5 SECTION 2. AMENDATORY 68 O.S. 2011, Section 2836, as
6 amended by Section 1, Chapter 276, O.S.L. 2012 (68 O.S. Supp. 2018,
7 Section 2836), is amended to read as follows:

8 Section 2836. A. The county assessor of each county in the
9 state shall, on the first day of January of each year, or as soon
10 thereafter as may be practicable, proceed to take a list of taxable
11 property in the county. In order to take lists of personal property
12 and receive homestead exemption applications, the county assessor,
13 or the assessor's deputy, shall meet the taxpayers at various places
14 throughout the county. The county assessor may exercise discretion
15 as to where to meet the taxpayers and how long to stay at each
16 place, provided the assessor goes to each city and incorporated town
17 in counties that have not abolished household personal property tax.
18 At least ten (10) days prior to the date the county assessor will
19 meet the taxpayers to list their property, the county assessor shall
20 give notice by publication in at least one newspaper of general
21 circulation in the county, stating the date and hours of the day of
22 each visit to each city, town or other place; and such notice may be
23 published in the manner of commercial advertising, rather than legal
24

1 notices, and the county may pay up to rates prevalent in the area
2 for commercial advertising.

3 B. If any taxpayer shall fail to meet the county assessor and
4 list the taxpayer's property on the date advertised, such taxpayer
5 may render a written list of all the taxpayer's personal property
6 and make written application for homestead exemption, and shall
7 subscribe and ~~swear to the oath~~ include the statement required by
8 each taxpayer as to its correctness as prescribed by Section 2945 of
9 this title. Such written lists or applications shall not constitute
10 a valid return or application unless made on the forms prescribed by
11 the Oklahoma Tax Commission and in the manner required by law.

12 C. After the county assessor shall have visited each city,
13 town, or other place, the county assessor shall be in the county
14 assessor's office at the county seat from March 1 to March 15,
15 inclusive, for the purpose of receiving lists from those who have
16 not listed their property for the current year, and all who fail to
17 list all or any part of their personal property for the current
18 year, on or before March 15, shall be delinquent. If any personal
19 property is not listed by the person whose duty it is to list such
20 property on or before March 15 of any year, when such property is
21 assessed there shall be added to the assessed valuation of such
22 property as a mandatory penalty, amounts as follows:

23 1. If listed or assessed after March 15, but on or before April
24 15, ten percent (10%) of the assessed value; and

1 2. If listed or assessed after April 15, twenty percent (20%)
2 of the assessed value.

3 D. If the county assessor fails, neglects, or refuses to add
4 the valuation penalty as provided by this section, the county
5 assessor shall be liable on the county assessor's official bond for
6 the amount of the penalties.

7 SECTION 3. AMENDATORY 68 O.S. 2011, Section 2838, is
8 amended to read as follows:

9 Section 2838. A. All corporations organized, existing or doing
10 business in this state, other than railroads, air carriers and
11 public service corporations assessed by the State Board of
12 Equalization, and other than national banks, state banks and trust
13 companies, and building and loan associations, shall, on or before
14 March 15th of each year, return ~~sworn~~ lists or schedules of their
15 taxable property within each county, including the declaration
16 prescribed by Section 2945 of this title, to the county assessor of
17 such county, and such property shall be listed with reference to
18 amount, kind and value, on the first day of January of the year in
19 which it is listed; and said property shall be subject to taxation
20 for county, municipal, public school and other purposes to the same
21 extent as the real and personal property of private persons, in the
22 taxing districts in which such property is located. Any real estate
23 owned by such corporation shall be assessed annually at the same
24 time and in the same manner as real estate belonging to private

1 persons. In making such ~~sworn~~ lists, all corporations shall itemize
2 their property in the same manner and to the same extent as required
3 by railroads, air carriers and public service corporations.

4 B. It shall be the duty of each corporation to make, ~~under~~
5 ~~oath,~~ and deliver to the county assessor of the county where its
6 principal business is transacted, a statement on forms prescribed by
7 the Oklahoma Tax Commission, of its authorized capital stock and the
8 amount of capital paid thereon, the amount of its outstanding bonded
9 and other indebtedness, the total amount of its invested capital
10 within and without Oklahoma, and such other financial information as
11 may be deemed necessary to enable the county assessor to determine
12 the value of real or personal property owned by any such
13 corporation; and each corporation shall also deliver to the county
14 assessor of the county where its principal business is located, a
15 copy of all lists or schedules of property filed in every other
16 county in this state.

17 SECTION 4. AMENDATORY 68 O.S. 2011, Section 2839, is
18 amended to read as follows:

19 Section 2839. A. It shall be the duty of each taxpayer, upon
20 written request of the county assessor or the county board of
21 equalization of any county, to furnish, ~~under oath,~~ a written
22 statement, including the declaration prescribed by Section 2945 of
23 this title, showing the amount of capital invested in any plant,
24 equipment, stock of merchandise or material, or any other species of

1 property located in such county, and any other information which may
2 reasonably be deemed necessary to enable the county officials to
3 assess the property of such taxpayer at the fair cash value of such
4 property. In any case where such written statement is requested,
5 the taxpayer shall have ten (10) days from receipt of the written
6 request within which to prepare and furnish such statement ~~under~~
7 ~~oath~~.

8 B. Should any taxpayer neglect, fail or refuse to make a proper
9 itemization of his property in any county, or neglect, fail or
10 refuse to furnish any other information required by this section, or
11 Section ~~38~~ 2838 of this ~~act~~ title, it shall be the duty of the
12 county assessor or the county board of equalization to ascertain,
13 from the best information obtainable, the value of the property of
14 such taxpayer, and as a penalty shall add ten percent (10%) of the
15 value thereof so ascertained. The penalty shall not be applied
16 until the taxpayer shall have had ten (10) days' notice of the
17 intention to apply the penalty and an opportunity to be heard.

18 SECTION 5. AMENDATORY 68 O.S. 2011, Section 2843, is
19 amended to read as follows:

20 Section 2843. A. If any personal property is not listed with
21 the county assessor on or before March 15th of any year, the county
22 assessor shall proceed, as soon as the omission is discovered, to
23 ascertain and estimate from the best information obtainable, the
24 amount and value of such property, and shall list and assess the

1 same in the name of the owner thereof if such owner be known. If
2 the owner is unknown the property may be listed and assessed in the
3 name of the person in charge of such property as agent, or it may be
4 listed and assessed to "unknown owner"; and the failure of the
5 county assessor to ascertain the true owner shall not invalidate the
6 assessment.

7 B. If any person, firm, association or corporation has any
8 property belonging to others under his control or charge or in his
9 possession, as warehouseman, factor, bailee, agent, employee or
10 otherwise, he shall, upon written request of the county assessor or
11 county board of equalization, make report, ~~under oath,~~ including the
12 declaration prescribed by Section 2945 of this title, of the amount
13 and ownership of such property, and upon refusal, neglect or failure
14 to make such report, such person, firm, association or corporation
15 shall be personally liable for the taxes on such property.

16 C. No assessment of personal property not listed with the
17 county assessor shall become final until ten (10) days after the
18 county assessor has mailed to the last-known address of the person,
19 firm, association, corporation or company he believes to be the
20 owner, or to the person in charge of such property, a copy of the
21 assessment sheet upon which such property is listed, and which
22 assessment sheet shall show a reasonable itemization and description
23 of the property assessed and the value thereof, and shall show that
24 the list and assessment was made by the county assessor.

1 SECTION 6. AMENDATORY 68 O.S. 2011, Section 2850, is
2 amended to read as follows:

3 Section 2850. Every transmission company doing business in this
4 state shall return ~~sworn~~ lists or schedules of its taxable property
5 to the Oklahoma Tax Commission, including the declaration prescribed
6 by Section 2945 of this title, and such lists or schedules shall
7 show the total length of line in each county, school district or
8 other subdivision of the state, total number of wires to each line
9 and total number of poles per mile, the total number of instruments
10 in each municipal subdivision, the total amount of office furniture
11 and the total amount of tools, and material, the total amount of
12 other property, and the location thereof.

13 SECTION 7. AMENDATORY 68 O.S. 2011, Section 2851, as
14 amended by Section 1, Chapter 285, O.S.L. 2015 (68 O.S. Supp. 2018,
15 Section 2851), is amended to read as follows:

16 Section 2851. A. Each pipeline company doing business in this
17 state shall return to the Oklahoma Tax Commission a ~~sworn~~ statement
18 or schedule, including the declaration prescribed by Section 2945 of
19 this title, as follows:

20 1. The right-of-way and main line, giving the entire length of
21 main line in this and other states, showing the size of pipe and
22 showing the proportion in each city, school district, and county,
23 and the total in this state;

1 2. The total length of each lateral or branch line and the size
2 of the pipe, together with the name of each city, school district,
3 and county in which such lateral and branch lines are located;

4 3. A complete list giving location as to city, school district
5 or county of all pumping stations, storage depots, machine shops, or
6 other buildings together with all machinery, tools, tanks and
7 material;

8 4. A statement or schedule showing the amount of its authorized
9 capital stock and the number of shares into which the same is
10 divided; the amount of capital stock paid up; the market value of
11 such stock, or if it has no market value, then the actual value
12 thereof, and the total amount of outstanding bonded indebtedness;
13 and

14 5. A correct detailed statement of all other personal property,
15 including oil in storage, and giving the location thereof.

16 B. Notwithstanding the provisions of Section 205 of this title,
17 the Tax Commission shall provide the assessor for each county listed
18 in the report, required by this section, schedules which detail
19 descriptions and corresponding values by taxing jurisdiction of all
20 pipeline company property listed in such reports to ensure that
21 property is reported for, and resulting tax revenues are attributed
22 to, the correct city, school district and county where taxable
23 property is located.

1 SECTION 8. AMENDATORY 68 O.S. 2011, Section 2852, is
2 amended to read as follows:

3 Section 2852. All gas, light, heat and power companies shall
4 annually return to the Oklahoma Tax Commission a ~~sworn~~ statement,
5 including the declaration prescribed by Section 2945 of this title,
6 showing the size and total length of pipe owned by such company and
7 the location thereof, giving the county, city and school district; a
8 statement of franchises held by such company from any municipal
9 corporation in this state, the length of time the same are to run,
10 and the conditions under which they were granted; and a statement of
11 all buildings and other permanent improvements, pumping stations,
12 tools, material and other personal property, and the location
13 thereof.

14 SECTION 9. AMENDATORY 68 O.S. 2011, Section 2853, is
15 amended to read as follows:

16 Section 2853. Electric light and power companies doing business
17 in this state shall return to the Oklahoma Tax Commission a
18 statement ~~under oath,~~ including the declaration prescribed by
19 Section 2945 of this title, showing size, capacity, location and
20 value of each powerhouse or power plant owned by such company, the
21 total amount of poles, wire and other equipment for the
22 transportation or transmission of light, heat and power; the total
23 amount of its authorized capital stock and the amount actually paid
24 up thereon, the total amount of its outstanding bonded indebtedness;

1 all contracts between such corporation and any municipal
2 corporations of this state, and the amount of revenue derived
3 therefrom; any franchises owned or held by such company, and granted
4 by any municipal corporation of this state; and cash on hand and the
5 location thereof.

6 SECTION 10. AMENDATORY 68 O.S. 2011, Section 2854, is
7 amended to read as follows:

8 Section 2854. Each waterworks and power company doing business
9 in this state, shall file with the Oklahoma Tax Commission a ~~sworn~~
10 return, including the declaration prescribed by Section 2945 of this
11 title, giving size, capacity, location and value of its pumping
12 stations, and all other permanent improvements used in connection
13 therewith, the total length and size of pipe and other means used
14 for conducting and conveying water; total number of hydrants and the
15 rental thereof; the total amount of its authorized capital stock and
16 the amount actually paid thereon; total amount of its outstanding
17 indebtedness; total amount of tools, material and other personal
18 property, including cash on hand, and the location thereof.

19 SECTION 11. AMENDATORY 68 O.S. 2011, Section 2855, is
20 amended to read as follows:

21 Section 2855. Every sleeping-car company and parlor-car company
22 engaged in business in this state shall file with the Oklahoma Tax
23 Commission a statement ~~under oath,~~ including the declaration
24 prescribed by Section 2945 of this title, showing the aggregate

1 number of miles made by cars operated by such company over the
2 several lines of railroad in this state during the fiscal year next
3 preceding the date of such statement; the total number of cars owned
4 by such company and the total value thereof and the average number
5 of miles traveled by cars of the particular class covered by the
6 statement in the ordinary course of business during the fiscal year,
7 and it shall be the duty of the State Board of Equalization to
8 ascertain the number of cars required to make the total mileage of
9 cars of such corporation within the period of one (1) year. Said
10 Board shall ascertain and fix a valuation upon each particular class
11 of said cars, and the number so ascertained to be required to make
12 the total mileage of the cars of each such corporation, within the
13 period of one (1) year, shall be assessed to the respective
14 corporations, and such assessment shall be included in the record of
15 the proceedings of the Board and shall be certified by the State
16 Auditor and Inspector to the county clerks of the several counties
17 of the state wherein such cars are operated in the same manner as
18 property of the other railroads, air carriers and public service
19 corporations is certified and returned.

20 SECTION 12. AMENDATORY 68 O.S. 2011, Section 2856, is
21 amended to read as follows:

22 Section 2856. A. Every express company doing business in this
23 state shall file with the Oklahoma Tax Commission a statement ~~under~~
24 ~~oath~~, including the declaration prescribed by Section 2945 of this

1 title, which shall include a duplicate of the report made by said
2 company to the Interstate Commerce Commission of its assets, income,
3 disbursements and business for the year ending on the thirty-first
4 day of December of the preceding year.

5 B. Each statement shall also contain the following items, or
6 such of them as may not be covered by the information contained in
7 the report to the Interstate Commerce Commission, and which said
8 item shall be reported as the same existed on the thirty-first day
9 of December of the preceding year:

10 1. The total net assets of the company, as the same are carried
11 upon the books of the company;

12 2. The total net assets of the company invested in or
13 pertaining to business other than the express business, as such
14 assets are carried upon the books of the company;

15 3. The total net assets of the company pertaining to or
16 invested in its express business, as the same are carried upon the
17 books of the company;

18 4. The amount of the capital stock of the company and the
19 number of shares into which the same is divided, or if the company
20 has no capital stock, then the number of shares or interests into
21 which it is divided, together with the value placed upon each share,
22 or interest, for bookkeeping purposes;

23 5. The market value of the share of the capital stock, or of
24 the shares or interest of the company, which market price shall be

1 determined by the average price at which such shares of the capital
2 stock or shares or interest of the company shall have been sold
3 during the year upon the New York Stock Exchange, or if such shares
4 or interest of the company are not listed upon the New York Stock
5 Exchange, then the average price at which the same have been sold
6 during the year upon all other stock exchanges;

7 6. The total mileage, other than ocean mileage, over which the
8 company conducts an express business; and

9 7. The mileage over which the company conducts an express
10 business in this state, the mileage in each county of the state, and
11 the mileage in each taxing district of each county of the state.

12 C. In assessing any express company, the State Board of
13 Equalization may determine the value of all property of such company
14 pertaining to or employed in its express business, and allocate to
15 Oklahoma its proportion of the total value upon any just and
16 reasonable basis. The total assessment for the state shall then be
17 allocated to the various counties, and municipal subdivisions
18 thereof, in the proportion which the mileage of the express company
19 in such counties and subdivisions bears to the total mileage of such
20 company in this state. Where an express company has an office or
21 other taxable property in a county or other taxing district in which
22 it has no operated mileage, such property shall be listed and
23 assessed in the county and taxing district where located on January
24 1.

SECTION 13. This act shall become effective November 1, 2019.

COMMITTEE REPORT BY: COMMITTEE ON BUSINESS AND COMMERCE, dated
02/21/2019 - DO PASS, As Amended.