

<05/16/2022>

HOUSE OF REPRESENTATIVES  
CONFERENCE COMMITTEE REPORT

Mr. President:  
Mr. Speaker:

The Conference Committee, to which was referred

**HB3901**

By: Pfeiffer of the House and Montgomery of the Senate

Title: Revenue and taxation; ad valorem protests; Court of Tax Review; effective date.

Together with Engrossed Senate Amendments thereto, beg leave to report that we have had the same under consideration and herewith return the same with the following recommendations:

1. That the Senate recede from its amendment; and
2. That the attached Conference Committee Substitute be adopted.

Respectfully submitted,

House Action \_\_\_\_\_ Date \_\_\_\_\_ Senate Action \_\_\_\_\_ Date \_\_\_\_\_

**SENATE CONFEREES**

Montgomery \_\_\_\_\_

Paxton \_\_\_\_\_

Pederson \_\_\_\_\_

Taylor \_\_\_\_\_

Rader \_\_\_\_\_

Hall \_\_\_\_\_

Floyd \_\_\_\_\_

Dossett (J.J.) \_\_\_\_\_

1 STATE OF OKLAHOMA

2 2nd Session of the 58th Legislature (2022)

3 CONFERENCE COMMITTEE  
4 SUBSTITUTE  
5 FOR ENGROSSED  
6 HOUSE BILL NO. 3901

By: Pfeiffer of the House

and

Montgomery of the Senate

7  
8  
9  
10 CONFERENCE COMMITTEE SUBSTITUTE

11 An Act relating to revenue and taxation; amending 68  
12 O.S. 2021, Section 3024, which relates to the Court  
13 of Tax Review; modifying procedure of court;  
14 expanding jurisdiction of court; amending 68 O.S.  
15 2021, Sections 2880.1, 2835, 2871, 2877 and 2945,  
16 which relate to ad valorem tax protests; replacing  
17 district court with Court of Tax Review; and  
18 providing an effective date.

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

20 SECTION 1. AMENDATORY 68 O.S. 2021, Section 3024, is  
21 amended to read as follows:

22 Section 3024. A. There is hereby re-created a Court of Tax  
23 Review. For each case brought before the Court of Tax Review, the  
24 Chief Justice of the Oklahoma Supreme Court shall assign the case to  
a judicial administrative district in which no property that is the  
subject of the case is located. The presiding judge of the judicial

1 administrative district to which the case is assigned shall appoint  
2 a panel of three (3) judges of the district court or of any judicial  
3 administrative district who are active or retired judges qualified  
4 to preside over such cases, who shall determine in what county the  
5 case will be heard. A majority of the three-judge panel shall be  
6 required to render a decision in each case. A decision in each case  
7 shall be made within twelve (12) months of the case being assigned  
8 to the three-judge panel. The Oklahoma Supreme Court shall  
9 establish court rules for the Court of Tax Review and the Clerk of  
10 the Oklahoma Supreme Court shall serve as Clerk of the Court of Tax  
11 Review.

12 B. The Court of Tax Review is hereby vested with jurisdiction  
13 over and shall hear:

14 1. Complaints challenging an order of the county board of  
15 equalization sustaining a valuation of real or personal property  
16 with a fair cash value as determined by the county assessor in  
17 excess of Three Million Dollars (\$3,000,000.00) as authorized by  
18 Section 2880.1 of this title, for which a scheduling conference  
19 shall be required within twenty (20) days of the answer filed by the  
20 county assessor;

21 2. Complaints regarding valuation of public service corporation  
22 property by the State Board of Equalization as authorized by Section  
23 2881 of this title, for which a scheduling conference shall be  
24

1 required within twenty (20) days of the answer filed by the State  
2 Board of Equalization;

3 ~~2.~~ 3. Complaints regarding actions of the State Board of  
4 Equalization regarding either intracounty or intercounty property  
5 value equalization as authorized by Section 2882 of this title; and

6 ~~3.~~ 4. Appeals as authorized by Section 2830 of this title  
7 concerning Category 2 or Category 3 noncompliance as determined by  
8 the Oklahoma Tax Commission. The Court of Tax Review shall  
9 determine if a county deemed to be in Category 3 noncompliance is  
10 required to reimburse the Oklahoma Tax Commission from the county  
11 assessor's budget for all costs incurred as a result of the  
12 assumption of the valuation function by the Commission.

13 C. The Court of Tax Review shall prescribe procedures for the  
14 purpose of hearing properly filed protests against alleged illegal  
15 levies, as shown on the annual budgets filed with the State Auditor  
16 and Inspector. The Court shall reconvene as often as deemed  
17 necessary by the Court until final determination has been made as to  
18 all protested levies. The judges shall be paid their traveling and  
19 living expenses while acting as members of the Court, out of the  
20 funds now provided by law for payment of district judges' expenses  
21 when holding court outside the counties of their residence.  
22 Decisions of the Court of Tax Review concerning alleged illegal  
23 levies shall be subject to the provisions of Sections 3025, 3026,  
24 3027, 3028 and 3029 of this title.

1 D. The Court of Tax Review as it existed prior to July 1, 1997,  
2 shall cease to exist and all duties and responsibilities of such  
3 court, except as provided in this section, shall be transferred to  
4 the Court of Tax Review as re-created in this section.

5 E. All cases which have not been submitted for determination in  
6 the Court of Tax Review as it existed prior to July 1, 1997, shall  
7 be transferred to the Court of Tax Review as it exists after July 1,  
8 1997, for disposition. All cases which have been submitted by the  
9 parties for determination in the Court of Tax Review prior to July  
10 1, 1997, shall remain with the panel to which they have been  
11 assigned for final determination.

12 SECTION 2. AMENDATORY 68 O.S. 2021, Section 2880.1, is  
13 amended to read as follows:

14 Section 2880.1 A. Both the taxpayer and the county assessor  
15 shall have the right of appeal from any order of the county board of  
16 equalization sustaining a valuation of real or personal property at  
17 a fair cash value as determined by the county assessor in excess of  
18 Three Million Dollars (\$3,000,000.00) to the ~~district court of the~~  
19 same county Court of Tax Review, and right of appeal of either may  
20 be either upon questions of law or fact including value, or upon  
21 both questions of law and fact. Appeals from any other order of the  
22 county board of equalization shall be filed in the district court of  
23 the same county. The county assessor is the proper party defendant  
24 in any appeal to the district court or Court of Tax Review brought

1 by the taxpayer. The taxpayer is the proper party defendant in any  
2 appeal to the district court or Court of Tax Review brought by the  
3 county assessor. In either case, the county board of equalization  
4 shall not be considered a party in any litigation from an appeal  
5 brought pursuant to this section. In case of appeal the trial in  
6 the district court or Court of Tax Review shall be de novo.  
7 Provided, the county assessor shall not be permitted to appeal an  
8 order of the county board of equalization upon a question of the  
9 constitutionality of a law upon which the board based its order, but  
10 the county assessor is hereby authorized in such instance to request  
11 a declaratory judgment to be rendered by the district court or Court  
12 of Tax Review in cases involving real or personal property with a  
13 fair cash value as determined by the county assessor in excess of  
14 Three Million Dollars (\$3,000,000.00).

15 B. Notice of appeal shall be filed with the county clerk as  
16 secretary of the county board of equalization, which appeal shall be  
17 filed in the district court or Court of Tax Review, as the case may  
18 be, within thirty (30) calendar days of the date the board of  
19 equalization order was mailed, or in the event that the order was  
20 delivered, from the date of delivery. It shall be the duty of the  
21 county clerk to preserve all complaints and to make a record of all  
22 orders of the board and both the complaint and orders shall be a  
23 part of the record in any case appealed to the district court or  
24 Court of Tax Review from the county board of equalization.

1 C. Either the taxpayer or the county assessor may appeal from  
2 the district court or Court of Tax Review to the Supreme Court, as  
3 provided for in the Code of Civil Procedure, but no matter shall be  
4 reviewed on such appeal which was not presented to the district  
5 court or Court of Tax Review.

6 D. In such appeals to the district court or Court of Tax Review  
7 and to the Supreme Court and in requests for declaratory judgment it  
8 shall be the duty of the district attorney to appear for and  
9 represent the county assessor. The General Counsel or an attorney  
10 for the Tax Commission may appear in such appeals or requests for  
11 declaratory judgment on behalf of the county assessor, either upon  
12 request of the district attorney for assistance, or upon request of  
13 the county assessor. It shall be the mandatory duty of the board of  
14 county commissioners and the county excise board to provide the  
15 necessary funds to enable the county assessor to pay the costs  
16 necessary to be incurred in perfecting appeals and requests for  
17 declaratory judgment made by the county assessor to the courts.

18 E. In all appeals taken by the county assessor the presumption  
19 shall exist in favor of the correctness of the county assessor's  
20 valuation and the procedure followed by the county assessor.

21 SECTION 3. AMENDATORY 68 O.S. 2021, Section 2877, is  
22 amended to read as follows:

23 Section 2877. A. Upon receipt of an appeal from action by the  
24 county assessor on the form prescribed by the Oklahoma Tax



1 Commission, the secretary of the county board of equalization shall  
2 fix a date of hearing, at which time said board shall be authorized  
3 and empowered to take evidence pertinent to said appeal; and for  
4 that purpose, is authorized to compel the attendance of witnesses  
5 and the production of books, records, and papers by subpoena, and to  
6 confirm, correct, or adjust the valuation of real or personal  
7 property or to cancel an assessment of personal property added by  
8 the assessor not listed by the taxpayer if the personal property is  
9 not subject to taxation or if the taxpayer is not responsible for  
10 payment of ad valorem taxes upon such property. The secretary of  
11 the board shall fix the dates of the hearings provided for in this  
12 section in such a manner as to ensure that the board is able to hear  
13 all complaints within the time provided for by law. In any county  
14 with a population less than three hundred thousand (300,000)  
15 according to the latest Federal Decennial Census, the county board  
16 of equalization shall provide at least three dates on which a  
17 taxpayer may personally appear and make a presentation of evidence.  
18 At least ten (10) days shall intervene between each such date. No  
19 final determination regarding valuation protests shall be made by a  
20 county board of equalization until the taxpayer shall have failed to  
21 appear for all three such dates. The county board of equalization  
22 shall be required to follow the procedures prescribed by the Ad  
23 Valorem Tax Code or administrative rules and regulations promulgated  
24 pursuant to such Code governing the valuation of real and personal

1 property. The county board of equalization shall not modify a  
2 valuation of real or personal property as established by the county  
3 assessor unless such modification is explained in writing upon a  
4 form prescribed by the Oklahoma Tax Commission. The affidavits  
5 prescribed in paragraph 2 of subsection E of this section will be  
6 maintained by the county board of equalization as part of the  
7 hearing record. Each decision of the county board of equalization  
8 shall be explained in writing upon a form prescribed by the Oklahoma  
9 Tax Commission. The county board of equalization shall make a  
10 record of each proceeding involving an appeal from action by the  
11 county assessor either in transcribed or tape recorded form.

12 B. In all cases where the county assessor has, without giving  
13 the notice required by law, increased the valuation of property as  
14 listed by the taxpayer, and the taxpayer has knowledge of such  
15 adjustment or addition, the taxpayer may at any time prior to the  
16 adjournment of the board, file an appeal in the form and manner  
17 provided for in Section 2876 of this title. Thereafter, the board  
18 shall fix a date of hearing, notify the taxpayer, and conduct the  
19 hearing as required by this section.

20 C. The taxpayer or agent may appear at the scheduled hearing  
21 either in person, by telephone or other electronic means, or by  
22 affidavit.

23 D. If the taxpayer or agent fails to appear before the county  
24 board of equalization at the scheduled hearing, unless advance

1 notification is given for the reason of absence, the county shall be  
2 authorized to assess against the taxpayer the costs incurred by the  
3 county in preparation for the scheduled hearing. If such costs are  
4 assessed, payment of the costs shall be a prerequisite to the filing  
5 of an appeal to the district court or Court of Tax Review. A  
6 taxpayer that gives advance notification of their absence shall be  
7 given the opportunity to reschedule the hearing date.

8 E. 1. In order to increase taxpayer transparency, a member of  
9 the board of equalization shall not directly or indirectly  
10 communicate with the county assessor or any deputy assessor or  
11 designated agent on any matter relating to any pending appeal before  
12 the board of equalization prior to the actual hearing.

13 2. Prior to the presentation of any evidence at a county board  
14 of equalization hearing, each member of the board hearing the  
15 protest must sign an affidavit stating the member is not in  
16 violation of paragraph 1 of this subsection.

17 3. Prior to the presentation of any evidence at a county board  
18 of equalization hearing, all parties to the proceeding must sign an  
19 affidavit stating that the evidence being presented is true to the  
20 best of their belief and knowledge.

21 4. The provisions of paragraph 1 of this subsection shall not  
22 apply to a routine communication between the county assessor and the  
23 board of equalization that relates to the administration of an  
24 appraisal roll, including a communication made in connection with

1 the certification, correction, or collection of an account that is  
2 not the subject of a pending appeal.

3 5. The affidavit required in paragraph 2 of this subsection  
4 shall be in the following form: "My name is [insert name]. I have  
5 not communicated with another person in violation of subsection E of  
6 Section 2877 of Title 68 of the Oklahoma Statutes."

7 6. The affidavit required in paragraph 3 of this subsection  
8 shall be in the following form: "My name is [insert name]. The  
9 information I will present today is true and correct to the best of  
10 my belief and knowledge."

11 SECTION 4. AMENDATORY 68 O.S. 2021, Section 2945, is  
12 amended to read as follows:

13 Section 2945. A. If any person shall knowingly and willfully  
14 make or give under oath or affirmation a false and fraudulent list  
15 of taxable personal property, or a false and fraudulent list of any  
16 taxable personal property under the control of the person or  
17 required to be listed by the person, or shall knowingly and  
18 willfully make false answer to any question which may be put under  
19 oath by any person, board or commission authorized to examine  
20 persons under oath in relation to the value or amount of any taxable  
21 personal property, the person shall be deemed guilty of the felony  
22 of perjury, and upon conviction shall be punished as is provided by  
23 law for the punishment of the felony of perjury.

24

1 B. If any taxpayer, or any official, employee, or agent of the  
2 taxpayer, shall fail or refuse, upon proper request, to permit the  
3 inspection of any property or the examination of any books, records  
4 and papers by any person authorized by the Ad Valorem Tax Code to do  
5 so, or shall fail or refuse to comply with any subpoena duces tecum  
6 legally issued under authority of this Code, the taxpayer shall be  
7 stopped from questioning or contesting the amount or validity of any  
8 assessment placed upon the property of the taxpayer to the board of  
9 equalization. Nothing in this section shall impair or impede the  
10 right of the taxpayer to appeal any order of the board of  
11 equalization to the district court or Court of Tax Review as  
12 provided for in Section 2880.1 of this title.

13 SECTION 5. This act shall become effective January 1, 2023.

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