

1 ENGROSSED HOUSE  
2 BILL NO. 2742

By: Duel of the House

and

Stewart of the Senate

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7 An Act relating to revenue and taxation; amending 68  
8 O.S. 2021, Sections 3105 and 3106, which relate to  
9 sale procedures for property based on delinquent ad  
10 valorem taxes; providing for effect of notice;  
11 authorizing service of notice by county sheriff;  
12 providing for right of recovery of expenses related  
13 to sale process by certain prospective purchasers;  
14 and providing an effective date.

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

16 SECTION 1. AMENDATORY 68 O.S. 2021, Section 3105, is  
17 amended to read as follows:

18 Section 3105. A. The county treasurer shall in all cases,  
19 except those provided for in subsection B of this section and except  
20 for periods governed by the provisions of subsection C of Section  
21 3148 of this title, where taxes are a lien upon real property and  
22 have been unpaid for a period of three (3) years or more as of the  
23 date such taxes first became due and payable, advertise and sell  
24 such real estate for such taxes and all other delinquent taxes,  
special assessments and costs at the tax resale provided for in

1 Section 3125 of this title, which shall be held on the second Monday  
2 of June each year in each county. The county treasurer shall not be  
3 bound before so doing to proceed to collect by sale all personal  
4 taxes on personal property which are by law made a lien on realty,  
5 but shall include such personal tax with that due on the realty, and  
6 shall sell the realty for all of the taxes and special assessments.

7 B. In counties with a population in excess of one hundred  
8 thousand (100,000) persons according to the most recent Federal  
9 Decennial Census, the county treasurer shall not conduct a tax sale  
10 of such real estate where taxes are a lien upon real property if the  
11 following conditions are met:

12 1. The real property contains a single-family residential  
13 dwelling;

14 2. The individual residing on the property is sixty-five (65)  
15 years of age or older or has been classified as totally disabled, as  
16 defined in subsection C of this section, and such individual owes  
17 the taxes due on the real property;

18 3. The real property is not currently being used as rental  
19 property;

20 4. The individual living on the property has an annual income  
21 that does not exceed the HHS Poverty Guidelines as established each  
22 year by the United States Department of Health and Human Services  
23 that are published in the Federal Register and in effect at the time  
24 that the proposed tax sale is to take place; and

1           5. The fair market value of the real property as reflected on  
2 the tax rolls in the office of the county assessor does not exceed  
3 One Hundred Twenty-five Thousand Dollars (\$125,000.00).

4           C. As used in this section, a person who is "totally disabled"  
5 means a person who is unable to engage in any substantial gainful  
6 activity by reason of a medically determined physical or mental  
7 impairment which can be expected to last for a continuous period of  
8 twelve (12) months or more. Proof of disability may be established  
9 by certification by an agency of state government, an insurance  
10 company, or as may be required by the county treasurer. Eligibility  
11 to receive disability benefits pursuant to a total disability under  
12 the Federal Social Security Act shall constitute proof of disability  
13 for purposes of this section.

14           D. It shall be the duty of the individual owning property  
15 subject to the provisions of subsection B of this section to make  
16 application to the county treasurer for an exemption from a tax sale  
17 prior to the property being sold. It shall also be the duty of the  
18 individual to provide evidence to the county treasurer that the  
19 individual meets the financial requirements outlined in paragraph 4  
20 of subsection B of this section and all other requirements of this  
21 section to qualify for the exemption. Any individual claiming the  
22 exemption provided in this section shall establish eligibility for  
23 the exemption each year the exemption is claimed.

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1 E. Taxes, interest and penalties will continue to accrue while  
2 the exemption is claimed. The exemption from sale of property  
3 described in this section shall no longer be applicable and the  
4 county treasurer shall proceed with the sale of such real estate if  
5 any of the conditions prescribed in this section are no longer met.

6 F. Every notice of tax resale shall contain language approved  
7 by the Office of the State Auditor and Inspector informing the  
8 taxpayer of the provisions of this section.

9 G. In any proceeding pursuant to the provisions of this  
10 section, the county treasurer may request the county sheriff to  
11 serve notice upon the owner of the property described in a notice of  
12 sale and the sheriff shall undertake to personally serve any  
13 individual property owner.

14 H. The publication of notice pursuant to the provisions of this  
15 section, the mailing of the notice of sale to the last-known or best  
16 known address of the property owner, and attempted service by the  
17 county sheriff pursuant to subsection G of this section shall be  
18 sufficient notice to the owner for purposes of this section.

19 I. If a sale conducted pursuant to the requirements of this  
20 section is judicially declared to be void, any purchaser of the  
21 property at sale shall have a right of action against the property  
22 owner for recovery of the purchaser's costs, fees, and expenses  
23 incurred in preparing for and bidding on the property at the sale.  
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1 SECTION 2. AMENDATORY 68 O.S. 2021, Section 3106, is  
2 amended to read as follows:

3 Section 3106. A. Except for periods governed by the provisions  
4 of subsection C of Section 3148 of this title, the county treasurer,  
5 according to the law, shall give notice of delinquent taxes and  
6 special assessments by publication once a week for two (2)  
7 consecutive weeks at any time after April 1, but prior to the end of  
8 September following the year the taxes were first due and payable,  
9 in some newspaper in the county to be designated by the county  
10 treasurer. Such notice shall contain a notification that all lands  
11 on which the taxes are delinquent and remain due and unpaid will be  
12 sold in accordance with Section 3105 of this title, a list of the  
13 lands to be sold, the name or names of the last record owner or  
14 owners as of the preceding December 31 or later as reflected by the  
15 records in the office of the county assessor, which records shall be  
16 updated based on real property conveyed after October 1 each year  
17 and the amount of taxes due and delinquent. If the sale involves  
18 property upon which is located a manufactured home the notice shall  
19 contain the following language: "The sale hereby advertised  
20 involves a manufactured home which may be subject to the right of a  
21 secured party to repossess. A holder of a perfected security  
22 interest in such manufactured home may be able to pay ad valorem  
23 taxes based upon the value of the manufactured home apart from the  
24 value of real property." In addition to said published notice, the

1 county treasurer shall give notice by mailing to the record owner of  
2 said real property as of the preceding December 31 or later as  
3 reflected by the records in the office of the county assessor, which  
4 records shall be updated based on real property conveyed after  
5 October 1 each year, a notice stating the amount of delinquent taxes  
6 owed and informing the owner that the subject real property will be  
7 sold as provided for in Section 3105 of this title if the delinquent  
8 taxes are not paid and showing the legal description of the property  
9 of the owner being sold. Failure to receive said notice shall not  
10 invalidate said sale. The county treasurer shall charge and collect  
11 in cash, cashier's check or money order, in addition to the taxes,  
12 interest and penalty, the publication fees as provided by the  
13 provisions of Section 121 of Title 28 of the Oklahoma Statutes, and  
14 Five Dollars (\$5.00) plus postage for mailing the notice, which  
15 shall be paid into the county treasury or whatever fund the  
16 publication and mailing fee expenses came from, and the county shall  
17 pay the cost of the publication of such notice. But in no case  
18 shall the county be liable for more than the amount charged to the  
19 delinquent lands for advertising and the cost of mailing.

20 B. If personal property taxes become delinquent on a  
21 manufactured home which is located on property not owned by the  
22 owner of the manufactured home and the county treasurer provides  
23 notice pursuant to Sections 3102 and 3103 of this title, such notice  
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1 shall also be sent to the last-known address of the owner of the  
2 real property on which the manufactured home is located.

3 C. In any proceeding pursuant to the provisions of this  
4 section, the county treasurer may request the county sheriff to  
5 serve notice upon the owner of the property described in a notice of  
6 sale and the sheriff shall undertake to personally serve any  
7 individual property owner.

8 D. The publication of notice pursuant to the provisions of this  
9 section, the mailing of the notice of sale to the last-known or best  
10 known address of the property owner, and attempted service by the  
11 county sheriff pursuant to subsection C of this section shall be  
12 sufficient notice to the owner for purposes of this section.

13 E. If a sale conducted pursuant to the requirements of this  
14 section is judicially declared to be void, any purchaser of the  
15 property at sale shall have a right of action against the property  
16 owner for recovery of the purchaser's costs, fees, and expenses  
17 incurred in preparing for and bidding on the property at the sale.

18 SECTION 3. This act shall become effective November 1, 2023.  
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1 Passed the House of Representatives the 21st day of March, 2023.

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4 Presiding Officer of the House  
of Representatives

5 Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 2023.

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9 Presiding Officer of the Senate