CHAPTER 10. AD VALOREM

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CHAPTER 10. AD VALOREM

SUBCHAPTER 1. GENERAL PROVISIONS

710:10-1-1. Purpose

The provisions of this Chapter have been promulgated for the purpose of compliance with the Oklahoma Administrative Procedures Act, 75 O.S. §§250.1 et seq, and to facilitate the administration, enforcement, and collection of taxes and other levies enacted by the Oklahoma Legislature with respect to the ad valorem taxation of properties within the state.

710:10-1-2. Assessment percentage guidelines

(a) **Guidelines for the assessment percentage.** Beginning on January 1, 1997, for ad valorem year 1997, Oklahoma's Constitution provides for the capping of the assessment percentage used in Oklahoma's Ad Valorem system, as of December 31, 1996.

(b) **Percentages used for real property and for personal property may differ.** The assessment percentage used for real and personal property may be different, but all real property must be assessed at the same percentage and all personal property must be assessed at the same percentage.

(c) **Assessment percentages in effect for January 1, 1996 control.** Each county assessor shall continue to use, for both real and personal property, the assessment percentages in effect for January 1, 1996, unless those percentages are increased in the future by a vote of the people as provided for by Section 8, Article 10 of the Oklahoma Constitution, or decreased by the County Assessor. Before a county assessor may decrease an assessment percentage the notice and meeting requirements outlined below must be met:

(1) The county assessor must provide written notice of intent to decrease an assessment ratio at least 90 days prior to the decrease taking effect.

(A) The written notice must be made by certified mail with return receipt requested to the county treasurer, county clerk, county sheriff, to each of the county commissioners, and to the governing board of any local government jurisdiction that levies ad valorem taxes upon any property located within the county.

(B) The notice must be mailed not later than 60 days prior to the expiration of the 90 day period and must clearly state the assessment ratio in effect prior to the decrease, the category of property to be affected by the proposed decrease, and the date that such decrease is proposed to take effect.

(C) The assessor must publish notice of intent at least one time for three (3) consecutive weeks in a newspaper of general circulation in the county.

(D) The beginning of the notice must have the following wording: "NOTICE OF INTENT TO DECREASE ASSESSMENT RATIO WITH RESPECT TO REAL OR

PERSONAL PROPERTY OR BOTH IN (insert applicable county name) FOR THE (insert applicable year) ASSESSMENT YEAR.

(2) The assessor must conduct at least three (3) public meetings in the county prior to the date the assessment ratio decrease is to take effect. The last of the three (3) meetings must be held at least 30 days prior to the date any assessment percentage decrease is implemented.

(A) Notice of the meetings must be posted in the offices of the county assessor, county treasurer, county commissioners, county clerk and other public places within the county.

(B) The assessor must attend all public meetings to answer questions about the proposed decrease in assessment ratio and any possible effects on budgets of any ad valorem taxing jurisdiction

(d) All other property which is assessed by the State Board of Equalization shall be assessed at the percentage of its fair cash value at which it was assessed on January 1, 1996, as provided for in Article X, Section 8(A)(3) of the Oklahoma Constitution.

[**Source**: Added at 14 Ok Reg 2670, eff 6-26-97; Amended at 15 Ok Reg 3451, eff 7-11-98; Amended at 33 Ok Reg 1060, eff 8-15-16]

710:10-1-3. Procedures for implementation of the ad valorem valuation limitation

(a) **Application of limitation.** Pursuant to Article X, Section 8B of the Oklahoma Constitution and 68 O.S. §2817.1, the fair cash value of any parcel of locally assessed real property which constitutes homestead property or agricultural land shall not increase by more than 3% in any taxable year. The fair cash value of all other locally assessed real property shall not increase by more than 5%. The limitation on valuation increases set forth in this subsection do not apply in any year when the title of the property is transferred, changed, or conveyed to another person, or if improvements are made to the property unless subject to provisions of subsection (j) of this Section. [**See:** 68 O.S. § 2802.1]

(b) **Implementation of limitation.** The county assessor will implement the limitation by annually comparing the fair cash value with the constitutionally-limited value. County assessors should continue to determine fair cash value on an annual basis. The limitation does not accumulate. In the event that a final fair cash value of a property changes as the result of a protest with the county assessor, County Board of Equalization, applicable court action, or action by the County Board of Tax Roll Corrections, the applicable valuation limitation shall apply to that property's final taxable value, as determined using accepted appraisal methodology for subsequent years.

(c) **Rights of taxpayers.** Taxpayers shall continue to have all rights of protest with respect to the valuation and assessment of property as currently specified by statute. If the taxpayer demonstrates to the satisfaction of the county assessor or county board of equalization that the fair cash value is below the constitutionally-

limited value, it is appropriate for the county assessor to lower the property to that value. The limitation would then be applied annually to that value if all other conditions of the limitation on increases of fair cash value in Article 10, Section 8B, Oklahoma Constitution, are met.

(d) **Review of valuation for error.** The county assessor should review the valuation of the property for clerical errors, incorrect physical characteristics, or other material error affecting valuation in order to protect the taxpayer. This review should not include a revaluation of the property because it is below fair cash value.

(e) **Duration of limitation.** The annual valuation limitation is valid on the property as long as title to the property is not transferred, changed, or conveyed. [**See:** Article 10, Section 8B, Oklahoma Constitution & 68 O.S. §§ 2802.1 & 2817.1]

(f) **Physical improvements on limited property.** In the event that physical improvements are made to the limited property, the improvement shall be valued in the same manner as the improvements are presently valued. Examples of physical improvements may include, but are not limited to, a room addition, additional square footage, a garage, out buildings, enclosed garage, or similar improvements. This additional valuation shall be added to the limited value of the property before the construction occurred. For example, if the improvements added $5,000 in fair cash value to the property, it would be increased by that amount. The property may increase up to the applicable valuation limitation in addition to the increased amount added by the improvement. The new total value continues to be limited as long as the title of the property remains the same. Physical additions or changes that are considered normal maintenance such as certain normal repairs, minor re-modeling, roof repair or installation, minor energy efficiency improvements, or retro fit improvements such as wheelchair ramps providing access to the property are not generally considered physical improvements affecting the limited value. [**See:** 68 O.S. §§ 2802.1, 2817.1]

(g) **Effect of conveyance of property.** If title to the property is transferred or conveyed, the parcel of real property shall be assessed at fair cash value as set forth by Section 8 of Article X of the Oklahoma Constitution. This valuation is to be based upon current market value standards rather than simply placing the property on at its sale price, and it is the responsibility of the county assessor to value the property at fair cash value consistent with applicable statutes and ad valorem rules. Any sale occurring during the course of a given calendar year shall be valued at fair cash value as specified by statute for the following tax year. The county assessor shall continue to be responsible for making valuation changes to surrounding properties based on current sales information of comparable property within the constitutional limitations specified for non-sold properties. [**See:** 68 O.S. § 2802.1]

(h) **Omitted property.** While accomplishing statutorily mandated duties, the county assessor or a deputy will discover unassessed improvements on real property. A house and outbuildings, for example, could be on the assessment rolls, but a detached garage, second dwelling, or barn, previously unassessed, could be

discovered. This additional property must be treated as if it was new construction and the county assessor should proceed to establish the fair cash value of the discovered property. It should be added to the assessment rolls, and proper notice provided. The original property will still be subject to the applicable valuation limitation, but the additional structure will **not** be subject to the valuation limitation, for that year only. This additional property was not on the assessment rolls before, and is to be placed on the assessment rolls at fair cash value.

(i) **Clerical errors.** When a property has been incorrectly entered on the assessment rolls as a result of clerical or data entry error, any error should be corrected. Clerical errors, however, are not to be used for general revaluation of the property, except that when the error results in a substantial impact on the value of the property, it should be corrected when discovered and proper notice provided to the taxpayer. For example, a residence that has been incorrectly entered as 1,000 square feet, instead of 2,000 feet, because of a clerical error should be corrected. The clerical error must be a mistake of fact, and the change must reflect the actual physical characteristics of the property itself. Clerical errors of this nature are not subject to the applicable valuation limitation.

(j) **Adjustment of damaged properties.** In valuing property damaged by natural causes, flood, storms, fires, or other disasters, the county assessor shall adjust the value of such properties. When the damage has been repaired, or the property fully restored to its previous usage, the improvements made must be disregarded for purposes of determining the maximum amount of fair cash value subject to ad valorem taxation pursuant to Section 8B of Article 10 of the Oklahoma Constitution unless the improvements increase the square footage. The valuation limitation outlined in subsection (a) of this Section applies to the restoration of the damaged property to the extent the square footage is the same as the original property. However, the limitation does not apply to any improvements constituting increases in square footage to the original property. [**See:** 68 O.S. §§ 2802.1, and 2817.1]

[**Source**: Added at 14 Ok Reg 2670, eff 6-26-97; Amended at 15 Ok Reg 3451, eff 7-11-98; Amended at 18 Ok Reg 2796, eff 6-25-01; Amended at 19 Ok Reg 1205, eff 5-11-02; Amended at 32 Ok Reg 1335, eff 8-27-15; Amended at 40 Ok Reg 1250, eff 8-11-23]

710:10-1-4. Limitation of the fair cash value on homestead property of qualified owners; and additional homestead exemption

(a) The procedures and requirements set out in this Section shall be used to implement the limitation of the valuation on homestead property of qualified owners for ad valorem purposes and the additional homestead exemption:

(b) For purposes of qualifying for the senior valuation limitation and/or the additional homestead exemption **"gross household income"** means the gross amount of income of every type, regardless of the source, received by all persons occupying the same household, whether such income was taxable or nontaxable for federal or state income tax purposes, including pensions,

annuities, federal Social Security, unemployment payments, public assistance payments, alimony, support money, workers' compensation, loss-of-time insurance payments, capital gains and any other type of income received, and excluding gifts. The term "gross household income" shall not include any veterans' disability compensation payments, or the amount of any federal stimulus or relief payments related to the COVID-19 virus.

(c) **"Senior valuation limitation"** means the implementation of Oklahoma Constitution, Article 10, Section 8C, which directed county assessors to limit the fair cash value of the homestead property of any qualified person who has made proper application. The applicant's property must be a valid homestead property, with proper evidence of a homestead or an application made in 1997 or subsequent years. As with any homestead, the general statutes for homestead qualification apply to the limitation. Only one homestead, and by extension, only one limitation is permitted in any one year. The limitation applies only to the occupied homestead property and may not be applied to non-homestead property. [**See:** 68 O.S. §§ 2888, 2889, 2890, 2893].

(1) **Relationship to exemptions and other programs.** The senior valuation limitation is available to qualified owners in addition to participation in the circuit breaker and additional homestead exemption. Availability of the senior valuation limitation **is** not dependent upon the county's compliance status with the State Board of Equalization.

(2) **Qualified owner.** The taxpayer must be at least 65 the year before the senior valuation limitation is approved, and the applicant's total household annual income for the previous year must not exceed the amount as provided in the Oklahoma Constitution, Article 10, Section 8C. The income threshold for the gross household income from all sources for an individual head of household under this Section shall not exceed the amount determined by the United States Department of Housing and Urban Development to be the estimated median income for the preceding year for the county or metropolitan statistical area which includes such county. The Tax Commission shall provide this information to each county assessor each year, as soon as it is available.

(3) **Application; qualification; duties of assessor; right of appeal.** In order to be eligible for the senior valuation limitation, the individual must apply at the county assessor's office by completing form OTC 994, Application for Property Valuation Limitation and Additional Homestead Exemption. The application must be made between January 1 and March 15. The limitation will be in effect for the tax year in which the application is made and approved, based on the current year valuation.

(A) For the limitation to be valid, form OTC 994, Application for Property Valuation Limitation and Additional Homestead Exemption, must be completed in its entirety as to income, age, ownership, and other information.

(B) The county assessor has the right and duty to review the information provided, ask any necessary questions, request documentation of age, income, or other information.

(C) The county assessor shall deny any application that is inaccurate, incomplete, inadequately documented, or otherwise invalid pursuant to this Section.

(D) The county assessor may request assistance from the Oklahoma Tax Commission in determination of income qualifications under 68 O.S. § 2890.

(E) The taxpayer may appeal any denial of a senior valuation limitation application by the county assessor to the county board of equalization in the same manner as an appeal of the denial of a homestead exemption.

(4) **Review of valuation for error.** The county assessor should review the valuation of the property for clerical errors, incorrect physical characteristics, or other material error affecting valuation in order to protect the taxpayer. This review shall not include a revaluation of the property solely because it may be below fair cash value.

(5) **Physical improvements to property.** If a physical improvement is made to the property, such as a room addition, additional square footage, garage, out buildings, enclosed garage, or similar improvement, the improvement shall be valued in the same manner as these improvements are presently valued. This additional valuation shall be added to the limited value of the property before the construction occurred. If improvements are added to the property, the fair cash value shall be increased by the amount attributable to the addition. The new total value is then limited again, so long as the owner and property remain qualified. Physical additions or changes that are considered normal maintenance, such as normal repairs, minor re-modeling, roof repair or insulation, minor energy efficiency improvements, or retro fit improvements such as wheelchair ramps to provide access to the property, are not generally considered physical improvements affecting the valuation limitation.

(6) **Duration of, and conditions which terminate the limitation.** The senior valuation limitation is valid on the property as long as the taxpayer owns and occupies the property and title to the property is not transferred, changed, or otherwise modified. If the taxpayer fails to own and occupy the property or if title to the property is transferred, changed, or conveyed to another person, the senior valuation limitation shall expire. It is then the responsibility of the county assessor to value the property at fair cash value consistent with constitutional provisions, statutes and applicable rules. If the person's gross household income from all sources exceeds the amount provided in the Oklahoma Constitution, Article 10, Section 8C, the senior valuation limitation shall expire and the value of the property shall be subject to the three percent limitation increase for that year.

(7) **Instances in which tax amount may increase, despite limitation.** The senior valuation limitation applies to the valuation, however; tax increases may occur under the specific situations outlined as follows:

(A) If an additional millage such as a bond issue or other levy is added;

(B) If judgment is rendered against the county and a judicial order directs an additional levy; or,

(C) If the county voters adopt a measure increasing the assessment percentage within the county under the authority of Section 8, Article 10, of the Oklahoma Constitution.

(8) **Additional homestead exemption. "Additional homestead exemption"** means an exemption in addition to the amount of the homestead exemption authorized and allowed in Section 2889 of Title 68, to the extent of One Thousand Dollars ($1,000.00) of the assessed valuation on each homestead of heads of households whose gross household income from all sources for the preceding calendar year did not exceed Thirty Thousand Dollars ($30,000.00).

(A) To qualify for the additional homestead exemption, the individual must apply at the county assessor's office by completing form OTC 994, Application for Property Valuation Limitation and Additional Homestead Exemption.

(B) The application must be made on or before March 15 or within thirty (30) days of taxpayer's receipt of a County Assessor Notice of Increase in Valuation of Real Property form (OTC 926) whichever is later. [68 O.S. § 2890(C)].

[**Source**: Added at 14 Ok Reg 2670, eff 6-26-97; Amended at 15 Ok Reg 3451, eff 7-11-98; Amended at 18 Ok Reg 2796, eff 6-25-01; Amended at 22 Ok Reg 1519, eff 6-11-05; Amended at 32 Ok Reg 1335, eff 8-27-15; Amended at 34 Ok Reg 2040, eff 9-11-17; Amended at 39 Ok Reg 2242, eff 9-11-22; Amended at 41 Ok Reg 1622, eff 8-11-24]

SUBCHAPTER 2. BUSINESS PERSONAL PROPERTY VALUATION SCHEDULES

710:10-2-1. General provisions

(a) **Purpose.** The provisions of this Subchapter have been adopted, pursuant to 68 O.S. § 2875(D)(4), to provide information regarding the schedules of values of personal property given to county assessors to assist in the assessment of personal property.

(b) **Schedules of values.** Schedules of values are intended only to provide the user with an approximation of value for the personalty "typical" for the class, not an absolute value.

(c) **Schedules of trending and depreciation.** Trending schedules are used to adjust historical cost to a current estimated replacement cost new. Depreciation schedules are used to estimate normal depreciation as applied to replacement cost new to estimate current value of the asset. The factors or percentages used are taken from *Marshall and Swift Valuation Service*, a national valuation service

contracted by the Division to provide values and schedules of trending and depreciation for real and personal property. This service is updated on a monthly basis.

(d) **Caveat.** Nothing in this Subchapter, nor any other guidelines, procedures, or rates provided to assessors by the Oklahoma Tax Commission Ad Valorem Division ("Division") is intended to relieve property owners or assessing officials of their obligations by law to report, value, or assess personal property at its fair cash value. Though the schedule of values referred to in this Subchapter are typical values for business personal property, actual value of any particular asset may be affected by conditions or use.

(e) **Disclosure.** A copy of the "Business Personal Property Valuation Schedule" may be obtained by accessing the Tax Commission website at www.tax.ok.gov.

(f) **Surveys.** Individuals and organizations who wish to participate in surveys conducted by the Ad Valorem Division may notify the Division by emailing mandy.wilkerson@tax.ok.gov.

[**Source:** Added at 22 Ok Reg 2241, eff 6-25-05]

710:10-2-2. Agricultural and other equipment

(a) **Agricultural related equipment.** The term **"agricultural related equipment"** includes, but is not limited to: balers, combines, cotton pickers and strippers, forage harvesters, mower conditioners, sweepers and brooms, tractors, and windrowers.

(b) **Business related equipment. "Business related equipment"** includes, but is not limited to: computers, computer components, copiers, facsimile machines, office equipment, office furniture, office machines, printers, including peripherals, safes, and typewriters.

(c) **Industrial related equipment. "Industrial related equipment"** includes, but is not limited to: air equipment, asphalt distributors and finishers, compaction equipment, cranes, crawlers, loaders, crushing equipment, ditchers (trenchers), excavators (hydraulic and mechanical), forestry equipment, generator sets, motor graders, motor scrapers, pavement millers, pumps, reclaimers/stabilizers, skid steer loaders, sweepers/brooms, tractor (backhoes), tractor (crawlers), tractor (wheel), and wheel loaders.

(d) **Petroleum related equipment. "Petroleum related equipment"** includes, but is not limited to: cable tool rigs, casing and tubing, crude oil, drill pipe, drilling rigs, gas compressors, meters, natural gas, pipeline costs, tanks, and valves.

(e) **Exploration related equipment**. All taxable personal property used in the exploration of oil, natural gas, or other minerals, including drilling equipment and rigs shall be assessed annually at its fair cash value, based upon the value set by the first *Hadco International* monthly bulletin published for the current tax year and such other available relevant and reliable market data, if any, concerning the fair cash value of property of the same kind, using the appropriate depth rating assigned to the drawworks by its manufacturer and actual condition of the rig.

[**See:** 68 O.S. § 2817(L)]
(f) **Miscellaneous equipment. "Miscellaneous equipment"** means, but is not limited to, coin changers, food merchandisers, game machines, golf cars, industrial motors, organs, phonographs, pianos, and vending machines.

[**Source:** Added at 22 Ok Reg 2242, eff 6-25-05; Amended at 38 Ok Reg 1510, eff 9-1-21; Amended at 40 Ok Reg 1250, eff 8-11-23]

710:10-2-3. Business related equipment [REVOKED]

[**Source:** Added at 22 Ok Reg 2242, eff 6-25-05; Revoked at 38 Ok Reg 1510, eff 9-1-21]

710:10-2-4. Industrial related equipment [REVOKED]

[**Source:** Added at 22 Ok Reg 2242, eff 6-25-05; Revoked at 38 Ok Reg 1510, eff 9-1-21]

710:10-2-5. Petroleum related equipment [REVOKED]

[**Source:** Added at 22 Ok Reg 2242, eff 6-25-05; Amended at 19 Ok Reg 2029, eff 7-1-08; Amended at 28 Ok Reg 763, eff 4-12-11 (emergency); Amended at 29 Ok Reg 516, eff 5-11-12; Revoked at 38 Ok Reg 1510, eff 9-1-21]

710:10-2-6. Other equipment
(a) **Miscellaneous equipment. "Miscellaneous equipment"** means, but is not limited to, coin changers, food merchandisers, game machines, golf cars, and vending machines.
(b) **Sources.** The Division utilizes a national valuation service to provide tables of values for personal property, depreciation schedules, and trending tables for historical cost of the various industries. The current service prescribed by the Division is the *Marshall and Swift Valuation Service*. This service is contracted yearly and updated on a monthly basis.

[**Source:** Added at 22 Ok Reg 2242, eff 6-25-05; Revoked at 38 Ok Reg 1510, eff 9-1-21; Added at 39 Ok Reg 2242, eff 9-11-22]

SUBCHAPTER 3. EQUALIZATION STUDY
PART 1. GENERAL PROVISIONS

710:10-3-1. Purpose of the equalization study
(a) The equalization study set forth in this Subchapter is mandated by law pursuant to 68 O.S. §2865(a) of the Ad Valorem Tax Code. The purpose of this study is to collect and analyze data for the purpose of formulating recommendations to be presented to the State Board of Equalization. The State Board of Equalization may use the recommendations of the Oklahoma Tax Commission for the equalization and adjustment of the valuation of the real property within and among the several counties pursuant to Article 10, Section 21 of the Oklahoma Constitution and 68 O.S. §2865 of the Ad Valorem Tax Code. See also: Board of

County Commissioners of Canadian County v. State Board of Equalization, 363 P.2d 242 (Okl. 1961); In Re McNeal's Appeal, 35 Okl. 17, 128 P. 285 (1912).
(b) The purpose of the equalization study among the counties is to ensure the legal level of assessment of each county is at the level ordered by the State Board of Equalization. Should the State Board of Equalization determine that new legal levels of assessments be mandated, the purpose of this study among the counties will be to ensure that each county maintains the constitutionally-mandated assessment level.
(c) The purpose of the equalization study within each county is to ensure that all classes of real property are valued uniformly and assessed at one ratio. Cantrell v. Sanders, 610 P.2d 227 (Okl. 1980).
(d) The purpose of the equalization study is also to notify the State Board of Equalization as to any inequities that exist within any class or classes of real property within a county or among the several counties. 68 O.S. §2864.
(e) The purpose of such equalization study is to conduct a comprehensive review of the assessments in each county assessor's office. This equalization study shall be the basis for the Oklahoma Tax Commission findings and recommendations presented to the State Board of Equalization under its responsibilities defined by 68 O.S. § 2865.
(f) The provisions of this Subchapter are not to be construed to limit the constitutional and statutory authority of the State Board of Equalization to equalize within and among the counties, nor the statutory authority of the Oklahoma Tax Commission to make recommendations to the State Board of Equalization under the provisions of Section 2865, Title 68, Oklahoma Statutes.

[**Source**: Amended at 11 Ok Reg 3469, eff 6-26-94; Amended at 14 Ok Reg 2670, eff 6-26-97; Amended at 15 Ok Reg 3451, eff 7-11-98; Amended at 24 Ok Reg 2343, eff 6-25-2007]

710:10-3-2. Definition of terms and statistics used in the equalization study

The following words and terms, when used in this Subchapter, shall have the following meaning, unless the context clearly indicates otherwise:

"Aggregate assessment ratio" means the ratio of the total of assessed values to the total of the market-use values. This measure of central tendency may be distorted in that the ratio of a higher priced property will have a greater impact than the ratio of a lower priced property.

"Assessed value" means the fractional portion of market-use value against which ad valorem tax millage is levied. These statistics are obtained from the assessor's office.

"Average deviation" means the mathematical average of the total deviations and the total number of samples. This is a measure of dispersion or uniformity and deals with the inconsistency between individual ratios and the median or mean.

"Coefficient of dispersion" means the measure which shows the distribution of the individual ratios about the median. It is calculated by dividing the measure of dispersion (the average deviation) by the measure of central tendency (the

median). The more uniform the assessments, the lower the coefficient of dispersion.

"Deviation from median" means the distance and direction of the individual assessment-ratio from the median.

"Market use related differential" means the measure calculated by dividing the mean assessment ratio by the aggregate assessment ratio and is used to indicate the direction of the bias of the mean assessment ratio and the aggregate assessment ratio. This measure shows any tendency for assessing relatively high priced properties higher or lower than relatively lower priced properties. A differential of more than 100 indicates lower ratios on the higher priced properties, while a differential of less than 100 indicates lower ratios on the lower priced properties. (Also known as the price-related differential)

"Market-use value" means the property value established by either the market or appraised value of the sample according to the actual use of the sample property.

"Mean assessment ratio" means a mathematical average of all the ratios and represents a measure of central tendency which is weighted.

"Median assessment ratio" means the ratio of the middle term. The median represents a measure of central tendency. The median, rather than the mean or aggregate ratio, is most often used in dispersion analysis.

"Ratio" means the ratio of assessed value to market-use value.

[**Source:** Amended at 11 Ok Reg 3469, eff 6-26-94; Amended at 15 Ok Reg 3451, eff 7-11-98]

710:10-3-3. Effective dates [REVOKED]

[**Source:** Amended at 11 Ok Reg 3469, eff 6-26-94; Revoked at 14 Ok Reg 2670, eff 6-26-97]

710:10-3-10. Scope of equalization study

(a) The Oklahoma Tax Commission Ad Valorem Division shall perform an equalization study of each county in Oklahoma on annual basis. [**See:** 68 O.S. § 2865(A)]

(b) The purpose of such equalization study is to conduct a comprehensive review of the levels of assessment in each county assessor's office. This equalization study shall be the basis for the Oklahoma Tax Commission findings and recommendations presented to the State Board of Equalization under its responsibilities defined by 68 O.S. § 2865(A)].

(c) This Section is not to be construed to limit the constitutional and statutory authority of the State Board of Equalization to equalize within and between the counties nor the statutory authority of the Oklahoma Tax Commission to make recommendations to the State Board of Equalization under the provisions of Section 2865 of Title 68 of the Oklahoma Statutes.

[**Source:** Added at 11 Ok Reg 3469, eff 6-26-94; Amended at 15 Ok Reg 3451, eff 7-11-98; Amended at 24 Ok Reg 2343, eff 6-25-2007]

710:10-3-11. Equalization study procedure; initial interview; follow-up visits, and exit conference

The equalization study process shall consist of two steps:

(1) Initial equalization study interview. At the initial interview, the Oklahoma Tax Commission Ad Valorem Division personnel shall review the purpose of the study and schedule for completion with the County Assessor, Chief Deputy, or designated person.

(2) Follow-up visits, sales research, and field verifications of sales data information.

[**Source:** Added at 11 Ok Reg 3469, eff 6-26-94; Amended at 14 Ok Reg 2670, eff 6-26-97; Amended at 15 Ok Reg 3451, eff 7-11-98]

710:10-3-12. Analysis of assessment and valuation equity

(a) The analysis of the assessment and valuation equity of each county shall consist of a comprehensive review of sales and assessments within the county. The purpose of this analysis shall be to prepare a median sales ratio for residential and commercial, and a use-value median ratio for agricultural property within each county in the state. This information shall be used to obtain, at a minimum, the following statistics:

(1) Median sales assessment ratio for each of the three sub-classes of real property;

(2) Coefficient of dispersion for each of the three classes of property;

(3) Comparative data for each class of property to determine the deviation between the three use classifications of real property;

(4) Other statistical data as deemed necessary by the Director of the Ad Valorem Division to ensure a valid and accurate report.

(b) The sales and assessment information necessary for the analysis shall follow the general procedures for data collection described in this Subchapter.

[**Source:** Added at 11 Ok Reg 3469, eff 6-26-94; Amended at 14 Ok Reg 2670, eff 6-26-97]

710:10-3-13. Analysis of CAMA data base and data entry [REVOKED]

[**Source:** Added at 11 Ok Reg 3469, eff 6-26-94; Amended at 14 Ok Reg 2670, eff 6-26-97; Revoked at 15 Ok Reg 3451, eff 7-11-98]

710:10-3-14. Sales collection effort and sales file data [REVOKED]

[**Source:** Added at 11 Ok Reg 3469, eff 6-26-94; Amended at 14 Ok Reg 2670, eff 6-26-97; Revoked at 15 Ok Reg 3451, eff 7-11-98]

710:10-3-15. Field inspection data collection effort [REVOKED]

[**Source:** Added at 11 Ok Reg 3469, eff 6-26-94; Amended at 14 Ok Reg 2670, eff 6-26-97; Revoked at 15 Ok Reg 3451, eff 7-11-98]

710:10-3-16. Status of visual inspection plan [REVOKED]

[**Source:** Added at 11 Ok Reg 3469, eff 6-26-94; Amended at 14 Ok Reg 2670, eff 6-26-97; Revoked at 15 Ok Reg 3451, eff 7-11-98]

710:10-3-17. Analysis of cadastral mapping effort [REVOKED]

[**Source:** Added at 11 Ok Reg 3469, eff 6-26-94; Amended at 14 Ok Reg 2670, eff 6-26-97; Revoked at 15 Ok Reg 3451, eff 7-11-98]

710:10-3-18. Equalization study finding; submission to State Board of Equalization

(a) **Compliance with equalization study requirements.** Upon completion of the equalization study, the Oklahoma Tax Commission Ad Valorem Division shall report median audited assessment percentages for each property classification. Counties found to be within the Constitutional assessment percentage range of 11 to 13.5 percent, with all three classes of real property within the deviation range of 1.5 percent from the highest to the lowest ratio, shall be certified to the State Board, as being in compliance with equalization audit requirements.

(1) **Class deviations.** All counties must have all three classes of real property within the deviation range of 1.5 percent range, from the highest to the lowest ratio, in order to be in compliance, regardless of overall median ratio. [**See:** Art. 10, Section 8(A)(2), Okla. Const.]

(2) **Annual valuation.** The county must annually value all taxable real and personal property within the county, as required by 68 O.S. §§ 2817; 2829; and 2830, regardless of overall median ratio.

(3) **Constitutional compliance.** The county must be in compliance with Article 10, Section 8, of the Oklahoma Constitution, concerning assessment percentage limitation for real and personal property; with Section 8B, concerning the applicable valuation limitation on increases in fair cash value; and Section 8C, concerning limitations on fair cash value on certain homestead property, regardless of the overall median ratio.

(b) **Categories of noncompliance.** As specified in 68 O.S. §2830, the findings of the equalization study shall constitute the monitoring responsibilities specified in that statute. For purposes of that statute, the following three categories specified are defined:

(1) **Category One noncompliance.** If a county is found out of compliance on its annual equalization study in December, the county would be classed in Category One noncompliance. The county would have until the following June 15 meeting of the State Board of Equalization to correct the deficiencies noted in the equalization study. [**See:** 68 O.S. § 2830]

(2) **Category Two noncompliance.** If the county did not correct the problems noted in the equalization study by the June 15 date, it shall be included in the Oklahoma Tax Commission's report to the State Board of Equalization with a recommendation to re-classify the county to Category Two noncompliance. At

the next State Board of Equalization meeting in December, if all compliance criteria have been achieved, the State Board of Equalization would determine the county in compliance. If the county was found not in compliance at the December meeting, the county would then have until the following June 15 meeting to achieve compliance. If compliance was not achieved, the State Board of Equalization would have the option not to certify the county abstract until all compliance criteria had been achieved and to reclassify the county Category Three noncompliance.

(3) **Category Three noncompliance.** If a county which has been previously classified Category Two and has failed to meet compliance criteria set forth by the State Board, the county would be classified Category Three noncompliance. The State Board of Equalization may elect not to certify the abstract.

(c) **Right of appeal.** Under 68 O.S. § 2882, a district attorney, acting under the direction of the board of county commissioners, can appeal a decision of the State Board of Equalization. Pursuant to 68 O.S.§ 2883, a county assessor may appeal the decision of the Oklahoma Tax Commission of Category Two or Three noncompliance.

[**Source:** Added at 11 Ok Reg 3469, eff 6-26-94; Amended at 14 Ok Reg 2670, eff 6-26-97; Amended at 15 Ok Reg 3451, eff 7-11-98; Amended at 24 Ok Reg 2343, eff 6-25-07; Amended at 32 Ok Reg 1335, eff 8-27-15; Amended at 37 Ok Reg 2225, eff 9-11-20]

710:10-3-19. Data collection for assessment and equity analysis

(a) The purpose of data collection under this Subchapter is to develop objective measurement of market value and market-use value statistics within each county for purposes of the development of equalization data, market-use analysis, and other data related to the Oklahoma Tax Commission's responsibility to report to the State Board of Equalization.

(b) The procedures for data collection of sales and assessment information necessary to analyze the assessment and valuation equity component part of the equalization study shall also be addressed in this Subchapter.

(c) The Director of the Ad Valorem Division may prescribe by memorandum specific internal procedures for the Oklahoma Tax Commission staff to utilize to complete the equalization study in a timely and efficient manner.

[**Source:** Added at 11 Ok Reg 3469, eff 6-26-94; Amended at 15 Ok Reg 3451, eff 7-11-98]

710:10-3-20. Classes of property

(a) For the purpose of the equalization study in this Subchapter, the stratum of real property will be subdivided into the following strata (use classification):

(1) Residential
(2) Commercial - Industrial
(3) Agricultural.

(b) The State Board of Equalization may further stratify the classes of property for the purpose of equalization pursuant to Article 10, § 21 of the Oklahoma Constitution.
(c) The Oklahoma Tax Commission may recommend further stratification pursuant to 68 O.S. § 2865.
(d) This Section is not to be construed to limit the constitutional and statutory authority of the State Board of Equalization to equalize within and between the counties, or the statutory authority of the Oklahoma Tax Commission to make recommendations to the State Board of Equalization as to the stratification or consolidation of classes of property for the purposes of equalization. [**See:** Poulos v. State Board of Equalization, 646 P. 2d 1269 (Okl. 1982); Cantrell v. Sanders, supra; Board of Commissioners of Canadian County v. State Board of Equalization; supra; Shell Petroleum Corporation v. State Board of Equalization, 170 Okl. 581, 41 P.2d 106(1935); In Re McNeal's Appeal, supra.; Also: Werner W. Doering, "Property Tax Equalization and Conventional Measures of Assessment Performance," Analyzing Assessment Equity, (IAAO, 1977) PP. 23-45.]

[**Source:** Amended at 11 Ok Reg 3469, eff 6-26-94; Amended at 15 Ok Reg 3451, eff 7-11-98; Amended at 24 Ok Reg 2343, eff 6-25-07; Amended at 35 Ok Reg 2035, eff 9-14-18]

710:10-3-21. Data worksheets; confidential work papers; duty to follow regulations [REVOKED]

[**Source:** Revoked at 11 Ok Reg 3469, eff 6-26-94]

PART 3. DATA COLLECTION

710:10-3-22. Collection of assessment and equalization data for purposes of equalization study

(a) For purposes of gathering sales data, the Oklahoma Tax Commission staff will examine verified sales for the period to be included in the equalization study. The study period shall be from January 1st to December 31st of the previous assessment year.
(b) A verified sale is indicated by documentary stamps affixed to a warranty deed. This is only a presumption that a sale has occurred.
(c) The verified sale shall be qualified by one of the methods set out in this subsection:

(1) The amount of consideration paid is stated in the warranty deed or attached documents;

(2) A mortgage or mortgages follows the warranty deed which reasonably indicates that the documentary stamp value is correct;

(3) Confirmation by one or more of the following:

(A) Buyer;

(B) Seller;

(C) Real estate broker or agent;

(D) Bank or other lending institution;
(E) Real estate appraiser;
(F) Real estate data banks and multi-list services; or
(G) Attorneys and other third parties who have knowledge of the transaction.

(4) Commercial and industrial property is to be qualified pursuant to subsection (g) of this Section by the confirmation method.

(5) The residential property data will be qualified by using the methods described in (1), (2) and (3) of this subsection.

(6) Agricultural properties will be appraised using the Oklahoma Tax Commission and State Board of Equalization approved methodology.

(d) Warranty deeds shall be used as the primary source of samples unless the warranty deeds available requires the use of other instruments in order to have an adequate sample. Such instruments shall not be used unless it is determined that they represent arms-length transactions pursuant to 710:10-3-24.

(e) A warranty deed or other instruments which do not have documentary stamps affixed may be used only upon a qualification by confirmation upon determining an arms-length transaction exists.

(f) The book and page numbers of all sale transactions to be included in the equalization study will be submitted to the county assessors for their review and comment.

(g) All commercial and industrial properties shall be verified and then qualified by the confirmation method to determine the presence of personal property. The value of the personal property will be deducted from the sales consideration. The adjusted sales price will then be used in the equalization study.

(h) The Oklahoma Tax Commission may use any reasonable method to qualify sales samples.

[**Source:** Amended at 11 Ok Reg 3469, eff 6-26-94; Amended at 14 Ok Reg 2670, eff 6-26-97; Amended at 15 Ok Reg 3451, eff 7-11-98; Amended at 35 Ok Reg 2035, eff 9-14-18]

710:10-3-23. Contact between analyst and county assessor [REVOKED]

[**Source:** Revoked at 11 Ok Reg 3469, eff 6-26-94]

710:10-3-24. Screening of sales; exclusions from sampling

(a) Transactions which are presumed not to be arms-length sales may be used in the equalization study after determining that adequate consideration exists.

(b) If one of the following conditions exists, there may be a presumption that a non-arms-length sale exists:

(1) Sales which secure debt or other obligation.

(2) Sales without additional consideration, conform, correct, modify or supplement a deed previously recorded.

(3) Sales between a husband and wife, parent and child, grandparent and grandchild, those deeds within the second degree of consanguinity, without

actual consideration thereafter or sales between any person and a revocable trust. **See**: 68 O.S.§ 2802.1(4)(a).

(4) Sales of release of property which is security for debt or other obligation.

(5) Sales of partition, those between co-owners, resulting in individual ownership of the interests of each.

(6) Sales between corporate affiliates with no consideration or sales made pursuant to mergers or sales from a person to a partnership, LLC or corporation.

(7) Sales pursuant to foreclosure proceedings in which the grantee is the holder of a mortgage on the property being foreclosed.

(8) Sales pursuant to a judicial ordered sheriff sales.

(9) Sales of property to the United States Government, State of Oklahoma or the counties and cities within Oklahoma.

(10) Splits or combinations of non-contiguous property.

(11) Sales contract for deed in excess of one (1) year.

(12) Trades of property with no consideration stated.

(13) Sales of partial interests in property.

(c) Real estate sales including personal property and business goodwill (inventories, furniture, fixtures and etc.) will be excluded unless terms of the sale are known and the personal property value and value attributed to goodwill can be ascertained. [**See**: IAAO Standards on Assessment Ratio Studies, Latest edition]

[**Source:** Amended at 11 Ok Reg 3469, eff 6-26-94; Amended at 14 Ok Reg 2670, eff 6-26-97; Amended at 15 Ok Reg 3451, eff 7-11-98; Amended at 24 Ok Reg 2343, eff 6-25-2007]

710:10-3-25. Collection of assessment data

The Oklahoma Tax Commission staff will collect assessment data for the prior year and current year in the following manner:

(1) The prior year assessments will be collected immediately upon completion of the data collection process.

(2) The current year assessments will be collected after June 1st.

(3) The current and previous years' assessments to be included in the equalization study will be submitted to the county assessors for their review pursuant to 710:10-3-36.

(4) The book and page number of the sales to be included in the equalization study may be submitted as soon as available.

[**Source:** Amended at 11 Ok Reg 3469, eff 6-26-94; Amended at 14 Ok Reg 2670, eff 6-26-97; Amended at 37 Ok Reg 2225, eff 9-11-20]

710:10-3-26. Notification to county assessor on collection of assessment data; county assessor participation [REVOKED]

[**Source:** Revoked at 11 Ok Reg 3469, eff 6-26-94]

710:10-3-27. Agriculture data collection and assessment data collection

(a) The Oklahoma Tax Commission staff will proceed to determine the samples to be used in the agricultural equalization portion of the equalization study.
(b) Following the gathering of agricultural samples to be used in the study, the Oklahoma Tax Commission will prepare appraisals in accordance with the State Board of Equalization approved agricultural use value methodology. Appraisals will be made on at least one taxable parcel of unimproved agricultural land in each full township on a random basis in each county, if available. This is subject to the guidelines on adequate sampling set out in 710:10-3-30.

(1) For purposes of the equalization study, an unimproved sample parcel of at least forty (40) acres is required in each full township.

(2) A physical inspection by the analyst is required to determine the use classification of the land as follows: [**See:** 1999 OK AG 20]

(A) Cropland;
(B) Improved pasture;
(C) Native pasture;
(D) Timber;
(E) Waste; or
(F) Other categories specified by the State Board of Equalization.

(c) A determination of the agricultural use classification other than physical inspection shall be made only with the written permission of the supervisor or the Director of Ad Valorem and with just cause.
(d) The use of orthophotographic aerials for use classifications as a source of additional data is permitted and encouraged, but a physical inspection will also be performed unless otherwise specified in writing by the Director of the Ad Valorem Division.
(e) The Oklahoma Tax Commission staff will use only the approved Oklahoma Tax Commission and State Board of Equalization agricultural use value methodology for the appraisal of each classification of agricultural land.

[**Source:** Amended at 11 Ok Reg 3469, eff 6-26-94; Amended at 14 Ok Reg 2670, eff 6-26-97; Amended at 15 Ok Reg 3451, eff 7-11-98; Amended at 35 Ok Reg 2035, eff 9-14-18]

710:10-3-28. Agricultural ratio study; agricultural improvement [REVOKED]

[**Source:** Revoked at 11 Ok Reg 3469, eff 6-26-94]

710:10-3-29. Summary conference [REVOKED]

[**Source:** Revoked at 11 Ok Reg 3469, eff 6-26-94]

710:10-3-30. Adequate sample size

(a) For purposes of assessment and equalization data for the equalization study, a sample size of one (1) percent of the total parcel count of a county will be deemed generally adequate for the equalization study, not to exceed 1,000 samples. The Ad Valorem Division will prepare an annual statewide list of the number of samples to be used in each county.

(b) A substantial deviation from the annual statewide list of the number of samples to be used in each county must be approved in writing by the Director of the Ad Valorem Division prior to the beginning of the study.
(c) Additional samples may be added from the original samples taken in the county for the Equalization Study, if the sample size falls below the minimum sample requirement. These additional samples will be selected on a random basis. The selection process will be documented and made a part of the findings on the county assessor's Equalization Study. Any additional samples will be subject to the same verification process provided for in 710:10-3-24.

[**Source:** Amended at 11 Ok Reg 3469, eff 6-26-94; Amended at 14 Ok Reg 2670, eff 6-26-97; Amended at 15 Ok Reg 3451, eff 7-11-98; Amended at 24 Ok Reg 2343, eff 6-25-2007]

710:10-3-31. Sample size for metropolitan counties [REVOKED]

[**Source:** Amended at 11 Ok Reg 3469, eff 6-26-94; Revoked at 14 Ok Reg 2670, eff 6-26-97]

710:10-3-32. Inspection of sales and use-value data by county assessor on completion of equalization study; objections to sale or appraisal

(a) The Director of the Ad Valorem Division shall submit to each county assessor a listing of the sales data and assessment data for further screening used to determine assessment equity statistics. The Oklahoma Tax Commission Ad Valorem Division staff shall not make any corrections, deletions or adjustments without approval of the Director of the Ad Valorem Tax Division or a person designated by the Director with the authority to make such approvals.
(b) Any objection shall be upon forms provided to the county assessors by the Oklahoma Tax Commission.
(c) These forms will be returned with objections noted and properly documented with deeds, instruments or affidavits for exclusion from the study or correction of error.
(d) Objections to sampling techniques and suspected sampling problems will be subject to the procedure outlined in 710:10-3-33.
(e) The county assessor shall be provided the complete list of unedited, raw sales data collected for the county prior to any edits or deletions by the Ad Valorem Division. The sales data list shall be provided to the county assessor upon completion of preliminary equalization study data collection.

[**Source:** Amended at 11 Ok Reg 3469, eff 6-26-94; Amended at 15 Ok Reg 3451, eff 7-11-98]

710:10-3-33. Informal protest by the county assessor; detection of sampling problems

(a) A county assessor may file an informal protest related to the findings of his equalization study detailing any suspected problem in sampling which may distort the true picture of the assessment levels and uniformity in his county or any other finding in the study with which he disagrees. This informal protest should be

made in writing, as soon as possible after an examination of documents provided by the Oklahoma Tax Commission which would alert the assessor to a possible problem. This informal protest must be filed before the first Monday in November and should specifically state the suspected problem and the class or classes of property affected.
(b) The Tax Commission may use any generally accepted statistical techniques or methods of observation that would detect problems in sampling.
(c) The county assessor will be notified in writing of any sampling problems and methods used to correct them and will also be notified of the new results to be submitted to the State Board of Equalization. [**See**: IAAO Standard on Assessment Ratio Studies, Latest edition.]

[**Source:** Amended at 11 Ok Reg 3469, eff 6-26-94; Amended at 14 Ok Reg 2670, eff 6-26-97; Amended at 15 Ok Reg 3451, eff 7-11-98; Amended at 24 Ok Reg 2343, eff 6-25-2007]

710:10-3-34. Median assessment ratio; central tendency [REVOKED]

[**Source:** Revoked at 11 Ok Reg 3469, eff 6-26-94]

710:10-3-35. Deviation between the three use classifications (STRATA) of real property (STRATUM) [REVOKED]

[**Source**: Revoked at 11 Ok Reg 3469, eff 6-26-94]

710:10-3-36. Time schedule for equalization study of real property

The following time schedule applies to the equalization study of real property described in this Subchapter:

(1) Complete all data collection by the third Monday in July.

(2) Provide to County Assessors for examination a listing of sample data study results by the fourth Monday in August.

(3) Examination by County Assessors for corrections and deletions and return to the Oklahoma Tax Commission by the third Monday in September.

(4) Final listing of sample data study results to be provided to County Assessor by the second Monday in October.

(5) Filing of informal protest to the findings of the equalization study shall be filed by the first Monday in November.

(6) Review and disposition of any informal protest shall be made by the second Monday in November.

(7) Equalization study final findings and recommendations shall be filed by the second Monday in November.

(8) Presentation of findings and recommendations made to the Oklahoma Tax Commission by the fourth Tuesday in November.

(9) Presentation to the State Board of Equalization on December 1st or the first working day thereafter.

[**Source:** Amended at 11 Ok Reg 3469, eff 6-26-94; Amended at 15 Ok Reg 3451, eff 7-11-98; Amended at 36 Ok Reg 1201, eff 8-11-19]

PART 5. AUTHORITIES AND METHODOLOGY

710:10-3-50. State Board of Equalization Sub-Committee [REVOKED]

[**Source:** Revoked at 11 Ok Reg 3469, eff 6-26-94]

710:10-3-51. Sales data and assessment data collections [REVOKED]

[**Source:** Revoked at 11 Ok Reg 3469, eff 6-26-94]

710:10-3-52. Appraisals used in lieu of sales-equalization [REVOKED]

[**Source:** Revoked at 11 Ok Reg 3469, eff 6-26-94]

710:10-3-53. Inadequate sample size [REVOKED]

[**Source:** Revoked at 11 Ok Reg 3469, eff 6-26-94]

710:10-3-54. Review of assessment and tax rolls

Ad Valorem Division personnel may from time to time compare assessment valuations used in the equalization study from the assessment rolls with the assessment valuation of the tax rolls. If it becomes apparent that there is a pattern of inconsistency between these two rolls, the Oklahoma Tax Commission Ad Valorem Division may conduct an in-depth review of assessment records in the county and report its findings to the State Board of Equalization.

[**Source:** Amended at 11 Ok Reg 3469, eff 6-26-94; Amended at 15 Ok Reg 3451, eff 7-11-98]

710:10-3-55. Coefficient of dispersion [REVOKED]

[**Source:** Revoked at 11 Ok Reg 3469, eff 6-26-94]

710:10-3-56. Measure of reliability; tests of hypothesis [REVOKED]

[**Source:** Revoked at 11 Ok Reg 3469, eff 6-26-94]

710:10-3-57. Measure of reliability; nonparametric testing [REVOKED]

[**Source:** Revoked at 11 Ok Reg 3469, eff 6-26-94]

710:10-3-58. Outliers [REVOKED]

[**Source:** Revoked at 11 Ok Reg 3469, eff 6-26-94]

710:10-3-59. Cash equivalence adjustments [REVOKED]

[**Source:** Revoked at 11 Ok Reg 3469, eff 6-26-94]

710:10-3-60. Cash equivalence adjustment guidelines [REVOKED]

[**Source:** Revoked at 11 Ok Reg 3469, eff 6-26-94]

710:10-3-61. Selective reappraisal of properties sold; investigation; alternate methodology [REVOKED]

[**Source:** Amended at 11 Ok Reg 3469, eff 6-26-94; Amended at 14 Ok Reg 2670, eff 6-26-97; Amended at 15 Ok Reg 3451, eff 7-11-98; Amended at 24 Ok Reg 2343, eff 6-25-2007; Revoked at 34 Ok Reg 2040, eff 9-11-17]

710:10-3-62. Adjusting sales prices for time [REVOKED]

[**Source:** Revoked at 11 Ok Reg 3469, eff 6-26-94]

710:10-3-63. School funding code compliance

(a) Each assessment and equalization analyst will note sale samples taken from the visual inspection area of the counties assigned.
(b) These samples will be taken in the area shown on the plan filed with the Oklahoma Tax Commission as being inspected for the current year.
(c) These samples are to be used to determine if visual inspection is being implemented according to the plan filed with the Oklahoma Tax Commission and that the filed plan is verifiable.
(d) The analyst will also check a sufficient number of the property assessment records in the visual inspection area against the actual existing structure to determine if actual physical inspections are being made and proper appraisal techniques are being applied.
(e) The analyst will report the lack of property assessment records, inadequate property assessment records, and other discrepancies upon a worksheet for that function. A copy of the present compliance report may be obtained from the Ad Valorem Tax Division and will be updated periodically to conform to current law and changing requirements as determined by the Director of the Ad Valorem Tax Division.
(f) This Section is not part of the normal equalization study but is part of the Oklahoma Tax Commission's parallel duties prescribed by law. The enforcement of the school funding code compliance or visual inspection statutes is not the statutory or constitutional duty of the State Board of Equalization. [**See:** 70 O.S. §18-109.1(4)]

[**Source:** Amended at 11 Ok Reg 3469, eff 6-26-94; Amended at 14 Ok Reg 2670, eff 6-26-97; Amended at 15 Ok Reg 3451, eff 7-11-98; Amended at 22 Ok Reg 1520, eff 6-11-05; Amended at 24 Ok Reg 2343, eff 6-25-2007]

SUBCHAPTER 4. ANNUAL VALUATION MANDATE [REVOKED]

710:10-4-1. Purpose [REVOKED]

[**Source:** Added at 14 Ok Reg 2670, eff 6-26-97; Amended at 15 Ok Reg 3451, eff 7-11-98; Amended at 23 Ok Reg 2804, eff 6-25-06; Revoked at 30 Ok Reg 1468, eff 7-1-13]

710:10-4-2. Definitions [REVOKED]

[**Source:** Added at 14 Ok Reg 2670, eff 6-26-97; Amended at 15 Ok Reg 3451, eff 7-11-98; Amended at 23 Ok Reg 2804, eff 6-25-06; Amended at 24 Ok Reg 2343, eff 6-25-07; Revoked at 30 Ok Reg 1468, eff 7-1-13]

710:10-4-3. Responsibilities of County Assessor [REVOKED]

[**Source:** Added at 14 Ok Reg 2670, eff 6-26-97; Amended at 15 Ok Reg 3451, eff 7-11-98; Amended at 23 Ok Reg 2804, eff 6-25-06; Amended at 24 Ok Reg 2343, eff 6-25-07; Revoked at 30 Ok Reg 1468, eff 7-1-13]

710:10-4-4. Elements essential to proper visual inspection [REVOKED]

[**Source:** Added at 14 Ok Reg 2670, eff 6-26-97; Revoked at 15 Ok Reg 3451, eff 7-11-98]

710:10-4-5. Activities essential to visual inspection [REVOKED]

[**Source:** Added at 14 Ok Reg 2670, eff 6-26-97; Revoked at 15 Ok Reg 3451, eff 7-11-98]

710:10-4-6. Annual valuation of all real and personal property outside visual inspection area [REVOKED]

[**Source:** Added at 14 Ok Reg 2670, eff 6-26-97; Amended at 15 Ok Reg 3451, eff 7-11-98; Amended at 23 Ok Reg 2805, eff 6-25-06; Amended at 24 Ok Reg 2343, eff 6-25-07; Revoked at 30 Ok Reg 1468, eff 7-1-13]

710:10-4-7. CAMA completion requirement as evidence of annual valuation [REVOKED]

[**Source:** Added at 14 Ok Reg 2670, eff 6-26-97; Amended at 15 Ok Reg 3451, eff 7-11-98; Amended at 23 Ok Reg 2805, eff 6-25-06; Amended at 24 Ok Reg 2343, eff 6-25-07; Revoked at 30 Ok Reg 1468, eff 7-1-13]

710:10-4-8. Determination of compliance with annual valuation requirements; certification to the State Board of Equalization [REVOKED]

[**Source:** Added at 14 Ok Reg 2670, eff 6-26-97; Amended at 15 Ok Reg 3451, eff 7-11-98; Amended at 23 Ok Reg 2805, eff 6-25-06; Amended at 24 Ok Reg 2343, eff 6-25-2007; Amended at 26 Ok Reg 2323, eff 6-25-09; Revoked at 30 Ok Reg 1468, eff 7-1-13]

710:10-4-9. Findings of the annual valuation audit [REVOKED]

[**Source:** 14 Ok Reg 2670, eff 6-26-97; Amended at 15 Ok Reg 3451, eff 7-11-98; Amended at 23 Ok Reg 2806, eff 6-25-06; Amended at 24 Ok Reg 2343, eff 6-25-2007; Amended at 26 Ok Reg 2323, eff 6-25-09; Revoked at 30 Ok Reg 1468, eff 7-1-13]

SUBCHAPTER 5. HOMESTEAD EXEMPTION

710:10-5-1. Status as of January first governs; exception

(a) In order to obtain a homestead exemption, the applicant must be the record actual owner of the property on January 1st and must actually be residing there. If the evidence of title is not executed on or before January 1st and filed of record in the office of the County Clerk on or before February 1st, no exemption can be allowed, even though the person may have owned the property and may have been residing there for a number of years. [**See:** Op. Att'y Gen. issued 02-20-50; 68 O.S. § 2888]
(b) A natural person actually owning, residing and domiciled in the residence on January 1st shall be deemed to be the record owner of the property on January 1st, if the deed or other evidence of ownership, executed on or before January 1st, is of record in the office of the County Clerk on February 1. [**See:** 68 O.S. § 2888]

[**Source:** Amended at 15 Ok Reg 3451, eff 7-11-98]

710:10-5-2. Homestead exemption available to natural persons, citizens; marital status irrelevant

The homestead exemption should be granted to any natural person who is a citizen of the State of Oklahoma, provided other requirements of the Act are satisfied. It is not necessary for a man to be married or be the head of a family. The exemption may be allowed to a single person. [**See:** 68 O.S. § 2888; Op. Att'y Gen. issued 02-09-37]

[**Source:** Amended at 15 Ok Reg 3451, eff 7-11-98]

710:10-5-3. What constitutes residence and domicile; temporary absence

(a) **Legal residence.** A person's legal residence must be the place for which a homestead exemption is sought and the person must actually be residing there, as of January 1st assessment date. In most cases, a person cannot obtain the exemption if the home was rented on January 1st. The one exception is that a person in the Armed Services in the time of war, or during a National Emergency, or his family, is not required to be residing on the property and may even rent the property and still receive the exemption, if properly claimed.
(b) **Effect of absence.** Temporary absence for the purpose of making a visit or for other purposes, where the home is not rented and the owner intends to return to the home within a reasonable length of time and does not establish what could properly be considered to be a permanent residence elsewhere, will not serve to deprive the owner of a homestead exemption. For example, a school teacher may own a home and maintain it for her mother and herself, although for nine months of the year, she is absent from the home, teaching, provided the home is not rented or closed during her absence and she returns during vacation months. In such a case, she is entitled to homestead exemption. In any case where a person is absent from his home and rents his home during his absence, and if the home is rented on the first day of January, the applicant cannot obtain an exemption. [**See:** Op. Att'y Gen. issued 03-17-54]

[**Source:** Amended at 15 Ok Reg 3451, eff 7-11-98; Amended at 34 Ok Reg 2040, eff 9-11-17]

710:10-5-4. Restrictions as to homestead acreage, valuation, and location

(a) **Homestead; one exemption allowed.** There can be only one homestead exemption allowed to one homestead or one piece of property, and only one exemption can be allowed to any single person of legal age, married couple and their minor child or children, or the minor child or children or a deceased person, whether residing together or separated, or surviving spouse. [**See:** 68 O.S. §§ 2888, 2889]

(b) **Urban homestead defined. "Urban homestead"** as used herein shall mean and include any homestead located within any city or town whether incorporated or unincorporated, or located within a platted subdivision or addition, whether such subdivision or addition be a part of a city or town. In no case shall an urban homestead exceed in area one (1) acre. Any platted subdivision or addition, whether a part of an incorporated city or town, or part of a township, is defined as an urban homestead and the one acre restriction applies. If a person owns a five acre tract in a subdivision platted in tracts of that size, he cannot obtain the homestead exemption on more than one acre and the improvements. The exemption as applied to urban homesteads is confined to the lot or lots upon which the residence and other outbuildings necessary or convenient for the family use are located. The exemption may be allowed to a vacant lot where such vacant lot adjoins or is contiguous to the lot or lots upon which the improvements are actually situated, but it must be in one tract, except that an alley between two lots does not deprive a person of the exemption of the lot across the alley, or to a lot in another block across the street from the house, if the barn or other outbuildings are located upon such lot. In no case can the exemption be granted on a vacant lot which does not adjoin or is not contiguous to the lot or lots upon which the improvements are actually situated. [**See**: 68 O.S. § 2888]

(c) **Rural homestead defined and land included in rural homestead. "Rural homestead"** as used herein shall mean and include any homestead located outside a city or town or outside any platted subdivision or addition. Land included in rural homesteads must be "about and contiguous or adjacent to" the land upon which the house is located. Land across a section line from the house may be included as a part of the homestead. Two tracts of land in one section which do not join, may also, in some cases, be included as a part of the homestead. The homestead exemption is allowed on any land close enough to the tract upon which the house is located to be considered, and actually is, one farm. [**See:** 68 O.S.§ 2888]

(d) **Contiguous property.** The Act contemplates that the homestead selection will be in one contiguous area and not separated by property belonging to someone else. [**See:** Op. Att'y Gen. issued 05-14-37]

[**Source:** Amended at 15 Ok Reg 3451, eff 7-11-98; Amended at 34 Ok Reg 2040, eff 9-11-17]

710:10-5-5. Indian land [REVOKED]

[**Source:** Revoked at 18 Ok Reg 2796, eff 6-25-01]

710:10-5-6. What constitutes "actual owner"

(a) **Record title.** In any case where a natural person is occupying a home by reason of title by warranty deed, quit claim deed, tax deed, sheriff's deed, or by similar evidence of title, the assessor and board should assume that person is the actual owner of the property. If a person owns title to the property, and it is of record on February 1st, and he is in actual possession of the property, and residing there as of January 1st, the assessor or board should not question the title or ownership of such a person. A person who purchases property under a contract of sale and the contract of sale is on record in the County Clerk's Office on February 1st, and the person has possession of and is residing on the property on January 1st, is entitled to homestead exemption. [**See:** Op. Att'y Gen. issued 01-19-37 and 01-19-55; Op. Att'y Gen. No. 426 (1967)]

(b) **Life estate.** A person owning a life estate in his residence, provided evidence of title to the residence is of record in the office of the County Clerk, and who is living there, is entitled to a homestead exemption.

(c) **Title by inheritance.** A person owning a home by inheritance is entitled to the exemption provided the Order of the Court determining the ownership is of record in the office of the County Clerk as of February 1st.

(d) **Title in surviving spouse or minor child.** The surviving spouse or minor child of a deceased person shall be considered as the record owner of the homestead where the record title was in the name of the deceased person as of January 1st and the spouse or child meets all other qualifications. [**See:** 58 O.S. § 311]

(e) **Contracts for deed.** Based on the provisions of 16 O.S. § 11A, a purchaser of real property, under a contract for deed, qualifies for the statutory homestead exemption from ad valorem taxes, if the following conditions are met:

(1) **Bona fide purchase.** The contract for deed was made for the purpose of receiving the payment of money and for the purpose of creating an immediate and continuing right to possession of the real property;

(2) **Filed of record.** The contract for deed is filed of record in the County Clerk's Office; and,

(3) **Residency.** The purchaser under the contract for deed actually resides on the property and meets all other qualification criteria. [**See:** Op. Att'y Gen. 199 (1987)]

[**Source:** Amended at 15 Ok Reg 3451, eff 7-11-98; Amended at 18 Ok Reg 2796, eff 6-25-01]

710:10-5-7. Undivided interests in homesteads

(a) **Undivided interests in general.** A person who is a citizen of Oklahoma, that resides and is domiciled in a residence is entitled to a homestead exemption, in the amount of his undivided interest. For example, if the person is residing upon

land in which he owns an undivided one-half interest, he is entitled to an exemption of $500.00. If his undivided interest is one-fourth, he is entitled to an exemption of $250.00. [**See:** 68 O.S.§§ 2888, 2833].
(b) **Exception for undivided interest in a parent and child.** If a parent and a child or children own a house jointly, but the parent is the only person residing in the house, the parent is entitled to the full exemption, up to One Thousand Dollars ($1,000.00). [**See:** 68 O.S. § 2888]
(c) **Retention of homestead by a surviving spouse of minor child**. The surviving spouse or minor children, or both, of a deceased person shall be considered to be the record owners of a homestead if the title of record is in the office of the county clerk on January 1, in the name of the deceased. For example, if one spouse is listed as the record owner of the residency on January 1, and that spouse dies that year, the surviving spouse or the decedent's children will still be able to claim the homestead exemption for that year, even though they are not listed as the owners of record in the office of the county clerk. [**See:** 68 O.S. § 2888]

[**Source:** Amended at 15 Ok Reg 3451, eff 7-11-98; Amended at 22 Ok Reg 1521, eff 6-11-05]

710:10-5-8. Keeping of roomers or boarders [REVOKED]

[**Source:** Amended at 15 Ok Reg 3451, eff 7-11-98; Revoked at 34 Ok Reg 2040, eff 9-11-17]

710:10-5-9. Homesteads used partially for business or commercial purposes; allocation of value and exemption [REVOKED]

[**Source:** Amended at 15 Ok Reg 3451, eff 7-11-98; Revoked at 34 Ok Reg 2040, eff 9-11-17]

710:10-5-10. Filing an application
(a) **Application restriction.** In order for any person to obtain an exemption on his homestead an application must be filed with the County Assessor on form OTC 921, on or before March 15th of that year. However, the time within which to apply for the homestead exemption may be extended by thirty (30) days from receipt by the taxpayer of a County Assessor Notice of Increase in Valuation of Real Property form (OTC 926). Applications may be accepted by the county assessor throughout the year, however, applications filed after March 15, or after 30 days from receipt of a County Assessor Notice of Increase in Valuation of Real Property, whichever is later, will not be effective until the following year.
(b) **Who may sign application**. The application shall be signed by the owner of the property, or in case of minors or incompetents, by the guardian. Either husband or wife may sign an application if joint title is held by both parties. Similarly, an adult child may sign for the parents, if title to the property is jointly held between them. Other agents for taxpayers may not sign an application for an exemption, unless the owner is currently a member of the Armed Services of the United States, during time of war or a national emergency. Persons sixty-five (65) years of age or older, as of March 15, who have previously qualified for the additional homestead

exemption or the limitation of fair cash value of homestead property, shall not be required to make an annual application, provided all qualifications are maintained. [**See:** 68 O.S. § 2892]

[**Source:** Amended at 15 Ok Reg 3451, eff 7-11-98; Amended at 18 Ok Reg 2796, eff 6-25-01; Amended at 22 Ok Reg 1521, eff 6-11-05]

710:10-5-11. What levies exempt

Homesteads are not exempt from levies for interest and sinking fund requirements, for bonded indebtedness incurred prior to the effective date of the Act. They are exempt from all General Fund levies, including the additional millage voted by school districts. [**See:** 68 O.S. § 2889]

[**Source:** Amended at 15 Ok Reg 3451, eff 7-11-98]

710:10-5-12. Exemption limited to natural persons

A homestead exemption cannot be granted on a home if the title is in the name of a corporation, since a corporation is not a natural person, as required by the Act. [**See:** 68 O.S. § 2888]

[**Source:** Amended at 15 Ok Reg 3451, eff 7-11-98]

710:10-5-13. Parents and children as co-owners

A parent or parents may be granted a full homestead exemption if the parents reside on and own the homestead property in joint tenancy with one or more of their children, whether parents are residing together or separated, provided the joint tenancy instrument is recorded in the County Clerk's office. [**See:** 68 O.S. § 2888]

[**Source:** Added at 15 Ok Reg 3451, eff 7-11-98]

SUBCHAPTER 6. STORM SHELTER EXEMPTION

710:10-6-1. Purpose

The provisions of this Subchapter have been adopted for the purpose of compliance with the Administrative Procedures Act, 75 O.S. § 250 et seq., and to facilitate the administration of the exemption from the ad valorem taxation for storm shelters approved by popular vote on November 5, 2002 (Laws 2002, H.J.Res.No. 1001; State Question 696).

[**Source:** Added at 20 Ok Reg 2154, eff 6-26-03]

710:10-6-2. Definitions

The following words and terms, when used in this Subchapter, shall have the following meaning, unless the context clearly indicates otherwise:

"Storm shelter", for purposes of exemption, means a structure designed for protection and safety from tornadoes or tornadic winds and installed or added to

an improvement to real property after January 1, 2002, which does not exceed One Hundred (100) square feet in size. **"Storm shelter"** shall include, but not be limited to, a safe room built as part of and within an improvement to real property.

[**Source:** Added at 20 Ok Reg 2154, eff 6-26-03]

710:10-6-3. Status as of January 1 controls

In order to obtain the exemption for a storm shelter, the applicant must be the actual owner of the property on January 1 of the year for which the exemption is sought. If evidence of title is not executed on or before January 1 and filed of record in the office of the County Clerk on or before February 1, no exemption can be allowed.

[**Source:** Added at 20 Ok Reg 2154, eff 6-26-03]

710:10-6-4. Ownership

In any case where title is proffered by warranty deed, quit claim deed, tax deed, sheriff's deed, or by similar evidence of title, the assessor and county board of equalization shall assume that the person or entity for whom application is made **is** the actual owner of the property. A person who purchases property by a contract for sale, or contract for deed, on or before January 1, and who is designated as the purchaser in proper documents filed of record in the County Clerk's office on or before February 1, is entitled to the exemption. Refer to OAC 710:10-5-6 for additional ownership clarification.

[**Source:** Added at 20 Ok Reg 2154, eff 6-26-03]

710:10-6-5. Period of exemption

Beginning January 1, 2002, any storm shelter which meets the definition set out in 710:10-6-2 shall be exempt from Ad Valorem tax. Thereafter, if title to the property is transferred, changed, or conveyed to another person or entity, the exemption will be terminated and the property assessed as set forth in Article 10, Section 8 of the Oklahoma Constitution.

[**Source:** Added at 20 Ok Reg 2154, eff 6-26-03]

710:10-6-6. Exemption not restricted to homestead property

A storm shelter located in a residential or commercial property may qualify for the exemption. Article 10, Section 6, of the Oklahoma Constitution.

[**Source:** Added at 20 Ok Reg 2154, eff 6-26-03]

710:10-6-7. Undivided interests

A person or entity who owns an undivided interest in the property and occupies the property shall be entitled to the entire storm shelter exemption allowed by Article 10, Section 6, of the Oklahoma Constitution. In no circumstances shall a

person or entity be allowed more than One Hundred (100) square feet of total exempt area, regardless of the number of undivided interests in the property.

[**Source:** Added at 20 Ok Reg 2154, eff 6-26-03]

710:10-6-8. Filing an application

(a) **Application by taxpayer.** Unless the exempt storm shelter property has been identified and designated by the county assessor, an application to obtain a storm shelter exemption must be filed with the county assessor on form OTC 905. Such an application may be filed at any time. However, the county assessor shall, if the applicant qualifies, grant an exemption for a storm shelter for the current tax year only if the application is filed on or before March 15 of the current tax year. An application filed after March 15 of the current tax year will only entitle the applicant, if otherwise qualified, to an exemption for storm shelter property beginning the following tax year. There is no requirement for annual reapplication once the exemption is granted.

(b) **Assessor may identify exempt storm shelter property.** If the county assessor identifies a storm shelter that, in the assessor's opinion, qualifies for the exemption, the assessor may designate the shelter on the permanent property record in the assessor's office. In this case, there will be no requirement for the property owner to make application for the exemption. The exemption will be subject to all other requirements set out in this Subchapter.

[**Source:** Added at 20 Ok Reg 2154, eff 6-26-03]

710:10-6-9. County assessor to make determination of status

(a) The county assessor shall examine each application and shall determine if the storm shelter meets the requirements set out by law. In determining if the application is to be approved, the assessor may, if necessary, make inspections, make a written request for additional information, or examine any person under oath, as provided by law.

(b) The assessor shall complete the assessor's portion of the application and shall deliver all applications, whether approved or rejected, to the County Board of Equalization on or before the fourth Monday in April, for the Board's review.

(c) If the county assessor finds an application for exemption should not be allowed by reason of non-conformity with the law, the applicant shall be notified of the disapproval and advised of the appeal process. [**See:** 68 O.S. §§ 2893-2895]

[**Source:** Added at 20 Ok Reg 2154, eff 6-26-03]

710:10-6-10. County recording procedure for real property assessment and tax rolls

The county recording procedure shall separately show each approved storm shelter exemption in the same manner as other exemptions from Ad Valorem Tax.

[**Source:** Added at 20 Ok Reg 2154, eff 6-26-03]

SUBCHAPTER 7. MANUFACTURING FACILITIES

710:10-7-1. Purpose

The provisions of this Subchapter have been adopted for the purpose of compliance with the Administrative Procedures Act, 75 O.S. § 250 et seq., and to facilitate the administration, determination, and application of the exemption from the ad valorem taxation of property for certain new or expanded manufacturing facilities.

[**Source:** Amended at 14 Ok Reg 2670, eff 6-26-97; Amended at 22 Ok Reg 1521, eff 6-11-05]

710:10-7-2. Requirements for exemption for qualified manufacturing facilities established, expanded, or acquired, on or before July 1, 2003 [REVOKED]

[**Source:** Amended at 14 Ok Reg 2670, eff 6-26-97; Amended at 15 Ok Reg 3451, eff 7-11-98; Amended at 18 Ok Reg 2796, eff 6-25-01; Amended at 19 Ok Reg 1205, eff 5-11-02; Amended at 21 Ok Reg 2563, eff 6-25-04; Amended at 22 Ok Reg 1521, eff 6-11-05; Amended at 23 Ok Reg 2806 , eff 6-25-06; Revoked at 24 Ok Reg 2343, eff 6-25-2007]

710:10-7-2.1. Manufacturing facility exemption for facilities which are established, expanded, or acquired on or after January 1, 2000 [REVOKED]

[**Source:** Added at 18 Ok Reg 2796, eff 6-25-01; Amended at 19 Ok Reg 1205, eff 5-11-02; Amended at 21 Ok Reg 2563, eff 6-25-04; Amended at 22 Ok Reg 1522, eff 6-11-05; Amended at 23 Ok Reg 2807, eff 6-25-06; Revoked at 24 Ok Reg 2343, eff 6-25-2007]

710:10-7-2.2. Exemption requirements for qualified manufacturing and research and development facilities established, expanded or acquired

(a) **Definitions**. The following words and terms, when used in this Section shall have the following meanings unless the context clearly indicates otherwise:

(1) **Manufacturing facilities** means manufacturing facilities as defined in 68 O.S. § 2902(B)(1).

(2) ***Facility or facilities*** *means, except as otherwise provided by Section 2902 of Title 68 of the Oklahoma Statutes, and includes the land, building, structures, and improvements used directly and exclusively in the manufacturing process. Effective January 1, 2022, and for each calendar year thereafter, for establishments which have received a manufacturer exemption permit pursuant to the provisions of Section 1359.2 of Title 68 of the Oklahoma Statutes, or facilities engaged in manufacturing activities defined or classified in the NAICS Manual under Industry Nos. 311111 through 339999, inclusive, but for no other establishments, facility and facilities means and includes the land, buildings, structures, improvements, machinery, fixtures, equipment and other personal property used directly and exclusively in the manufacturing process*. [68 O.S. § 2902(B)(2)].

(3) ***Research & development*** *means activities directly related to and conducted for the purpose of discovering, enhancing, increasing or improving future or existing products or processes or productivity*. [68 O.S. § 2902(B)(3)].

(4) **Base payroll** means total payroll for the calendar year the construction, acquisition, or expansion assets are first placed in service and the subsequent four (4) calendar years of eligibility.

(5) **Initial payroll** means payroll for the calendar year immediately preceding the initial construction, acquisition or expansion. In the event initial payroll is not comprised of a complete year's payroll, the amounts reported must be computed to arrive at an annual figure.

(6) **New direct job** means the term "new direct job" as defined in 68 O.S. § 3603, without the requirement to qualify for incentive payments pursuant to the Oklahoma Quality Jobs Program Act.

(b) **Qualification or statutory requirements.** To qualify for exemption facilities other than those discussed in subsections (c) and (d) must meet the requirements mandated by statute and summarized in (1) through (6) of this subsection:

(1) Facilities must satisfy the requirement of being new, expanded, or acquired.

(2) The investment cost of the construction, acquisition or expansion of the manufacturing facility must be Two Hundred Fifty Thousand Dollars ($250,000.00) or more within the calendar year in which the construction, acquisition or expansion occurred. The investment cost of the construction, acquisition or expansion of the manufacturing facility must be Five Hundred Thousand Dollars ($500,000.00) or more with respect to assets placed into service during calendar year 2022. For subsequent calendar years, the investment required shall be increased annually by a percentage equal to the previous year's increase in the Consumer Price Index-All Urban Consumers ("CPI-U") and such adjusted amount shall be the required investment cost in order to qualify for the exemption authorized by 68 O.S. § 2902. The Oklahoma Department of Commerce shall determine the amount of the increase, if any, on January 1 of each year. The Oklahoma Tax Commission shall publish on its website at least annually the adjusted dollar amount in order to qualify for the exemption and shall include the adjusted dollar amount in any of its relevant forms or publications with respect to the exemption. Investment Cost shall not include the cost of direct replacement, refurbishment, repair or maintenance of existing machinery or equipment, except that "investment cost" shall include capital expenditures for direct replacement, refurbishment, repair or maintenance of existing machinery or equipment that qualifies for depreciation and/or amortization pursuant to the Internal Revenue Code of 1986, as amended, and such expenditures shall

be eligible as part of an "expansion" that otherwise qualifies under this section.

(3) Base payroll for the calendar year the assets are placed in service must be increased over initial payroll by at least Two Hundred Fifty Thousand Dollars ($250,000.00) if the facility is located in a county with a population of less than seventy-five thousand (75,000) persons according to the most recent federal decennial census or by at least One Million Dollars ($1,000,000.00) if the facility is located in a county with a population of seventy-five thousand (75,000) or more, according to the most recent federal decennial census. For the subsequent four years of eligibility, base payroll must be maintained in an amount equal to, or greater than, the base payroll amount established for the calendar year the assets are first placed in service.

(A) To determine initial and base payroll, the Tax Commission must verify all payroll information through the Oklahoma Employment Security Commission (OESC) utilizing reports filed with the OESC for the applicable calendar years. [**See**: 68 O.S. § 2902(C)(4)].

(B) The amount of increased payroll shall include payroll for full-time-equivalent employees in this state who are employed by an entity other than the facility which has qualified to receive an exemption pursuant to the provisions of this Section and who are leased or otherwise provided to the facility, if such employment did not exist in this state prior to the start of initial construction or expansion of the facility.

(C) A manufacturing facility shall have the option of excluding certain components from its payroll. Manufacturing facilities electing to exclude either of the options in (i) or (ii) of this subparagraph, shall document the election by an attached addendum to the application at time of filing which states in detail any payroll exclusions. (**See**: 68 O.S. § 2902(C)(4)

(i) Payments to sole proprietors, members of partnerships, members of a limited liability company who own at least ten percent (10%) of the capital of the limited liability company, or stockholder employees of a corporation who own at least ten percent (10%) of the stock in the corporation may be excluded from payroll.

(ii) Nonrecurring bonuses, exercise of stock option or stock rights, or other nonrecurring, extraordinary items included in total payroll numbers as reported by the OESC may be excluded from payroll. Nonrecurring bonuses shall not include additional wages or other compensation paid on the basis of length of service.

(D) A manufacturing concern which does not meet the amount of increased payroll shall submit to the Tax Commission, with the initial application year of exemption, an affidavit, signed by an officer. The signed affidavit must state that from the start of initial construction, acquisition, or expansion, to the completion of said construction, acquisition, or expansion, or for three (3) years, whichever occurs first, the establishment

or expansion of the facility will result in a net increase of the required base payroll. When the increased payroll requirement is met, the affidavit will be considered satisfied and no longer in effect.

(4) The facility will offer within one hundred eighty (180) days of the date of employment, a basic health benefit plan to the full-time employees of the facility. [**See:** 68 O.S. § 2902(C)(4)(b)] Calculation of the number of employees shall be made in the same manner as required pursuant to 68 O.S. § 2357.4 for an investment tax credit.

(5) Entities shall be subject to the wage requirements of the Oklahoma Quality Jobs Program Act with respect to new direct jobs. If an entity making application for the exemption set forth in this Section adds workers as new direct jobs at the manufacturing facility, the entity must pay those new direct jobs an average annualized wage which equals or exceeds the average wage by county required by the Oklahoma Quality Jobs Program Act, up to the maximum state threshold wage, for the year in which the real or personal property was placed into service.

(A) On each exemption application for a group of assets, the entity shall provide a list or schedule of new direct jobs by job title and annual salary. For subsequent calendar years, the list or schedule shall include new direct jobs added that year and those new direct jobs that have been maintained from previous years within the five-year exemption period.

(B) Each year, the list of new direct jobs added or maintained at the manufacturing facility will be tracked to determine if the total new direct jobs meet the average annualized wage requirement for the year the assets were placed into service.

(C) The three-year affidavit referenced above in (b)(3)(D) of this Section does not apply to the new direct jobs wage requirements set forth in the Oklahoma Quality Jobs Program Act.

(6) A manufacturing facility requesting an exemption must hold title to real or personal property or have an equity interest in real or personal property.

(c) **Distribution facilities; qualification requirements.** For applications received after November 1, 2007, establishments primarily engaged in distribution as defined under industry Numbers 49311, 49312, 49313 and 49319 and Industry Sector Number 42 of the NAICS Manual latest revision, must meet all criteria required by statute and outlined in (4), (5) and (6) of subsection (b) and the following paragraphs:

(1) Initial capital investment of at least Five Million Dollars ($5,000,000.00);

(2) Employment of at least one hundred (100) full-time-equivalent employees, as certified by OESC;

(3) Wages and salaries which equal or exceed the average wage requirements in the Oklahoma Quality Jobs Program Act for the year in which the real property was placed into service; and

(4) Commencement of construction on or after November 1, 2007, to be completed within three (3) years from the date of commencement of construction. [**See**: 68 O.S. § 2902(B)(1)(e)].

(d) **Computer data processing, data preparation or information processing services provider; exemptions and qualification requirements.** Computer data processing, data preparation or information processing services providers classified in U.S. Industry Number 518210 of the North American Industrial Classification System (NAICS) Manual, 2017 revision, are eligible for exemption as outlined below:

(1) **Real and personal property exemption**. Except as otherwise provided by this subsection, any new, acquired, or expanded computer data processing, data preparation, or information processing services provider as described in subsection (d) of this Section may apply for real and personal exemptions under 68 O.S. § 2902 for each year in which new, acquired, or expanded capital improvements to the facility are made for assets placed in service not later than December 31, 2021.

(2) **Personal property exemption**. An establishment described by this subsection, the primary business activity of which is outlined in Industry No. 518210 of the NAICS Manual, 2017 revision, that has applied for and been granted an exemption for personal property at any time within five (5) years prior to November 1, 2021, may apply for exemption for items of eligible personal property to be located within improvements to real property and such real property and improvements having been exempt from ad valorem taxation prior to November 1, 2021 pursuant to 68 O.S. § 2902 if such personal property is placed in service not later than December 31, 2036. No additional personal property of such establishment placed in service after such date shall qualify for the exempt treatment otherwise authorized pursuant to this paragraph.

(3) **Exemption qualification requirements.** To qualify for exemption outlined in paragraphs (1) and (2) of this subsection, an eligible establishment as classified under this subsection must meet the following requirements:

(A) Net increase in annualized payroll of the applicant at any facility or facilities of the applicant in this state of at least Two Hundred Fifty Thousand Dollars ($250,000.00), which is attributable to the capital improvements, or

(B) Net increase of Seven Million Dollars ($7,000,000.00) or more in capital improvements, while maintaining or increasing payroll at the facility or facilities in this state which are included in the application, and

(C) The facility offers, or will offer within one hundred eighty (180) days of the date of employment of new employees attributable to the capital improvements, a basic health benefits plan to the full-time-equivalent employees of the facility, which is determined by the Department of Commerce to consist of the elements specified in subparagraph b of

paragraph 1 of subsection A of Section 3603 of this title or elements substantially equivalent thereto.

(D) The wage requirements of the Oklahoma Quality Jobs Program Act with respect to new direct jobs as set forth in paragraph (b)(5) of this Section.

(e) **Wind electric generation facility; exclusion as manufacturing facility.** Effective January 1, 2017, an entity engaged in the generation of electric power by means of wind, as described in the North American Industry Classification System No. 221119, shall not be defined as a qualifying manufacturing concern for purposes of the exemption authorized pursuant to Section 6B of Article X of the Oklahoma Constitution or qualify as a manufacturing facility as defined in this Section. While facilities which qualified for exemption pursuant to the filing of an exemption application before 2018 will be allowed to claim the exemption for any periods remaining in the five (5) years provided all qualification requirements are met, no initial application for exemption shall be filed by or accepted from an entity engaged in electric power generation by means of wind on or after January 1, 2018.

(f) **Review of facility eligibility.** To confirm eligibility, the Tax Commission may request any information from the applicant or require verification of any information as needed. Failure to produce or allow inspection of all information requested within thirty (30) calendar days of written notification may result in denial of the exemption application.

(g) **Requirements for acquired existing facility.** An acquired existing facility must be unoccupied for a period of twelve (12) months prior to acquisition for initial qualification. [**See:** Art. 10, Section 6B, Okla. Const. and 68 O.S. § 2902(A)].

(h) **Transfer of exemption.** If the ownership of a qualified facility currently enrolled in the exemption program changes during the five-year exemption period, the exemption shall continue in effect for the balance of the five-year period, so long as all other qualifications are maintained.

[**Source:** Added at 24 Ok Reg 2343, eff 6-25-2007; Amended at 19 Ok Reg 2029, eff 7-1-08; Amended at 29 Ok Reg 516, eff 5-11-12; Amended at 33 Ok Reg 1060, eff 8-25-16; Amended at 34 Ok Reg 2040, eff 9-11-17; Amended at 39 Ok Reg 2242, eff 9-11-22; Amended at 41 Ok Reg 1625, eff 8-11-24]

710:10-7-2.3. Delayed application of five year exemption period

(a) **General provisions.** Manufacturing facilities initially applying for exemption pursuant to Section 2902 of Title 68 on or after November 1, 2017 are eligible to delay the five-year period of exemption from ad valorem taxes to begin January 1 of the calendar year following the expiration of the ad valorem exemption or abatement provided through a tax incentive district established pursuant to the Local Development Act.

(b) **Definitions.** The following words and terms, when used in this Section shall have the following meanings unless the context clearly indicates otherwise:

(1) "**Act**" means the Local Development Act at 62 O.S. §§ 850 et seq.

(2) "**Exemption"** means the exemption authorized by Section 6B of Article X of the Oklahoma Constitution and Section 2902 of Title 68 of the Oklahoma Statutes.

(3) **"Manufacturing facilities"** means manufacturing facilities as defined in 68 O.S. § 2902(B)(1).

(4) **"Tax Commission"** means the Oklahoma Tax Commission.

(5) "**Commerce Department"** means the Oklahoma Department of Commerce.

(c) **Conditions of exemption delay**. In order to delay the exemption the following must occur:

(1) Creation pursuant to the Local Development Act of a tax incentive district and the governing body established by the Act must notify the Tax Commission and the Oklahoma Department of Commerce of the tax incentive district's creation by the time the manufacturing facility initially applies for exemption.

(2) A manufacturing facility must:

(A) Submit a completed OTC Form 900XM with the county for each of the five exemption years beginning with the initial year immediately following the initial qualifying use of the property in the manufacturing process adhering to current statutory filing requirements and deadlines.

(B) Indicate its intent to delay application of the five year exemption on the initial application for exemption by completing the applicable section of OTC Form 900XM.

(C) Meet all exemption criteria required by statute and outlined in (4) and (5) of subsection (b) of Section 710:10-7-2.2 and the following subparagraphs:

(i) Create at least 100 new jobs at the state index wage provided in Section 3604(F)(2) of Title 68; and

(ii) Invest at least 10 times the investment cost in new depreciable property required in Section 2902(B)(1) of Title 68.

(3) Preparation of a fiscal and economic impact of the project by the Commerce Department, in conjunction with the Tax Commission.

(4) In the event it is determined that the project has no adverse fiscal impact with a positive economic impact, referral to the Incentive Approval Committee created in Section 3603(b) of Title 68 for review of the project.

(5) Approval of the project by the Incentive Approval Committee for delay of exemption.

(6) Preparation of a contract between the Commerce Department and the manufacturing facility awarded the delay of exemption to be forwarded to the Ad Valorem Division of the Tax Commission for monitoring of the contract's terms and conditions.

(d) **Ineligibility of exemption delay**. The delay of the exemption shall not be available for the following

(1) Any job creation or investment of new depreciable property that occurred prior to November 1, 2017, or the date of the creation of the tax incentive district, whichever is later.
(2) Electric power generation facilities.

[**Source**: Added at 35 Ok Reg 2035, eff 9-14-18]

710:10-7-3. Strict compliance

All persons claiming or administering the manufacturing exemption provided for by the Constitution and the laws of this State shall strictly comply with the law and this Subchapter, under penalty of law, to the end that the objectives of the law be accomplished.

710:10-7-4. Qualifying manufacturing concerns exempt; forms

Qualifying manufacturing concerns as defined by law shall be exempt from the levy of any ad valorem taxes upon new, expanded or acquired manufacturing facilities for a period of five (5) years. Exemptions will be allowed only upon approved application filed with the county assessor for each year the exemption is requested on forms prescribed by the Oklahoma Tax Commission. The application shall be fully completed, sworn to and signed by the applicant, if an individual, or by a duly authorized officer or general partner or authorized agent of entities applying for the exemption. Authorized agents must file a Power of Attorney, OTC Form BT 129, with the initial and each annual application. Form BT 129 is available online at www.tax.ok.gov. Any additional information requested in writing by the county assessor, the County Board of Equalization, or the Oklahoma Tax Commission shall be furnished in a sworn and signed statement.

[**Source**: Amended at 23 Ok Reg 2809, eff 6-25-06; Amended at 24 Ok Reg 2343, eff 6-25-2007; Amended at 28 Ok Reg 931, eff 6-1-11; Amended at 29 Ok Reg 516, eff 5-11-12]

710:10-7-5. Date of qualification; application for exemption

(a) The period of exemption granted to qualifying manufacturing concerns shall be computed from the assessment date immediately following the initial qualifying use of the property in the manufacturing process and subject to the statutory requirements for qualification in place at the time of the initial qualifying use. Applicants may claim any remaining eligibility not to exceed five years from the initial qualifying use.
(b) When completion of a facility or facilities will occur after January 1 of a given year, a facility may apply to claim the ad valorem tax exemption for that year. If the facility is found to be qualified, the exemption shall be available for the entire year and shall apply to the ad valorem valuation as of January 1st of that given year.
(c) Qualifying manufacturing concerns owning facilities engaged in manufacturing in Oklahoma on the first day of January may file an application for ad valorem manufacturing exemption on or before March 15, or as otherwise

provided by law. Approved applications signed by the county assessor and the county board of equalization shall be filed by the county assessor with the Oklahoma Tax Commission no later than June 15 of the **TAX YEAR** in which the facility desires to take the exemption. Incomplete applications and applications filed after said date will be declared null and void by the Commission. [**See:** 68 O.S. § 2902(F); Article 10 § 22A Okla. Const.]

[**Source:** Amended at 14 Ok Reg 2670, eff 6-26-97; Amended at 15 Ok Reg 3451, eff 7-11-98; Amended at 18 Ok Reg 2796, eff 6-25-01; Amended at 22 Ok Reg 1523, eff 6-11-05; Amended at 23 Ok Reg 2809, eff 6-25-06; Amended at 19 Ok Reg 2029, eff 7-1-08; Amended at 28 Ik Reg 931, eff 6-1-11; Amended at 29 Ok Reg 516, eff 5-11-12]

710:10-7-6. Beginning date of exemption; failure to claim

The five-year period of allowable ad valorem manufacturing exemption for any qualifying manufacturing facility property shall begin on January 1 following the initial qualifying use of the property in the manufacturing process as provided by law. Failure to claim an exemption for which a qualifying manufacturing concern may be eligible shall not toll or extend the five-year period of allowable exemption. Any remaining eligibility for previously acquired assets may be claimed for the following year based on the initial year of acquisition. Oklahoma Constitution Article 10 Section 22A prohibits the filing of an exemption application for any prior year(s) beginning January 1, 2009. The application must be made in the same year as the exemption is requested.

[**Source:** Amended at 14 Ok Reg 2670, eff 6-26-97; Amended at 21 Ok Reg 2563, eff 6-25-04; Amended at 23 Ok Reg 2809, eff 6-25-06; Amended at 24 Ok Reg 2343, eff 6-25-2007; Amended at 26 Ok Reg 2323, eff 6-25-09]

710:10-7-7. Continuance of operation of all facilities

If a manufacturing concern which is engaged in business in this State or has property subject to ad valorem tax in this State is allowed an exemption upon new or acquired facilities, as provided by law, then constructs an additional manufacturing facility, at a different location from the existing facility or facilities, and is allowed an exemption for the new facility/facilities, the manufacturing concern must continue to operate all of its facilities during the five-year period of allowable exemption, or forfeit its exemption for all of its facilities.

[**Source:** Amended at 14 Ok Reg 2670, eff 6-26-97]

710:10-7-8. Property used in a manufacturing facility

Real and personal property exempted from ad valorem taxation pursuant to this Subchapter must be used directly and exclusively in the manufacturing process. **[See:** 68 O.S. § 2902(B)(2)]

[**Source:** Amended at 14 Ok Reg 2670, eff 6-26-97; Amended at 15 Ok Reg 3451, eff 7-11-98; Amended 22 Ok Reg. 1524, eff 6-11-05; Amended at 24 Ok Reg 2343, eff 6-25-2007]

710:10-7-9. Inventories not exempt

Inventories are not exempt from ad valorem taxation under the manufacturing exemption, although they may be exempted, in whole or in part by the provisions of Article 10, Section 6A of the Oklahoma Constitution, the "freeport" amendment.

710:10-7-10. Examination and inspection of property and records

Manufacturing facilities claimed for ad valorem manufacturing exemption, as well as facilities not claimed for exemption, in the case of expanded facilities, and all books, records and papers pertaining thereto, shall be made available by the owner for inspection by the county assessor or deputies, the County Board of Equalization, or authorized representatives of the Tax Commission. Failure or refusal by a property owner to allow inspection or to furnish all information requested or required within thirty (30) days from written notification, shall be reason for voiding the application for exemption, and the property shall be assessed from the best information available and the property owner shall be estopped from contesting the amount or validity of any assessment as to that property. [**See:** 68 O.S. § 2945]

[**Source:** Amended at 14 Ok Reg 2670, eff 6-26-97; Amended at 15 Ok Reg 3451, eff 7-11-98; Amended at 18 Ok Reg 2796, eff 6-25-01; Amended at 22 Ok Reg 1524, eff 6-11-05; Amended at 23 Ok Reg 2809, eff 6-25-06]

710:10-7-11. County assessor to make initial determination of status; examination and valuation of the facility; notice upon rejection

(a) The county assessor shall examine each application for the manufacturing exemption from ad valorem taxation and shall determine whether the facility is exempt under the law. In determining whether the exemption application is to be approved, the assessor shall, if necessary, make inspections, make a written request for additional information, or examine any person under oath as provided by law.

(b) The assessor shall complete the assessor's portion of each application, whether approved or rejected, and shall consecutively number each application, retain a copy, and deliver the original application, whether approved or rejected, to the County Board of Equalization, on or before the fourth Monday in April each year for its review. After the County Board of Equalization has approved or rejected the application, the original application shall be forwarded to the Oklahoma Tax Commission Ad Valorem Division by June 15th of the current year.

(c) If the manufacturer's application is approved, the assessor shall mark the Notice of Approval or Disapproval (OTC Form 900 XMA-B) "APPROVED" and notify the applicant at the address shown on the application. It shall then be the duty of the Oklahoma Tax Commission to make a physical inspection of each facility approved for the exemption, determine the fair cash value of the real property, if necessary, and the personal property separately, and to determine the assessed value of each by applying the assessor's assessment percentage to

that value. The Tax Commission shall then notify the county assessor of the valuation.
(d) If the county assessor finds that the exemption should not be allowed by reason of not being in conformity to the law, he shall mark the Notice of Approval or Disapproval (OTC Form 900 XMA-B) "DISAPPROVED", stating the reason for the disapproval, and shall notify the applicant at the address shown in the application. The notice shall be mailed on or before the fourth Monday in April. The assessor shall then immediately proceed to value and assess the property, as provided by law.

[**Source**: Amended at 23 Ok Reg 2810, eff 6-25-06; Amended at 28 Ok Reg 931, eff 6-1-11; Amended at 29 Ok Reg 516, eff 5-11-12]

710:10-7-12. County Board of Equalization to review

The County Board of Equalization shall review each application for manufacturing exemption from ad valorem taxation in the same time and manner as provided for reviewing homestead exemptions and shall give written notice to the applicant if the board disallows an exemption which had been allowed by the county assessor. The notice shall state the reason for the rejection and the board shall forward a copy of the notice to the Oklahoma Tax Commission, on forms prescribed by the Tax Commission.

[**Source:** Amended at 14 Ok Reg 2670, eff 6-26-97; Amended at 23 Ok Reg 2810, eff 6-25-06]

710:10-7-13. Hearings before County Board of Equalization

In case the county assessor or County Board of Equalization disallows or rejects an application for a manufacturing exemption from ad valorem taxation, the applicant may obtain a hearing before the Board of Equalization by filing a written complaint with the Secretary of said Board (the county clerk) within ten (10) days from the receipt of the notice. The complaint shall specify the grievances and the pertinent facts in relation the matter, and the County Board of Equalization shall conduct hearings, as provided by statute. The final decision of the County Board of Equalization must be sent to the Tax Commission on or before June 15. [**See:** 68 O.S. §§ 2895, 2902]

[**Source:** Amended at 14 Ok Reg 2670, eff 6-26-97; Amended at 22 Ok Reg 1524, eff 6-11-05; Amended at 23 Ok Reg 2810, eff 6-25-06; Amended at 29 Ok Reg 516, eff 5-11-12]

710:10-7-14. Appeal from Board of Equalization to district court

Taxpayers may appeal the decision of the county board of equalization in the same manner and subject to the same requirements as provided by law for appeals from the county board of equalization on questions of valuation of property. [**See**: 68 O.S. §§ 2880.1 2895, 2902]

[**Source:** Amended at 14 Ok Reg 2670, eff 6-26-97; Amended at 22 Ok Reg. 1524, eff 6-11-05; Amended at 23 Ok Reg 2810, eff 6-25-06; Amended at 40 Ok Reg 1250, eff 8-11-23]

710:10-7-15. Review; protest; appeal

(a) **Notice of erroneous exemption; assessment.** If the Tax Commission determines that an ad valorem manufacturing exemption has been erroneously or unlawfully granted to a manufacturing concern, in whole or in part, shall notify the appropriate county assessor, who shall, after notice to the applicant as required by law has been given, immediately value and assess the property and place the property on the tax rolls for Ad Valorem taxation. [**See:** Attorney General Opinion 03-16]

(b) **Notice to applicant.** The Tax Commission shall mail a copy of the notice pursuant to the terms of 68 O.S. § 208 to the applicant at the mailing address shown on the application. The copy shall notify the applicant of his right to protest the Commission's determination.

(c) **Protest.** Within sixty (60) calendar days after the mailing of the notice, the applicant may file with the Oklahoma Tax Commission, a written protest, under oath, signed by himself or his duly authorized representative, in the manner and subject to the requirements set out in 68 O.S. § 207 of the Uniform Tax Procedure Code. A copy of the protest shall be mailed or delivered by the applicant to the county assessor.

(d) **Law governing protest procedure.** The Applicant's right of protest, hearing and procedure to be followed shall be governed by the provision of the Uniform Tax Procedure Code. [**See:** 68 O.S. §§ 201, et seq. and the Rules of Practice and Procedure before the Office of Administrative Law Judges, promulgated at 710:1-5-20 through 710:1-5-49 of the Oklahoma Administrative Code.]

(e) **Appeal.** Appeals from the decision of the Oklahoma Tax Commission regarding any protest shall be made directly to the Supreme Court of Oklahoma, as provided by law.

[**Source:** Amended at 14 Ok Reg 2670, eff 6-26-97; Amended at 21 Ok Reg 2563, eff 6-25-04; Amended at 22 Ok Reg 1524, eff 6-11-05; Amended at 23 Ok Reg 2810, eff 6-25-06]

710:10-7-16. County recording procedure for assessment and tax rolls; reimbursement payments

The county recording procedure will separately show each approved "exempt manufacturing" facility, which shall include exempt research and development facilities, in its proper place on each real or personal assessment and tax roll, as other taxable property. Exempt property shall be designated as "exempt manufacturing" property, the tax calculated, and charged to the county treasurer. The Treasurer will not bill the owner or post any public notice of delinquent or unpaid tax pursuant to the exemption. The tax for all "exempt manufacturing" property in the county will be reimbursed to the county treasurer by the State Treasurer before the end of the fiscal year, or installment reimbursement payments if the Ad Valorem Reimbursement fund is insufficient to reimburse the full amount with one (1) payment, until the full amount is paid in full. All

reimbursements will be based upon a county claim for reimbursement. [**See:** Attorney General Opinion 03-16 and 62 O.S. § 193]

[**Source:** Amended at 14 Ok Reg 2670, eff 6-26-97; Amended at 21 Ok Reg 2563, eff 6-25-04; Amended at 22 Ok Reg 1525, eff 6-11-05; Amended at 23 Ok Reg 2810, eff 6-25-06]

710:10-7-17. Actual fair cash value

The fair cash value used for exempt manufacturing personal property for ad valorem tax purposes will be the amount determined by the Oklahoma Tax Commission. The fair cash value used for exempt manufacturing real property may be determined by the county assessor with the assistance and review of the Oklahoma Tax Commission.

[**Source:** Amended at 14 Ok Reg 2670, eff 6-26-97; Amended at 22 Ok Reg 1525, eff 6-11-05; Amended at 23 Ok Reg 2811, eff 6-25-06]

710:10-7-18. Designation on assessment roll; real property

The first year a manufacturing facility is allowed an ad valorem exemption, the real property is to be designated as XM-1 on the assessment roll under homestead exemptions allowed. The second year the exemption is allowed, XM-2 will be shown under homestead exemptions allowed for that year. The third, fourth and fifth year, the designation will be XM-3, XM-4, and XM-5, respectively. The sixth year, no designation will be shown, and the property will be assessed and taxed as other property.

710:10-7-19. Designation on assessment roll; personal property

Each exempt manufacturing personal property assessment shall be placed on the personal property assessment roll, as if it were taxable, except it shall be designated the first year the exemption is allowed, XM-1. The second year the exemption is allowed on the same property, the designation shall be XM-2, etc. The designation shall be entered under the less exemptions column.

710:10-7-20. Exemptions forwarded to tax rolls

Each real or personal "exempt manufacturing" assessment shall be forwarded to the proper tax roll and its "exempt manufacturing" designation (XM-1, etc.) shall be posted in the Treasurer's receipt number space, first half, and in addition, "TXM Reimbursement" shall be entered under " by whom paid " on the same line.

[**Source:** Amended at 14 Ok Reg 2670, eff 6-26-97]

710:10-7-21. Tax charge to County Treasurer

The tax shall be calculated and charged to the County Treasurer for each "exempt manufacturing" real and personal property.

710:10-7-22. Owner not billed for tax

The county treasurer shall not bill the owner of a manufacturing concern for the portion of ad valorem tax on "exempt manufacturing" property. The county treasurer shall send a copy of the tax bill to the Oklahoma Tax Commission Ad Valorem Division for notification purposes at the same time the tax bill would be otherwise sent to the taxpayer.

[**Source:** Amended at 14 Ok Reg 2670, eff 6-26-97; Amended at 21 Ok Reg 2563, eff 6-25-04; Amended at 23 Ok Reg 2811, eff 6-25-06]

710:10-7-23. No late payment charges

No late payment interest or penalty on county reimbursements will be charged to the State by the County Treasurer. No late penalty or interest shall be charged to the applicant upon the disallowance by the county or the Oklahoma Tax Commission of any assets properly claimed on the application.

[**Source:** Amended at 14 Ok Reg 2670, eff 6-26-97; Amended at 15 Ok Reg 3451, eff 7-11-98; Amended at 23 Ok Reg 2811, eff 6-25-06]

710:10-7-24. The county assessor's report to the County Excise Board; abstract of assessment

The exempt manufacturing valuations shall be included in the county assessor's Report to Excise Board (SA&I Form 263) and in the Annual Abstract of Valuation and Assessment (OTC Form 917), as for other properties.

[**Source:** Amended at 22 Ok Reg 1525, eff 6-11-05; Amended at 23 Ok Reg 2811, eff 6-25-06]

710:10-7-25. County claim for reimbursement; funding shortfall

Manufacturers tax exemption reimbursements are to have first priority before any other program utilizing the fund ear-marked for the "Five-year Ad Valorem Tax Exemption for Oklahoma Manufacturers. In the event of a shortfall of State funding, the county treasurer's would receive less than a full payment. In that event, the Oklahoma Tax Commission shall advise the county treasurer of the proportion to be applied to each tax bill. [**See:** Attorney General Opinion 03-16]

[**Source:** Amended at 14 Ok Reg 2670, eff 6-26-97; Amended at 22 Ok Reg 1525, eff 6-11-05; Amended at 23 Ok Reg 2811, eff 6-25-06]

710:10-7-26. Rulings of State Auditor and Inspector

Any specific instruction by the State Auditor and Inspector pertaining to recording or to the handling of public funds shall take precedence over the provisions of this Subchapter.

710:10-7-27. Revisions of rules [REVOKED]

[**Source:** Revoked at 15 Ok Reg 3451, eff 7-11-98]

SUBCHAPTER 8. EXEMPTION FOR CERTAIN OIL AND GAS PROPERTY UPON WHICH OKLAHOMA GROSS PRODUCTION TAX IS PAID

710:10-8-1. General provisions

The provisions of this Subchapter have been adopted for the purpose of compliance with the Administrative Procedures Act, 75 O.S. § 250 et seq., and to establish guidelines, as authorized by 68 O.S. § 1001.1, for the determination of properties exempt from ad valorem taxes under the terms of 68 O.S. §§ 1001(S) and (T) by payment of the "*in lieu*" gross production tax.

[**Source:** Added at 21 Ok Reg 2570, eff 6-25-04]

710:10-8-2. Exempt properties

(a) The following property shall be eligible for exemption from ad valorem taxation pursuant to the provisions paragraphs (S) and (T) of Section 1001 of Title 68:

(1) Wellhead equipment, including compression equipment that is used for injection purposes on enhanced oil and gas recovery projects or compression equipment actually used in the process of bringing oil or gas, or both, to the surface;

(2) Pumping units and any other devices designed to raise hydrocarbons to the surface;

(3) Tubing, casing and other downhole equipment;

(4) Lease production tanks, including flow tanks and water tanks;

(5) Production units, separators, heaters, treaters, and any other devices designed to remove water and contamination from the hydrocarbons which are located upstream from lease production tanks, custody transfer points, or where production is commingled with that of other leases;

(6) Flow lines going from the wellhead to production units, separators, heaters, treaters, and lease production tanks, including flow tanks and water tanks;

(7) Residue lines used to return processed gas to the lease for use in powering production equipment or for injection purposes. If the lines transport gas which is sold or used for any other purpose, only that percentage of the value of the lines that equals the percentage of the volume of gas used to power production equipment or for injection shall qualify for the exemption;

(8) Lease production meters;

(9) Miscellaneous production equipment, including but not limited to valves, piping, and electrical accessories; and,

(10) Disposal systems which are not for commercial purposes and wellbore and non-recoverable down-hole material, including casing, actually used in the commercial disposal of waste materials produced with oil and gas.

(b) Items enumerated in (a) of this Section are not intended to be exclusive or exhaustive.

[**Source:** Added at 21 Ok Reg 2570, eff 6-25-04; Amended at 34 Ok Reg 2040, eff 9-11-17]

SUBCHAPTER 9. MANUFACTURED HOMES

710:10-9-1. Listing and assessment of manufactured homes for ad valorem taxes

(a) **Manufactured homes subject to ad valorem taxation.** On the first day of January of each year, the county assessor of the county in which a manufactured home is located shall list, assess and tax such manufactured homes as required by the Ad Valorem Tax Code as it pertains to real and personal property. [See: 68 O.S. §§2811-2813] If a manufactured home is permanently affixed to the real estate, the title may be surrendered to Service Oklahoma for cancellation, in accordance with 47 O.S. § 1110, provided there is no outstanding lien recorded on the title. Thereafter, these homes will be assessed as other real property improvements.

(b) **New manufactured homes sold and properly registered between December 1st and January 31st.** New manufactured homes which are sold and properly registered between December 1st and January 31st pursuant to this subsection shall be exempt from ad valorem taxes for the assessment period beginning January 1st. [See: 710:10-9-4 for proper listing and assessment of used manufactured homes held for resale.]

(c) **New manufactured homes.** The purchaser of a new manufactured home will not be subject to ad valorem taxes until January 1st of the following year, if the new manufactured home is properly registered, titled, and tagged, as required by law.

(d) **Properly registered manufactured homes.** Manufactured homes properly registered as provided by 47 O.S. § 1117 with payment of applicable title, registration and excise taxes will not be liable for ad valorem taxes until the following tax year.

(e) **Improperly registered manufactured home remaining in this state in excess of 60 days.** A manufactured home improperly registered which remains in Oklahoma in excess of 60 days establishes taxable situs and will be assessed ad valorem taxes.

(f) **Information required.** Minimum data elements required for listing a manufactured home with a certified OTC Form 936, Manufactured Home Certificate are listed in 68 O.S. § 2813.

[**Source:** Amended at 12 Ok Reg 2603, eff 6-26-95; Amended at 20 Ok Reg 2154, eff 6-26-03; Amended at 38 Ok Reg 1510, eff 9-1-21; Amended at 40 Ok Reg 1250, eff 8-11-23; Amended at 43 Ok Reg, Number 20, effective 7-11-26]

710:10-9-2. License plates and decal (initial and annual) for manufactured homes

(a) The initial decal will be issued with the license plate as follows:

(1) If the manufactured home is not moving, the taxpayer is required to obtain a Manufactured Home Certificate 936 (OTC Form 936) from the county assessor of the county in which the manufactured home was assessed and taxed;

(2) The taxpayer should bring their registration papers and certificate of title to the county assessor's office and then to the treasurer's office to complete the Manufactured Home Certificate 936 (OTC Form 936);

(3) The county treasurer shall collect all current and delinquent ad valorem taxes due on the manufactured home and any delinquent special assessments due before issuance of a Manufactured Home Certificate 936 (OTC Form 936).

(b) The decal shall be obtained from the county treasurer in the county in which the manufactured home is located as follows:

(1) The taxpayer must pay all current and delinquent ad valorem taxes levied on the manufactured home and any delinquent special assessments due.

(2) The county treasurer then shall issue the decal as prescribed by Service Oklahoma.

(c) If the manufactured home is to be moved, the taxpayer shall be charged a registration fee by an operator licensed by Service Oklahoma (hereinafter "licensed operator"), in lieu of current ad valorem tax.

[**Source:** Amended at 13 Ok Reg 3093, eff 7-11-96; Amended at 15 Ok Reg 3451, eff 7-11-98; Amended at 19 Ok Reg 1205, eff 5-11-02; Amended at 40 Ok Reg 1250, eff 8-11-23]

710:10-9-3. Transfer of manufactured home with real property

When ownership of the manufactured home is transferred with the land upon which it is located with real property, the registration and certificate of title will be transferred in the new ownership as follows:

(1) The new owner will obtain a "Manufactured Home Certificate 936" (OTC Form 936) from the county assessor's office; and

(2) The new owner will present the "Manufactured Home Certificate 936" (OTC Form 936) to Service Oklahoma or a licensed operator who will prepare the registration and certificate of title pursuant to the rules and regulations of Service Oklahoma. A registration would not be issued unless the initial registration fee was never collected.

(3) All taxes due, as required by the statutes of Oklahoma, including the current year's ad valorem taxes, will be collected before issuance of the "Manufactured Home Certificate 936" (OTC Form 936). However, there will be no excise tax due on the change in registration and certificate of title.

(4) If the manufactured home owner has surrendered the title in accordance with 47 O.S. § 1110, no title work or OTC Form 936 will be required, provided the home is not being moved.

[**Source:** Amended at 12 Ok Reg 2603, eff 6-26-95; Amended at 15 Ok Reg 3451, eff 7-11-98; Amended at 20 Ok Reg 2154, eff 6-26-03; Amended at 21 Ok Reg 2563, eff 6-25-04]

710:10-9-4. Used manufactured homes held for resale; dealers

Used manufactured homes shall be exempt from ad valorem taxation if all the following requirements are met:

(1) The used manufactured home must be registered or assigned to a licensed Oklahoma manufactured home dealer.
(2) The used manufactured home is held for resale on a sales lot by a licensed Oklahoma manufactured home dealer on January 1st of the assessment year. The dealer shall be required, however, to obtain a current certificate of title (Title must be brought up in dealer's name.) and registration decal for any used manufactured home held for resale by January 31st in lieu of payment of ad valorem taxes. No certificate of title and registration decal shall be issued to the dealer without a completed "Manufactured Home Certificate 936" (OTC Form 936) in the dealer's name from the assessor's office in the county in which the manufactured home is located. A manufactured home held for resale without a current certificate and registration decal is subject to ad valorem tax on January 1st of the assessment year.
(3) A licensed Oklahoma manufactured home dealer must meet these qualifications:
(A) A lawful dealers license obtained from the Used Motor Vehicle and Parts Commission. The license permits the buying, selling, or exchange of manufactured homes;
(B) The licensed manufactured homes are bought, sold and exchanged at an established place of business in this state. An established place of business shall include the sales lot. A sales lot is an established place of business at which:
(i) The licensed manufactured home dealer places his inventory;
(ii) The licensed manufactured home dealer maintains his books and records on the sale of manufactured homes; and
(iii) The licensed manufactured home dealer buys for resale and sells or exchanges used manufactured homes.

[**Source:** Amended at 12 Ok Reg 2603, eff 6-26-95; Amended at 19 Ok Reg 1205, eff 5-11-02; Amended at 21 Ok Reg 2563, eff 6-25-04]

710:10-9-5. Exemption for persons in active military service-owned manufactured homes

(a) **Manufactured homes.** The manufactured home of an active duty nonresident service person residing in the State of Oklahoma in compliance with military orders is exempt from ad valorem taxation and is to be registered pursuant to the Oklahoma Vehicle License and Registration Act.
(b) **When exemption not applicable.** The provisions of subsection (a) of this Section do not apply when a serviceman establishes residency by the filing of a homestead exemption.

[**Source:** Amended at 12 Ok Reg 2603, eff 6-26-95; Amended at 21 Ok Reg 2563, eff 6-25-04; Amended at 40 Ok Reg 1250, eff 8-11-23]

710:10-9-6. Registration and ad valorem taxation of manufactured homes of

nonresident owners {REVOKED}

[**Source:** Amended at 12 Ok Reg 2603, eff 6-26-95; Revoked at 40 Ok Reg 1250, eff 8-11-23]

710:10-9-7. Moving manufactured homes

(a) **License plates.** Except as described in subsection (b), a current manufactured home license plate, in the form of a permanent metal or temporary dealer plate, is to be displayed at all times when upon a public roadway. [**See**: 47 O.S. § 1113(E)] An "M" tag is issued to manufactured home dealers and can only be used for the purchase and delivery of manufactured homes for the dealer's place of business. A "K" tag is an "in-transit" license plate issued to transporters and can be used only for transporting a new manufactured home or in the case of manufactured homes coming into Oklahoma from another state. Neither an "M" tag, nor a "K" tag may be used to transport a repossessed manufactured home, which requires use of a repossession affidavit.

(b) **Permit to transport or move; exceptions to payment of ad valorem tax paid in advance.** The Department of Public Safety shall **not** issue a permit to any person to transport or move a manufactured home without evidence of a current calendar year registration and decal on that manufactured home, except:

(1) To the holder of a dealer's license plate ("M" tag) issued by the Oklahoma Tax Commission;

(2) To the holder of a transporter's in-transit license plate ("K" tag) issued by the Oklahoma Tax Commission;

(3) In the case of a manufactured home which is in the state of Oklahoma for less than sixty (60) days and the tax receipts of the state in which residency is claimed are provided; or,

(4) When a properly-completed repossession affidavit, issued pursuant to the terms of Sections 1110 and 1126 of Title 47, has been obtained for use in moving a repossessed manufactured home to a secure location. [**See:** 47 O.S. § 1113(E)]

(c) **Ad valorem taxes.** Issuance of a permit to transport a manufactured home does not relieve the holder of a perfected security interest of the ultimate responsibility for the payment of ad valorem taxes in the county of origin. The repossession lender must obtain a Repossession Affidavit (OTC Form 737) before hiring a manufactured home transporter and has thirty (30) days from the date shown on the repossession affidavit to obtain an OTC Form 936 and pay any fees or taxes which may be due.

(d) **Required documentation.** In all instances other than those described in (1) through (4) of subsection (b), the Department of Public Safety will require that the following documentation be presented:

(1) A current registration and current year decal; or,

(2) A current OTC Form 936 may also be used, providing the current year decal is affixed. [**See:** 68 O.S.1997, § 2813]

[**Source:** Amended at 12 Ok Reg 2603, eff 6-26-95; Amended at 15 Ok Reg 3451, eff 7-11-98; Amended at 20 Ok Reg 2154, eff 6-26-03]

710:10-9-8. Manufactured homes subject to ad valorem assessment on real property; real property assessment records

(a) **Property subject to this regulation.** A manufactured home which is located on land owned by the owner of the manufactured home is subject to real property assessment.

(b) **Separation of records of value kept by county assessor**. [**See**: 68 O.S. §2813(B)] Records kept by the county assessor must comply with the following:

(1) The calculation of fair cash value will be located in a area on the record separate and apart from other improvement calculations.

(2) Compliance with this Section is met if the manufactured home is separately described and the value is set out separately from the land and other improvements located on the property.

(3) The Vehicle Identification Number (VIN) must be shown on an assessment record.

(c) **Applicability of this Section.** The requirements of this Section are subject to any superseding legislation or rulemaking governmental subdivision created by law to regulate the valuation and assessment of manufactured homes.

[**Source:** Amended at 12 Ok Reg 2603, eff 6-26-95; Amended at 21 Ok Reg 2563, eff 6-25-04]

710:10-9-9. Homestead exemption requirements; improper registration of title

(a) **Qualification for homestead**. An owner of a manufactured home may apply for homestead exemption if all the following requirements are met:

(1) The land and the manufactured home are in the ownership of the same person; or,

(2) The applicant for homestead exemption is residing in a manufactured home that is owned by someone else. The applicant must own the land that the manufactured home is located on to qualify for homestead exemption. The owner or agent of the owner must render the manufactured home to the county assessor as personal property; [See: OAC 710:10-9-10 and 710:10- 9-11] and,

(3) The owner of the land and manufactured home is residing upon the property and domicile thereon; and

(4) The owner meets the record ownership requirements for the land as set out in the Ad Valorem Tax Code to qualify for homestead exemption; and

(5) The land, improvements and manufactured home are valued and assessed as real property.

(b) **Registration and certificate of title**. The county assessor should refer any applicant for a homestead which presents improper registration of title to a licensed operator before approving the homestead application with an OTC Form 936 for proof of all taxes paid.

[**Source:** Amended at 12 Ok Reg 2603, eff 6-26-95; Amended at 21 Ok Reg 2563, eff 6-25-04]

710:10-9-10. Calculation of homestead exemption

The homestead exemption described by 710:10-9-9 shall be calculated as follows:

(1) The land is valued at fair cash value;

(2) The county assessor's current fractional assessment percentage is applied to the fair cash value of the land to obtain the assessment;

(3) The one-thousand dollar ($1,000) homestead exemption is deducted from the assessment of the land and the manufactured home; and

(4) Any excess homestead exemption value cannot be applied to the manufactured home if the manufactured home is assessed as personal property.

[**Source:** Amended at 12 Ok Reg 2603, eff 6-26-95; Amended at 19 Ok Reg 1205, eff 5-11-02]

710:10-9-11. Manufactured homes as personal property

(a) **Requirements.** A manufactured home will be valued and assessed as personal property when the following circumstances exist:

(1) The record owner of the land is not the owner of the manufactured home; or

(2) The manufactured home is registered and the certificate of title indicates that ownership is in the name of an individual other than the record owner of the land unless a valid bill of sale and an OTC Form 936 is produced; or

(3) The manufactured home is omitted from the assessment and tax rolls.

(b) **Examples.** The following are examples of instances wherein the manufactured home will be treated as personal property.

(1) Manufactured home owner rents space in manufactured home park.

(2) Manufactured home owner rents acreage in a platted or unplatted subdivision.

(3) Manufactured home owner places manufactured home on the land of a son, daughter or other relatives.

[**Source:** Amended at 12 Ok Reg 2603, eff 6-26-95]

710:10-9-12. Manufactured homes not registered or assessed for ad valorem taxation

(a) **Manufactured homes escaping ad valorem taxation for previous years.**

(1) The county assessor shall value and assess all manufactured homes in his/her county at fair cash value (market value) as prescribed by law.

(2) The county assessor or a duly appointed and authorized deputy is empowered to go upon any premises to view and appraise any manufactured home as prescribed by law.

(3) The county assessor or a duly appointed and authorized deputy may examine a person under oath in regard to the value of a manufactured home.

(4) A manufactured home shall not be valued and assessed for any assessment

year in which the manufactured home was previously assessed for ad valorem taxation in any other county in this state.

(b) **Assessment as omitted property; manufactured homes; omitted property; valued and assessed.**

(1) The county assessor shall place a value upon a manufactured home for each prior year omitted from the assessment and tax rolls. Upon the determination of the valuation for each prior year omitted, the county assessor shall assess the manufactured home by applying the assessment ratio percentage of the applicable prior year omitted against the valuation of the applicable prior years omitted. The number of prior years which a manufactured home shall be determined to be omitted from the assessment and tax rolls shall not exceed three (3) years. [**See:** Attorney General Opinion 00-23]

(2) When presented to the county assessor, county treasurer, licensed operator or the Department of Public Safety, a properly completed OTC Form 936 shall be conclusive as to the proper payment of ad valorem taxes for the current year of issuance and all prior years.

(3) A tax receipt shall not be conclusive as to the payment of current or prior years' taxes.

(c) **Manufactured homes not properly registered.** A manufactured home not properly registered as required by the Oklahoma Vehicle License and Registration Act will be entered upon the assessment roll and the tax roll as omitted property pursuant to the Ad Valorem Tax Code. A manufactured home not properly registered will be treated as omitted property for the prior years not to exceed three (3) years preceding the current year. The subsequent registration of a manufactured home by the owner, as required by the Oklahoma Vehicle License and Registration Act, after the county assessor lists and assesses the manufactured home as omitted property as required by the Ad Valorem Tax Code, does not entitle the owner to a one (1) year refund on the ad valorem taxes. The duties mandated by the Oklahoma Vehicle License and Registration Act and the Ad Valorem Tax Code are mandatory and mutually exclusive. That is, they operate independently of each other, which require that both the proper late registration fees be paid and also the ad valorem taxes be paid.

[**Source:** Amended at 12 Ok Reg 2603, eff 6-26-95; Amended at 19 Ok Reg 1205, eff 5-11-02; Amended at 21 Ok Reg 2563, eff 6-25-04; Amended at 40 Ok Reg 1250, eff 8-11-23]

710:10-9-13. Adding manufactured homes omitted in previous years to assessment and tax rolls

The procedure for adding manufactured homes to the ad valorem assessment and tax rolls, which has been omitted for previous years, shall be as follows: [**See:** Attorney General Opinion 00-23]

(1) **Notice of assessment.** The county assessor shall value the omitted manufactured home and give notice as prescribed by law.

(2) **Certificate of assessment (Extension of taxes against tax rolls).** The county assessor will complete a certificate of assessment of omitted property. Thereafter, the county assessor will forward the certificate of assessment to the county treasurer.

(3) **Calculation.** Calculation of taxes due is made in the following fashion:

(A) A fair cash value is to be placed on the manufactured home for each of the years omitted.

(B) The fractional assessment percentage of the years omitted is to be applied to the fair cash value of the years omitted.

(C) The mill levy of the appropriate years omitted is to be placed against the assessment for that particular year.

(D) If the manufactured home is omitted for more than one year, a certificate of assessment of omitted property will be calculated by the county assessor.

(E) The assessor will place the amount of taxes due upon the appropriate tax roll. The amounts will be noted by the year omitted. The treasurer will prepare a separate tax statement for each taxable year.

(4) **Proper mill levy.** The prior year(s) taxes will be calculated using the mill levy for the year omitted from the assessment and tax roll. The current year taxes will be calculated using the preceding year's mill levy unless the excise board has set the mill levy for the current year.

[**Source:** Amended at 12 Ok Reg 2603, eff 6-26-95; Amended at 21 Ok Reg 2563, eff 6-25-04]

710:10-9-14. Payment of taxes; proof of registration and failure to show proof of registration

(a) **Payment of excise tax.** The owner of a manufactured home that documents payment of titling and registration fees set out in the Oklahoma Vehicle License and Registration Act along with any applicable excise taxes authorized pursuant to the Oklahoma Vehicle Excise Tax Act will not be required to pay ad valorem taxes for the year of registration of the manufactured home. The manufactured home shall be valued and assessed for ad valorem taxes as provided by the Ad Valorem Tax Code on January 1st of the year following registration. [**See:** 68 O.S. § 2813]

(b) **Proof of registration; loss of registration and title; refusal to furnish proof of registration.**

(1) **Proof of registration.** The county assessor of the county where a manufactured home is located shall require proof of the following to assure proper payment of ad valorem taxes and fees:

(A) Proof of proper registration;

(B) Proof of payment of excise taxes, if applicable; and,

(C) Proof of payment of ad valorem taxes (OTC Form 936).

(2) **Loss of registration and certificate of title.** The procedure outlined in this paragraph will be utilized when an owner of a manufactured home seeks to

render it as personal property or the county assessor discovers it while listing and assessing property and the owner is unable to locate or find the registration and certificate of title.

(A) The county assessor is required to list and assess all taxable property located in the county on an annual basis. The lack of registration papers does not relieve the assessor of that duty.

(B) The county assessor shall proceed to place the manufactured home on the assessment and tax rolls as omitted property unless:

(i) The county assessor ascertains the manufactured home is on the assessment and tax rolls of the county;

(ii) The owner of a manufactured home presents the county assessor a Manufactured Home Certificate 936 (OTC Form 936) - RECEIPT OF TAXES PAID - from another county showing that no taxes are due for current or prior years. Thereafter, the county assessor will value the manufactured home as of January 1st of the subsequent year if its taxable situs is still within the county.

(iii) The owner of a manufactured home presents the county assessor a Manufactured Home Certificate 936 (OTC Form 936) - RELEASE OF TAXES PAID - from another county for the current year. Thereafter, the county assessor will value the manufactured home as of January 1st of the subsequent year if its taxable situs is still within the county.

(C) The county assessor shall refer those owners of manufactured homes who have failed to present their registrations and certificates of title to either the licensed operator or Service Oklahoma upon a determination of their taxable situs and assessment pursuant to (B) of this paragraph. If the title has been lost, the owner must apply for a duplicate title. A new registration will not be issued by a licensed operator.

(3) **Failure to present proof of registration.** Any person owning a manufactured home and failing to present satisfactory proof of registration of such manufactured home or who fails to make payment of ad valorem taxes upon demand by the county assessor of the county in which the manufactured home is located, upon conviction, shall be guilty of a misdemeanor.

[**Source:** Amended at 12 Ok Reg 2603, eff 6-26-95; Amended at 15 Ok Reg 3451, eff 7-11-98; Amended at 19 Ok Reg 1205, eff 5-11-02; Amended at 40 Ok Reg 1250, eff 8-11-23]

710:10-9-15. Preparation and content of assessment rolls

(a) **Authority to prescribe forms.**

(1) The Oklahoma Tax Commission is authorized by law to prescribe forms for the use of the county assessors in the ad valorem assessment process.

(2) The annual assessment roll prepared by each county assessor shall be prepared in such form as may be prescribed by the Oklahoma Tax Commission.

(b) **Assessment roll preparation and content.**

(1) **Real estate.**

(A) Land and improvements will be listed and valued separately on the assessment roll.

(B) An additional column contiguous to the land and improvement assessment will show the assessed value of the manufactured home.

(2) **Personal Property.** The manufactured home section of the personal property assessment roll shall be prepared by the method prescribed by law for personal property assessment roll.

[**Source:** Amended at 12 Ok Reg 2603, eff 6-26-95; Amended at 38 Ok Reg 1510, eff 9-1-21]

710:10-9-16. Preparation and content of tax rolls

(a) **Authority to prescribe forms.** The ad valorem tax rolls shall be made up as required by and in the form prescribed by the State Auditor and Inspector. The tax rolls shall contain such other information as may be required by the State Auditor and Inspector.

(b) **Tax rolls content.** The tax roll will show the presence of a manufactured home as prescribed by the State Auditor and Inspector. The taxes for the manufactured home will be calculated separate and apart from the land and other improvements.

[**Source:** Amended at 12 Ok Reg 2603, eff 6-26-95; Amended at 38 Ok Reg 1510, eff 9-1-21]

710:10-9-17. Procedure for calculation and payment of taxes

(a) The county assessor shall value and assess the manufactured home pursuant to the Ad Valorem Tax Code if the manufactured home is not listed on the assessment rolls. A manufactured home which has not been placed on the assessment rolls, obtained a license plate and annual decal, or has not been properly registered as required by law, shall be treated as omitted property for prior years, not to exceed three (3) years. However, a manufactured home shall not be treated as omitted property past the last valid OTC Form 936 presented to the county assessor.

(b) The county assessor will use the following procedure to determine the assessed valuation and taxes due for the current year on manufactured homes:

(1) The manufactured home will be valued and assessed separately from the land and other improvements;

(2) The county assessor shall complete a Manufactured Home Certificate 936 (OTC Form 936).

(c) Ad valorem taxes and special assessments shall be paid prior to a move within a county or to another county within the State of Oklahoma, or out of state. The county treasurer shall collect the following taxes:

(1) The estimated taxes due for the current year;

(2) Any taxes due for prior years as omitted property up to three (3) years;

(3) Any taxes due for prior years that are delinquent;

(4) Any other taxes due because of special assessments as prescribed by law.

(d) The county treasurer shall affix the tax receipt number and the decal number, and sign the Manufactured Home Certificate 936 (OTC Form 936) upon payment of all ad valorem taxes and special assessments due. This is the owners RECEIPT OF TAXES PAID.
(e) The Department of Public Safety shall not issue a permit to any person to transport or move a manufactured home, with the exception of holders of dealers license tags ("D" tag) or in-transit license tags ("K" tag), without evidence of payment for all the following:
(1) The required registration fees;
(2) The excise taxes due on such manufactured home, if applicable.
(f) If using OTC Form 936, the Department of Public Safety will require the tax receipt number to be affixed to the OTC Form 936 in the appropriate location.

[**Source:** Amended at 12 Ok Reg 2603, eff 6-26-95; Amended at 15 Ok Reg 3451, eff 7-11-98]

710:10-9-18. Required registration information; duties of county assessor and treasurer [REVOKED]

[**Source:** Amended at 12 Ok Reg 2603, eff 6-26-95; Revoked at 40 Ok Reg 1250, eff 8-11-23]

710:10-9-19. Obtaining a release of taxes paid for ad valorem tax liability before the subsequent move of a manufactured home from initial situs within the tax year

(a) **Release of taxes paid**. Requirements for obtaining a release of taxes paid before the subsequent move of a manufactured home from initial situs within the tax year are as follows:
(1) Current registration and current decal or payment of ad valorem taxes due for the current year and prior years.
(2) Possession of a Manufactured Home Certificate 936 (OTC Form 936) showing receipt of taxes paid, signed by a county assessor and county treasurer may also be used.
(b) **Issuance of release**. Procedure for issuing a release of taxes paid are as follows:
(1) Upon meeting the requirements for obtaining a release of taxes paid, the county assessor shall complete Manufactured Home Certificate 936 (OTC Form 936) and forward it to the county treasurer.
(2) The county treasurer shall check for any tax warrants from another county, and any special assessment or taxes delinquent on the manufactured home.
(3) The county treasurer shall collect any outstanding taxes or assessment due on the manufactured home.
(4) If no taxes are due, the county treasurer will place "NTD" in the space designated total estimated taxes due.
(5) The treasurer will sign and return the OTC Form 936 to the county assessor.
(6) The county assessor will sign the OTC Form 936 and forward the yellow copy of the release of taxes paid to the county assessor of the county in which

the new taxable situs of the manufactured home is to be located.

[**Source:** Amended at 12 Ok Reg 2603, eff 6-26-95; Amended at 15 Ok Reg 3451, eff 7-11-98; Amended at 20 Ok Reg 2154, eff 6-26-03; Amended at 40 Ok Reg 1250, eff 8-11-23]

710:10-9-20. Repossession of manufactured home where ad valorem taxes due

(a) **Repossession of a manufactured home listed, valued and assessed as real estate.**

(1) The repossessor of a manufactured home will have thirty (30) days from the date of the repossession affidavit to comply with the terms of this subsection. [**See:** 68 O.S. §2813]

(2) The requirements of a repossessor of a manufactured home listed, valued and assessed as real estate are as follows:

(A) The repossessor must be a holder of a perfected security interest on the manufactured home;

(B) The repossessor or his agent must be lawfully repossessing a manufactured home;

(C) The manufactured home must be valued and assessed as real estate on the assessment rolls.

(3) Procedures for issuance of an OTC Form 936 as a receipt for taxes paid are as follows:

(A) The county assessor will determine the assessment of the manufactured home apart from the real property and the other improvements thereon;

(B) The county assessor will determine the amount of taxes due upon the manufactured home apart from the real property and the other improvements thereon;

(C) The county assessor will determine the valuation and assessment of the manufactured home for any prior years omitted and calculate the taxes due on the manufactured home for those prior years;

(D) The county assessor will complete the required Manufactured Home Certificate 936 (OTC Form 936) and forward to the county treasurer;

(E) The county treasurer will add any delinquent taxes due on the manufactured home as described in Section 710:10-9-23;

(F) The county treasurer, upon the collection of all taxes due on the manufactured home, will sign the Manufactured Home Certificate 936 (OTC Form 936);

(G) The county assessor will assure that the applicant's signature (or written authorization to sign) is affixed to the Manufactured Home Certificate 936 (OTC Form 936);

(H) Only the completed Manufactured Home Certificate 936 (OTC Form 936) shall constitute the **receipt** for taxes paid.

(b) **Repossession of a manufactured home valued and assessed as personal property.**

(1) The requirements for obtaining an OTC Form 936 as a receipt for taxes paid on a repossessed manufactured home valued and assessed as personal property are set out in paragraphs (A) through (C) of this subsection. The repossessor of a manufactured home will have thirty (30) days from the date of the repossession affidavit to comply with the terms of this subsection.

(A) The repossessor must be a holder of a perfected security interest on the manufactured home;

(B) The repossessor or the agent must be lawfully repossessing a manufactured home; or

(C) The manufactured home is valued and assessed as personal property and currently on the personal property assessment rolls.

(2) Procedures for issuance of an OTC Form 936 as a receipt for taxes paid are as follows:

(A) The county assessor will determine current valuation and assessment of the manufactured home;

(B) The county assessor will determine the taxes due for the current year;

(C) The county assessor will determine the valuation and assessment of the manufactured home for any prior years omitted and calculate the taxes due for those prior years;

(D) The county assessor will complete the required Manufactured Home Certificate 936 (OTC Form 936) and forward to the county treasurer;

(E) The county treasurer will add any delinquent taxes due on the manufactured home as described in 710:10-9-23;

(F) The county treasurer, upon the collection of all taxes due on the manufactured home, will sign the Manufactured Home Certificate 936 (OTC Form 936);

(G) The county assessor will assure that the applicant's signature (or written authorization to sign) is affixed to the Manufactured Home Certificate 936 (OTC Form 936);

(H) Only the completed Manufactured Home Certificate 936 (OTC Form 936) shall constitute the receipt for taxes paid.

[**Source:** Amended at 12 Ok Reg 2603, eff 6-26-95; Amended at 15 Ok Reg 3451, eff 7-11-98; Amended at 19 Ok Reg 1205, eff 5-11-02]

710:10-9-21. Calculation of taxes due on repossessed or relocated manufactured home

Manufactured homes valued and assessed as real property; lawful repossession. The amount of taxes due on a manufactured home being repossessed by the holder of a perfected security interest, or his agent, which is located upon real property that qualified for a homestead January 1st, or is granted prior to repossession, will be calculated as follows:

(1) The assessed valuation of the manufactured home will be determined separately and apart from the land and other improvements;

(2) The appropriate mill levy will be applied against the assessed valuation of the manufactured home to determine the taxes due;

(3) The amount of homestead value in excess of the land value or other improvements shall not be applied to the assessment of the manufactured home.

[**Source:** Amended at 12 Ok Reg 2603, eff 6-26-95; Amended at 15 Ok Reg 3451, eff 7-11-98; Amended at 19 Ok Reg 1205, eff 5-11-02]

710:10-9-22. Collection of taxes on repossessed manufactured homes

(a) **County treasurer's authority to collect taxes on repossessed manufactured homes.** The Ad Valorem Tax Code allows the county treasurer to collect taxes due on a repossessed manufactured home separate from the land and improvement for the following years:

(1) The current assessment year; and

(2) The previous tax years.

(b) **Collection of taxes by the county treasurer for the current year.** The county treasurer is authorized to collect taxes due for the current assessment year from a lawful repossessor of a manufactured home who holds a perfected security interest based on the value of the manufactured home apart from land and improvements when valued and assessed as real estate. The taxes due for the current year shall be calculated as follows:

(1) The assessed value of the manufactured home apart from land and improvements will be calculated;

(2) The homestead exemption will be calculated as determined in Section 710:10-9-10, if applicable.

(3) The mill levy for the previous year will be applied to determine the amount of taxes due for the current year if the current year's mill levy is not calculated when the application for a Manufactured Home Certificate 936 (OTC Form 936) is made.

(4) The calculation of the current year's taxes for a manufactured home using the current mill levy will be substantially the same as outlined in paragraphs (1) through (3) of this subsection.

(c) **Collection of previous years' taxes by county treasurer.** The county treasurer is authorized to collect taxes on the manufactured home apart from the land and improvements when valued and assessed for a previous year. This does not relieve the treasurer of the duty to assess any interest and penalties due on the portion of taxes allocated to the manufactured home.

(d) **Determination of taxes after issuance of a resale tax deed.**

(1) The county treasurer shall issue a resale tax deed to a successful bidder at an original tax sale if the following conditions are met:

(A) The ad valorem taxes are unpaid as of January first of the subsequent tax year;

(B) The county treasurer shall give notice of the sale of tax lien for delinquent taxes, by publication thereof once a week for the two (2) consecutive weeks immediately prior to the third Friday in September following the year the taxes were first due and payable, in some newspaper in the county, to be designated by the county treasurer. The sale will be held on the second Monday of June each year.

(C) If a manufactured home is involved in the original sale, the notice of sale published by the county treasurer pursuant to (B) of this paragraph shall contain the following language (**See:** 68 O.S. §3106): "The sale hereby advertised involves a manufactured home which may be subject to the right of a secured party to repossess. A holder of a perfected security interest in such manufactured home may be able to pay ad valorem taxes based upon the value of the manufactured home apart from real property.

(D) The record owner as reflected by the tax rolls will be given notice by certified mail of the original sale. The county treasurer's office shall give notice of the sale stating the amount of delinquent taxes owed and informing the owner that the subject property will be sold as provided for in Section 3105 of title 68 if the delinquent taxes are not paid and showing the legal description of the property being sold.

(E) The person redeeming the property pays the full amount of the taxes, penalty, interest and costs due and unpaid. If there is no successful bidder, the county acquires all the rights both legal and equitable that any other purchaser could acquire by reason of said purchase. A person may acquire the county's legal and equitable right in the property by paying to the county treasurer the amount of all taxes, penalties, interest, cost of sale and transfer. Thereupon, the county treasurer will assign and deliver a resale tax deed to the purchaser. The county's right to the tax deed is subject to a holder of a perfected security interest right to redeem the manufactured home for the sale by paying a pro rata sales of the taxes, interest, penalties and cost due and unpaid.

(2) The county treasurer is authorized to prorate the payment of taxes, interest, penalties and cost due and unpaid for a holder of a perfected security interest exercising his right to redeem a manufactured home apart by the land and other improvements (**See:** 68 O.S. § 3105; 3105.1; 3106).

(3) The county treasurer is authorized to collect taxes, interest, penalties and cost from a person redeeming a tax certificate from a successful bidder, a purchaser of a county certificate or the certificate in the name of the county.

(4) Any person holding a tax lien pursuant to 68 O.S. §§ 3101 to 3125 prior to April 28, 2008 shall be authorized to continue the tax lien or tax certificate.

[**Source:** Amended at 12 Ok Reg 2603, eff 6-26-95; Amended at 19 Ok Reg 1205, eff 5-11-02; Amended at 26 Ok Reg 2323, eff 6-25-09]

710:10-9-23. Manufactured homes as personal property; delinquent taxes;

deeds in lieu of foreclosure; liens

(a) **Taxes due.** The county treasurer is authorized to collect all taxes due on the manufactured home before signing a Manufactured Home Certificate 936 (OTC Form 936). Taxes due will include:

(1) The current year's taxes due on a manufactured home;

(2) The previous year's taxes due from being omitted from the assessment and tax rolls;

(3) Taxes on the manufactured home that are due and owing from previous years.

(b) **Personal property; tax lien.**

(1) **Personal property lien.** The personal property lien shall be a lien on all real and personal property of a delinquent taxpayer for a period of seven (7) years when perfected as follows (**See:** 68 O.S. §3102):

(A) Within sixty (60) days after taxes on personal property shall become delinquent, the county treasurer shall;

(i) Mail notice to the delinquent taxpayer,

(ii) Publish one time in a newspaper of general circulation in the county;

(B) Thereafter, if not paid within thirty (30) days of publication, the taxes due will be entered upon the personal property lien docket.

(2) **Personal property lien priority.** Personal property liens are superior to all other liens, conveyances or encumbrances filed subsequent thereto, on real or personal property. (**See:** 68 O.S. §3103)

(c) **Deeds in lieu of foreclosure.**

(1) The owner of a mortgage, contract for deed or other instrument showing lien on the title of real property who accepts a deed in lieu of foreclosure may have tax liens upon the real property if:

(A) The grantor is delinquent upon real property taxes; or

(B) The grantor is delinquent upon personal property taxes. Remember that delinquent personal property taxes entered upon the personal property tax lien docket become a lien on all property of the taxpayer and may become a cloud on the title of real property.

(2) Taxes upon real property are a lien for seven (7) years from the date upon which a tax becomes due and payable. All taxes levied upon an ad valorem basis for each fiscal year shall become due and payable on the first day of November. (**See:** 68 O.S. §2913)

[**Source:** Amended at 12 Ok Reg 2603, eff 6-26-95]

710:10-9-24. Personal property tax lien against a manufactured home

(a) **Payment of taxes on manufactured home.** The Ad Valorem Tax Code allows the holder of a perfected security interest to pay the delinquent taxes of the repossessed manufactured home separate and apart from the land and other improvements. (**See:** 68 O.S. §2913)

(b) **Household personal property liens.** Manufactured homes will become subject to personal property liens, including household property liens, once the personal property is entered upon the personal property lien docket by the treasurer.
(c) **Policy statement; appraisal of manufactured homes.** The county assessor should include all built-in appliances and permanent fixtures with the valuation and assessment of the manufactured home, and not with the household personal property valuation and assessment.

[**Source:** Amended at 12 Ok Reg 2603, eff 6-26-95]

710:10-9-25. Tax warrant; unauthorized moving of manufactured home to another county

The following procedure shall apply in the event of unauthorized moving of a manufactured home.

(1) The county assessor will upon request notify the county treasurer of the following information available upon locating the real and personal property of the owner of a manufactured home that is entered upon the personal tax lien docket;

(A) The legal description of any real property located in the county;

(B) The location of any personal property located in the county;

(2) The county treasurer shall forward a copy of the record of an existing personal tax lien, with a demand that a warrant be issued, to the county treasurer of the county where the delinquent taxpayer resides, the delinquent manufactured home is located, or any other real or personal property of the taxpayer is located.

(3) The county treasurer of the county to which the personal tax lien and demand are forwarded will complete the statutory procedure as follows:

(A) A tax warrant will be issued for the collection of delinquent personal property taxes to the sheriff of that county;

(B) The tax warrant shall command the sheriff to collect the taxes due, with interest, penalties and cost.

(4) The sheriff will execute the tax warrant by levy upon the taxpayer as follows:

(A) A sheriff's sale of the manufactured home subject to any perfected security interest, liens, and encumbrances which are prior to the personal tax lien;

(B) A sheriff's sale of the manufactured home unless exempt from sale as the principal residence of the delinquent taxpayer pursuant to 31 O.S. §1(A)(2);

(C) A sheriff's sale of other personal property of the delinquent taxpayer unless exempt pursuant to 31 O.S. §1, as homestead personal property;

(D) A sheriff's sale of all real property, if the sale of personal property is insufficient to cover taxes, interests and costs, unless exempt as the homestead of the delinquent taxpayer pursuant to 31 O.S. §1(A)(1).

(5) The tax warrant shall be returned by the sheriff within sixty (60) days after its issuance.
(6) Upon receiving the total amount due from the sheriff, the county treasurer shall release the personal tax lien and forward the sum, less the lawful fees for collection, to the treasurer of the county where the tax lien originated.
(7) The county treasurer will use substantially the same procedure as outlined in this section for levy and execution within a county on personal tax liens. (**See:** 68 O.S. §3103)

[**Source:** Amended at 12 Ok Reg 2603, eff 6-26-95]

710:10-9-26. Unclaimed warrants on tax refunds

(a) The funds held by the county treasurer as a refund of taxes on a manufactured home will be governed by the Uniform Unclaimed Property Act. [**See:** 60 O.S. §651 et seq.]
(b) A tax refund unclaimed for three (3) years comes within the Unclaimed Property Act which states the following: *Intangible property held for the owner by a court, state or other government, governmental subdivision or agency, public corporation, or public authority which remains unclaimed by the owner for more than one (1) year after becoming payable or distributable is presumed abandoned*. [60 O.S. §657]

[**Source:** Amended at 12 Ok Reg 2603, eff 6-26-95]

710:10-9-27. Procedures for overages and underages on tax roll

(a) The county treasurer shall note in the margin of the column of the tax roll the following:
(1) The amount of the difference between the tax amount calculated on the tax rolls and the amount actually collected;
(2) The receipt number of the tax receipt which resulted in the difference; and
(3) The difference is the result of a Manufactured Home Certificate 936 (OTC Form 936) being issued.
(b) The county assessor will provide the county treasurer a copy of all Manufactured Home Certificates 936 (OTC Form 936) issued after the effective date of this Subchapter.
(c) In lieu registration payments shall be administered according to Tax Commission procedures for other such reimbursements, with approval of the State Auditor and Inspector's Office.

[**Source:** Amended at 12 Ok Reg 2603, eff 6-26-95; Amended at 15 Ok Reg 3451, eff 7-11-98]

710:10-9-28. Implementation and compliance [REVOKED]

[**Source:** Amended at 12 Ok Reg 2603, eff 6-26-95; Revoked at 15 Ok Reg 3451, eff 7-11-98]

SUBCHAPTER 10. VISUAL INSPECTION PLAN
PART 1. GENERAL PROVISIONS

710:10-10-1. Purpose

(a) Pursuant to 68 O.S. §2820(C), each county assessor shall develop a detailed visual inspection plan and conduct a continuing comprehensive program within their respective counties, and shall leave in place an on-going system which will effectively maintain property valuations in future years.

(b) Each county assessor shall submit a visual inspection plan, which conforms to the requirements described in 68 O.S. §2820(C) and the provisions of this Subchapter, to the Ad Valorem Division of the Oklahoma Tax Commission by the first working day in October preceding the January 1 beginning of a new four-year cycle. The county shall keep a copy of the approved visual inspection plan and any amendment(s) on file for the current four year-cycle and shall retain the plan for five years after the last year of this cycle.

(c) Following Tax Commission approval of the county visual inspection plan, the county assessor shall timely submit a copy of the approved visual inspection plan to each school superintendent within the county.

[**Source:** Added at 14 Ok Reg 2670, eff 6-26-97]

710:10-10-2. Definitions [RESERVED]

[**Source:** Added at 14 Ok Reg 2670, eff 6-26-97]

710:10-10-3. Elements required of the visual inspection plan

(a) Prior to the beginning of the first four-year visual inspection cycle and each subsequent visual inspection cycle, the county assessor shall develop a detailed visual inspection plan, to be submitted to the Oklahoma Tax Commission, which shall contain the comprehensive elements set out in (1) through (10) of this Section.

(1) The county assessor shall develop a plan that specifies the number of real property parcels to be inspected in each year of the cycle.

(2) The county assessor shall further detail the number of real property parcels to be inspected in each year of the cycle by use category.

(3) The county assessor shall designate in this plan the number of real property parcels to be inspected and covered in each year of the cycle by geographic area.

(4) The county assessor shall develop a visual inspection plan that describes the resources and proposed budget to complete the four year visual inspection.

(5) The county assessor shall propose a detailed plan to complete the valuation methodology to be used in determining the fair cash value of the property and improvements thereon.

(6) The plan shall be adequate to ensure the visual inspection of all parcels of property within the county at least once each four-year cycle.

(7) The plan shall also be adequate to ensure that the information collected from the visual inspection of real property each year is sufficient to establish a representative sample from each use category in order to conduct the proper valuation of all taxable property within each use category.
(8) The plan shall also be adequate to ensure that the information collected from the visual inspection of real property each year is sufficient in order to conduct the proper valuation of all taxable property by means of an accepted standard(s) established by the Oklahoma Tax Commission for mass appraisal practice.
(9) The county assessor shall allow the Oklahoma Tax Commission to review copies of all contracts using monies from the visual inspection fund.
(10) The county assessor shall attest that all funds in the visual inspection program are being used exclusively to carry out the visual inspection program as authorized by 68 O.S. § 2820 et. seq.

(b) The Oklahoma Tax Commission shall approve or reject the plan in writing. The plan and resources need to be detailed to assure completion of the cycle. The plan will result in a representative sample from each use category in order to value all taxable property each year. If rejected by the Tax Commission, the county assessor shall correct and modify the plan in order to establish a program for visual inspection that shall be completed by the end of the cycle.
(c) An approved plan shall be in place for each county as of January 1 of the first year of each cycle and a copy of such plan shall be filed with the Ad Valorem Division of the Oklahoma Tax Commission.
(d) The county assessor shall submit the proposed plan to the Ad Valorem Division of the Oklahoma Tax Commission by the first working day in October preceding the beginning of the four-year cycle.

[**Source:** Added at 14 Ok Reg 2670, eff 6-26-97; Amended at 18 Ok Reg 2796, eff 6-25-01; Amended at 19 Ok Reg 1205, eff 5-11-02]

PART 3. PLANNING AND ORGANIZATION

710:10-10-10. Administrative

(a) Submission of a list of detailed administrative objectives shall be required as an essential component of the visual inspection plan.
(b) Each county assessor in the state shall annually prepare an assessment roll, which shall be generated by the counties in a format prescribed by the Oklahoma Tax Commission pursuant to title 68 O.S. §2842.
(c) The Oklahoma Tax Commission shall provide a standard visual inspection template which may be utilized by all counties.

[**Source:** Added at 14 Ok Reg 2670, eff 6-26-97; Amended at 15 Ok Reg 3451, eff 7-11-98]

710:10-10-11. Work allocation

The county shall list in the visual inspection plan all in-house and contracted work allocations.

[**Source:** Added at 14 Ok Reg 2670, eff 6-26-97]

710:10-10-12. Mapping

(a) The Mapping Program shall include a comprehensive, continuous cadastral mapping schedule that shall be based upon use of State standards (68 O.S. §2821) summarized as follows:

(1) On-going collection, maintenance and inventory for the mapping program.

(2) Use of the most recent aerial photographs furnished by the State of Oklahoma or obtained from other sources, provided that they comply with established mapping standards.

(3) Data concerning soil type and soil use.

(b) The mapping software utilized by the county must function to display the following:

(1) Boundaries of all parcels, whether the parcels are taxable or nontaxable.

(2) Parcel dimensions and/or acreage.

(3) Lot and block number and, if scale permits, names and boundaries of subdivisions and plats.

(4) Boundaries of political subdivisions, i.e., county, city, town.

(5) Boundaries of geographic subdivisions, i.e., section, township and range, government lot boundaries and numbers, land districts, land lots and numbers.

(6) Location and names of roads, streets, highways, alleys, railroads, rivers, lakes and other such features.

(7) Printed maps with title block, publish date, legend, north arrow and map scale.

(c) The above information shall be used as a minimum with other supplemental information that may also be included for cadastral mappings.

[**Source:** Added at 14 Ok Reg 2670, eff 6-26-97; Amended at 15 Ok Reg 3451, eff 7-11-98; Amended at 35 Ok Reg 2035, eff 9-14-18]

710:10-10-13. Public relations [REVOKED]

[**Source:** Added at 14 Ok Reg 2670, eff 6-26-97; Revoked at 15 Ok Reg 3451, eff 7-11-98]

710:10-10-14. Organization chart

An organizational chart for the entire office, by position, shall be listed in the visual inspection plan. In addition, a copy is to be retained by the assessor for office use and reference.

[**Source:** Added at 14 Ok Reg 2670, eff 6-26-97; Amended at 15 Ok Reg 3451, eff 7-11-98]

710:10-10-15. Provisional support

(a) The Oklahoma Tax Commission, along with other State and County Government offices, shall provide administrative support to the office of the county assessor during the visual inspection program. These services may include:

(1) Fiscal services may be made available by the State Auditor and Inspector, County Treasurer, County Clerk, and County Budget Maker.

(2) Procurement of supplies and equipment may be handled by the County Purchasing Agent.

(3) Legal counsel may be available from the District Attorney.

(4) Property transfer data and records may be obtained from the County Clerk.

(b) All of the agencies described in this Section shall be listed in the visual inspection plan as provisional administrative support for the county.

[**Source:** Added at 14 Ok Reg 2670, eff 6-26-97]

PART 5. DIRECTION AND GUIDANCE

710:10-10-20. Production rate

The Oklahoma Tax Commission shall provide a standard chart range in the visual inspection template for this production rate. These estimates assume field personnel shall be measuring and verifying information on each existing property record card. Each house and all improvements shall be verified each cycle; no "drive-by" inspections are contemplated. For field data collection on new construction, parcel production levels shall be lowered by 50% or more. A daily production rate record is recommended for each data collector.

[**Source:** Added at 14 Ok Reg 2670, eff 6-26-97; Amended at 15 Ok Reg 3451, eff 7-11-98]

710:10-10-21. Valuation methodology

(a) The information set out in this Section, related to valuation methodology and the valuation process, shall be listed in the visual inspection plan.

(b) The first phase of the valuation methodology shall be data analysis components. With the gathering of all physical data and an analysis of all market/economic data, an appraised value shall be calculated by computer-assisted mass appraisal system (C.A.M.A.) for each property. All three approaches shall be considered, depending upon the applicability of these approaches to specific properties or classes of property, including the sales comparison approach, cost approach, and the income approach. After choosing the best approach, the final valuation shall be carefully reviewed and field checked for accuracy. A check shall be made for any changes which have occurred to properties since the time of the original or last field inspection. In most cases, the sales approach shall receive the most attention.

(c) All taxable personal property, except intangible personal property, personal property exempt from ad valorem taxation, or household personal property, shall be listed and assessed each year at its fair cash value, estimated at the price it would bring at a fair voluntary sale, as of the first day of January. If any real property

shall become taxable after January 1 of any year, the county assessor shall assess the same and place it on the tax rolls for the ensuing year, as required by 68 O.S.1991, §2817(A).
(d) Upon completion of the valuation process, the county shall be responsible for a careful review of the estimates for each appraised parcel. This review and inspection shall be conducted by members of the appraisal staff to identify any errors which may have occurred and to ensure the accuracy and quality of the data collected. The county shall consider the indicated value of the structure and indicated value of the land against sales information concerning comparable parcels. The reviewer shall ensure that each property has been valued in relation to other properties and in accordance with state statutes and shall be assessed for ad valorem taxation based upon the highest and best use for which such property was actually used. This shall be completed without delay before the change of value notification deadline.

[**Source:** Added at 14 Ok Reg 2670, eff 6-26-97]

710:10-10-22. Valuation of land

(a) The information set out in this Section, related to fair cash valuation of land, shall be specified in the visual inspection plan.
(b) A separate estimate or appraisal of the "fair market value in money" shall be made for each parcel of non-agricultural land as if vacant. The sales data covering fair market sales of vacant non-agricultural land in all property classifications shall be secured from all available sources and shall be compiled, checked, and analyzed for use in the determination of non-agricultural land values and their unit of comparison throughout the county.
(c) The county shall carefully consider all factors affecting the value of land, such as zoning, location, shape, size, topography, access to railroads, roads, waterways, present use, etc., and appropriate allowances made in establishing final values.
(d) Land value computations shall be made in accordance with the three categories described in (1) through (3) of this subsection:

(1) Computations for residential property shall refer to front foot, square foot, per acre, or per lot values.

(2) Computations for commercial property shall refer to front foot, square foot, per lot, or per acre values.

(3) Computations for industrial property shall refer to square foot or per acre values.

(e) All established base land values shall be recorded on the appropriate fields of the record card and carefully checked for accuracy. All appraisals of land values shall be reviewed with the same accuracy and diligence as the buildings in conjunction therewith. Land values shall be established before field inspection begins and reviewed after data entry has been completed.

[**Source:** Added at 14 Ok Reg 2670, eff 6-26-97; Amended at 15 Ok Reg 3451, eff 7-11-98]

710:10-10-23. Improved property

Material related to cost estimates, depreciation, and local market adjustment factors shall be included in the visual inspection plan. The county shall make a careful analysis of the replacement cost of newly constructed buildings and analyze local sales data in order to arrive at appropriate cost estimates, depreciation percentages and the two local market adjustment factors required to calibrate the cost system. The county shall study and analyze the useful life expectancies and observed condition of recently sold buildings in the preparation of value. The market sales data shall receive the most attention in most cases.

[**Source:** Added at 14 Ok Reg 2670, eff 6-26-97]

710:10-10-24. Exterior inspection

These details set out in this Section, pertaining to visual inspection and data collection shall be listed in the visual inspection plan:

(1) The county shall inspect the exterior of each improved structure. As to any residential property, interior data that is necessary for accurate appraisal information shall be obtained through personal interviews when possible. Construction features, characteristics, appendages, accessory buildings or irregularities for each property shall be recorded on the data collection card. Grade classification shall be expressly considered and state appraisal manual guidelines shall be followed as appropriate for each building appraisal. Periodic inspections of work of all appraisal personnel shall be made by the project supervisor in the grading (or classifying) of dwellings to ensure correct, uniform, and consistent grade classification use.

(2) A perimeter sketch of each residential building shall be drawn (if not already done) in the graph space provided on the data collection card together with all dimensions and identification symbols. Appendages such as attached garages, porches, and similar structures shall be carefully shown with all dimensions, and labeled. All other requested information on the approved data collection sheet or C.A.M.A. field card shall be furnished.

[**Source:** Added at 14 Ok Reg 2670, eff 6-26-97]

710:10-10-25. Multi-family income producing property

Information related to income-producing, multifamily residential properties shall be listed in the visual inspection plan. All income-producing, multifamily residential properties shall be inspected and appraised from schedules and guidelines as set out in state rules and regulations. All building features, components, and characteristics shall be identified, measured, listed and recorded. The year of construction of the building shall be obtained and listed. Other improvements such as paved drives, fencing, pools, patios, and similar structures shall be identified, measured and listed. Occupancy units of each building shall be determined at the time of inspection and recorded along with any other pertinent information that could affect value or be used as the basis for

units of comparison. Rental data or other information affecting the data collection card shall be requested from either owners or tenants. All three approaches to value shall be used where applicable with the sales comparison approach having the most weight. The appraised value of all properties shall be critique during final review by supervisory personnel and adjustments or corrections made where applicable.

[**Source:** Added at 14 Ok Reg 2670, eff 6-26-97]

710:10-10-26. Commercial/Industrial property

As part of the visual inspection plan, all commercial / industrial properties shall be inspected and appraised from schedules and guidelines as set out in the most current State of Oklahoma Commercial Appraisal Manual, and all building features, components, or characteristics, as outlined therein, shall be identified, measured and listed. The year of the building construction shall be obtained and listed. Other improvements, such as paved drives, fencing, mechanical features and equipment, and similar structures, shall be identified, measured and listed. Occupancy of each building shall be determined at the time of inspection and recorded along with other pertinent information that could affect value. Appraisal procedures of listing, measuring, and year built shall be followed as detailed in the commercial/industrial property manual. Lease or rental information shall be requested from either owners or tenants, when applicable. The income approach, the cost approach, and the sales comparison approach shall be considered in arriving at the final property value, when sufficient data is available. The appraisal of all commercial property shall be supported by detailed computations.

[**Source:** Added at 14 Ok Reg 2670, eff 6-26-97]

710:10-10-27. Agricultural property

(a) All agricultural properties shall be inspected and appraised from schedules and guidelines as set out in 68 O.S. §2817(C) and shall be listed in the visual inspection plan. A sketch of the dwelling and the outbuildings shall be drawn, showing all structures and buildings in proper size and location including dimensions and suitable symbols used to identify each building. All farm and urban dwellings with other improvements shall be described and valued in the same manner. The object being to establish a fair, equitable, and realistic value by comparison with other like properties, and to maintain the same level of market values placed on all other classes of property within the county.

(b) The use value of agricultural land shall be based on the income capitalization approach using cash rent. The rental income shall be calculated using the direct capitalization method based upon factors including; soil type, soil productivity and use categories, using the same methodology that Center for Local government Technology (CLGT) prescribes.

(c) Agricultural land shall be valued according to the specifications set forth by 68 O.S. §2817(C). The agricultural "per point system" mandated for use by the State

shall be adjusted annually as determined necessary and applied to all agricultural parcels within the county. Each soil type shall be identified for every agricultural parcel using the latest published soil survey of the county from the U.S. Natural Resources Conservation Service (NRCS). The acreage of each soil type shall be calculated and its usage determined both by physical inspection and by using the most recent aerial photographs available. A detailed report indicating each soil type, its usage, number of acres of each soil type, value per acre of each soil type and total calculated value of each soil type and total value of the land shall be provided on each defined agricultural parcel within the county.
(d) A methodology was adopted by the State Board of Equalization that gives 75 percent weight to the rental value of agricultural land and 25 percent weight to the sales value of land.

[**Source:** Added at 14 Ok Reg 2670, eff 6-26-97]

710:10-10-28. Notification of valuation changes; hearings

(a) Information and procedures related to valuation changes shall be included in the visual inspection plan. Notices shall then be mailed to all property owners having an increase in valuation. The notice shall include the fair cash value, taxable value, assessed value and the assessment percentage for the current and previous year. [See: 68 O.S. § 2876]
(b) The taxpayer shall have thirty (30) calendar days from the date the notice was mailed to file a written complaint with the county assessor. A taxpayer may even file a complaint if the valuation of property has not increased or has decreased from the previous year if the complaint is filed on or before the first Monday in May, as required by 68 O.S. §2876(E). In addition to filing a written protest or complaint, the taxpayer must also file the applicable form for the listing and assessment of real and personal property provided for in 68 O.S. § 2835. In the event the taxpayer fails to file the required form, a presumption shall exist in favor of the correctness of the county assessor's valuation in any appeal to the county assessor's valuation. At the time of filing a protest pursuant to this Section, the county assessor shall provide the taxpayer a standard schedule prepared by the OTC which includes all deadlines and the consequences of failing to meet each deadline.
(c) Staff members in each county shall conduct informal hearings to resolve any errors in appraisal or assessment. Informal decisions by the assessor may be appealed to the County Board of Equalization within ten (10) working days of the date the decision is mailed.

[**Source:** Added at 14 Ok Reg 2670, eff 6-26-97; Amended at 15 Ok Reg 3451, eff 7-11-98; Amended at 34 Ok Reg 2040, eff 9-11-17; Amended at 40 Ok Reg 1250, eff 8-11-23]

710:10-10-29. Safety procedures [REVOKED]

[**Source:** Added at 14 Ok Reg 2670, eff 6-26-97; Revoked at 15 Ok Reg 3451, eff 7-11-98]

PART 7. CONTROLS AND EVALUATION

710:10-10-40. Property inspection

Information related to effective dates shall be registered in the visual inspection plan. The visual inspection shall begin on January 1 and end on December 31, using a calendar year, in the proper four-year cycle coverage. This visual inspection plan shall detail the number of property parcels to be inspected in each year of the four-year cycle by use category, geographic area. The visual inspection plan shall be adequate to ensure the visual inspection of all parcels of property within the county at least once every four years and may include provisions for follow-up visits. The county shall use only a state approved property record cards.

[**Source:** Added at 14 Ok Reg 2670, eff 6-26-97; Amended at 19 Ok Reg 1205, eff 5-11-02]

710:10-10-41. Color-coded maps required

(a) A color-coded map is required with assigned colors legend to show each area of visual inspection. The first year of the visual inspection map shall be colored blue, second year green, third year red, and the fourth year shall be colored yellow. One map shall be retained in the assessor's office and one sent to the Ad Valorem Division with the completed visual inspection plan.

(b) One copy of the visual inspection map is to be retained in the assessor's office for administrative use, and shall be updated with respect to the colored codes as calendar year in which the property is inspected proceeds.

[**Source:** Added at 14 Ok Reg 2670, eff 6-26-97]

710:10-10-42. Coverage

(a) The visual inspection plan shall estimate the total number count of property parcels to be inspected by use category and geographic area, including exempt parcels and the number to be inspected each year. The plan shall include ranges, townships, and school districts. If the actual number of parcels inspected is close (generally 2% to 5% of the estimated parcels to be inspected in the county's visual inspection plan for that year), the county is not required to file an amended visual inspection plan for the following year.

(b) If a newly elected or appointed assessor discovers the need to modify the approved visual inspection plan, a time period of 90 days will be allowed from the date they take office, in which an amended plan may be filed with the Oklahoma Tax Commission Ad Valorem Division.

[**Source:** Added at 14 Ok Reg 2670, eff 6-26-97; Amended at 19 Ok Reg 1205, eff 5-11-02]

710:10-10-43. Sample of use categories

The visual inspection plan shall be adequate to ensure that the information collected from the visual inspection of property each year is sufficient to establish a representative sample from each property use category. To ensure the proper

valuation practice of all taxable properties within each use category, an accepted standard for mass appraisal shall be used.

[**Source:** Added at 14 Ok Reg 2670, eff 6-26-97; Amended at 19 Ok Reg 1205, eff 5-11-02]

710:10-10-44. Computer-assisted mass appraisal

(a) Data related to computer-assisted mass appraisal shall be listed and described in the visual inspection plan. The counties shall use computer-assisted mass appraisal (C.A.M.A.) to value all properties and the depreciation. The C.A.M.A. system provides the county with C.A.M.A. support and provides cost, market, and income valuation support. The C.A.M.A. system is capable of valuing residential, commercial, industrial, agricultural and special purpose real estate. The visual inspection plan shall have quality assurance, performance analysis and data accuracy control for the data entry.
(b) The records control section shall check all property record cards for missing data and similar errors. All incomplete or incorrect record cards shall be returned to the field division for correction. Random reinspection of all properties shall be conducted by personnel to check on the accuracy of the data collection.
(c) The operation of the data system shall be the responsibility of the in-house personnel who shall not only receive, store, and dispense the data, but shall also review it for accuracy and be responsible for monitoring all data used in the program. A back-up of C.A.M.A. shall be done daily.
(d) The counties shall have the capability of valuing all taxable property annually.
(e) There shall be no modifications in the state provided CAMA systems without approval from the Ad Valorem Division.

[**Source:** Added at 14 Ok Reg 2670, eff 6-26-97]

710:10-10-45. Sales questionnaire

(a) The county shall develop a comprehensive sales data collection program using the latest approved sales questionnaire. Any correspondence which accompanies the sales questionnaire shall define the purpose and intent of the questionnaire in a manner which fully and completely promotes its effectiveness. This questionnaire and other data may be mailed to at least one or more data sources, including those set out in (1) through (8) of this subsection:

(1) Buyers of real estate.
(2) Sellers of real estate.
(3) Real estate brokers or agents.
(4) Mortgage companies or other lending institutions.
(5) Builders.
(6) Real estate appraisers.
(7) Attorneys and other third parties who have knowledge of the transaction.
(8) Real estate sales listings.

(b) The sales questionnaire phase shall be on-going throughout the visual inspection cycle and shall be listed in the plan. Sales questionnaires should be sent

as soon as possible (generally, within two or three weeks) after being notified of the sale. A follow-up questionnaire is recommended if no response is received within 30 days.
(c) When in the field, a detailed interview shall be conducted (when possible) with the resident, in-lieu of an interior inspection of each home. During field inspections, when data is in doubt and no one is home, an attempt should be made to gather additional information. In most cases, an interior inspection may be performed when a new house is under construction.
(d) Since the data collection process occurs over an extended period and property characteristics may change during that period, a sales data maintenance program shall be established. C.A.M.A. sales files shall be maintained at all times. The principle means of data maintenance shall be monitoring building permits issued in the county. If permits are not available, other monitoring means shall be set up.
(e) Each county assessor shall utilize the information gathered from the visual inspection of real property conducted during each year of the four-year cycle, 68 O.S.1991, §2829(C).

[**Source:** Added at 14 Ok Reg 2670, eff 6-26-97; Amended at 15 Ok Reg 3451, eff 7-11-98]

PART 9. PERSONNEL

710:10-10-50. Employee training and education

A training program shall be developed and included in the visual inspection plan, which shall teach basic data collection procedures. Actual training shall be provided by in-house personnel to new employees and on a continuing basis to existing employees. Appraisers or any staff members may be sent to IAAO or related courses on a regular basis to supplement training and education offered by the State. The Ad Valorem Division of the Oklahoma Tax Commission will offer training sessions on a regular basis.

[**Source:** Added at 14 Ok Reg 2670, eff 6-26-97]

710:10-10-51. Employee accreditation

The visual inspection plan shall reflect the information that the Oklahoma State University Center for Local Government Technology (CLGT) shall provide for accreditation and for an advanced accreditation program for all employees or personnel involved in the actual appraisal of real property, as prescribed by 68 O.S.1991, §2816.

[**Source:** Added at 14 Ok Reg 2670, eff 6-26-97]

710:10-10-52. Job description

The assessor shall keep a job description of each staff position in the office. The assessor shall outline procedures, policies, responsibilities and all standards to be followed. The outline description shall be reviewed when hiring, presenting annual

reviews or as needed. It shall include required knowledge, skills, abilities and minimum qualifications needed for the job. The description shall illustrate the tasks to be performed and nature of work. Information related to the job descriptions shall be listed in the visual inspection plan.

[**Source:** Added at 14 Ok Reg 2670, eff 6-26-97]

710:10-10-53. Organizational chart

(a) Information related to an organizational chart should be listed in the visual inspection plan, including the work-flow for accomplishing the visual inspection. The county assessor should employ one individual who, under the direction of the county assessor, should be responsible for the comprehensive part of the visual inspection plan. One employee should be responsible for data collection and valuation.

(b) In addition to the above-mentioned individuals who form the core of the appraisal staff, additional trained personnel are needed to perform the various phases of the program. In some counties, one person may be doing multiple work flow tasks.

[**Source:** Added at 14 Ok Reg 2670, eff 6-26-97; Amended at 15 Ok Reg 3451, eff 7-11-98]

PART 11. BUDGET

710:10-10-60. Estimated budget

A complete four-year budget shall be established for the visual inspection cycle, and published in tabulated form, including personnel costs, job descriptions, and numbers of employees.

[**Source:** Added at 14 Ok Reg 2670, eff 6-26-97; Amended at 15 Ok Reg 3451, eff 7-11-98]

SUBCHAPTER 11. REIMBURSEMENTS AND ASSISTANCE TO COUNTIES [REVOKED]

710:10-11-1. Purpose [REVOKED]

[**Source**: Added at 12 Ok Reg 2603, eff 6-26-95; Amended at 15 Ok Reg 3451, eff 7-11-98; Amended at 19 Ok Reg 1205, eff 5-11-02; Revoked at 36 Ok Reg 1201, eff 8-11-19]

710:10-11-2. Definitions [REVOKED]

[**Source**: Added at 12 Ok Reg 2603, eff 6-26-95; Amended at 15 Ok Reg 3451, eff 7-11-98; Amended at 19 Ok Reg 1205, eff 5-11-02; Revoked at 36 Ok Reg 1201, eff 8-11-19]

710:10-11-3. Reimbursement program [REVOKED]

[**Source**: Added at 12 Ok Reg 2603, eff 6-26-95; Revoked at 19 Ok Reg 1205, eff 5-11-02]

710:10-11-4. Program for assistance to counties to upgrade existing hardware and software; systems compatibility [REVOKED]

[**Source**: Added at 12 Ok Reg 2603, eff 6-26-95; Amended at 19 Ok Reg 1205, eff 5-11-02; Revoked at 35 Ok Reg 2035, eff 9-14-18]

710:10-11-5. Assessor Hardware Upgrade Cash Fund [REVOKED]

[**Source**: Added at 12 Ok Reg 2603, eff 6-26-95; Amended at 13 Ok Reg 3093, eff 7-11-96; Amended at 19 Ok Reg 1205, eff 5-11-02; Revoked at 35 Ok Reg 2035, eff 9-14-18]

710:10-11-6. Approved plan [REVOKED]

[**Source**: Added at 12 Ok Reg 2603, eff 6-26-95; Amended at 19 Ok Reg 1205, eff 5-11-02; Revoked at 35 Ok Reg 2035, eff 9-14-18]

710:10-11-7. Requirement of additions to current funding levels [REVOKED]

[**Source**: Added at 12 Ok Reg 2603, eff 6-26-95; Amended at 15 Ok Reg 3451, eff 7-11-98; Revoked at 19 Ok Reg 1205, eff 5-11-02]

710:10-11-8. Application for reimbursements [REVOKED]

[**Source:** Added at 12 Ok Reg 2603, eff 6-26-95; Amended at 15 Ok Reg 3451, eff 7-11-98; Amended at 19 Ok Reg 1205, eff 5-11-02; Revoked at 35 Ok Reg 2035, eff 9-14-18]

710:10-11-9. Distribution of reimbursement funds to the counties [REVOKED]

[**Source:** Added at 12 Ok Reg 2603, eff 6-26-95; Amended at 15 Ok Reg 3451, eff 7-11-98; Amended at 19 Ok Reg 1205, eff 5-11-02; Revoked at 35 Ok Reg 2035, eff 9-14-18]

710:10-11-10. Bid procedures [REVOKED]

[**Source:** Added at 12 Ok Reg 2603, eff 6-26-95; Revoked at 15 Ok Reg 3451, eff 7-11-98]

710:10-11-11. Limitation on obligations [REVOKED]

[**Source:** Added at 12 Ok Reg 2603, eff 6-26-95; Revoked at 35 Ok Reg 2035, eff 9-14-18]

710:10-11-12. Review and monitoring of funds [REVOKED]

[**Source:** Added at 12 Ok Reg 2603, eff 6-26-95; Revoked at 35 Ok Reg 2035, eff 9-14-18]

710:10-11-13. Requests for review [REVOKED]

[**Source:** Added at 12 Ok Reg 2603, eff 6-26-95; Revoked at 36 Ok Reg 1201, eff 8-11-19]

SUBCHAPTER 12. AGRICULTURAL LAND CONSERVATION ADJUSTMENT

710:10-12-1. Purpose

The provisions of this Subchapter have been adopted for the purpose of compliance with the Administrative Procedures Act, 75 O.S. § 250 et seq, and to

facilitate the administration, determination, and application of agricultural land conservation adjustments concerning ad valorem taxes.

[**Source:** Added at 18 Ok Reg 2796, eff 6-25-01; Amended at 23 Ok Reg 2811, eff 6-25-06]

710:10-12-2. Requirements for approval as agricultural land conservation adjustment

(a) In order to be approved for the "Agricultural Land Conservation Adjustment" the applicant must currently be participating in an Oklahoma Conservation Commission state cost-share program or in a federal conservation cost-share program through the USDA. Eligibility for federal programs shall be based on the Natural Resources Conservation Service Field Office Technical Guide, Buffer Strip Standards, and eligibility for the state programs shall be based on the requirements of the local conservation district.
(b) Each year the adjustment is requested, the applicant must complete OTC Form 999 which must be filed by March 15th with the county assessor. Because the state reimburses counties for revenue lost due to this adjustment, the application must be filed annually. The specific conservation area must be applied for and identified as required on OTC Form 999. Any additional legal descriptions or directions to the area may be attached as an addendum. The specific location of the conservation area must also be identified by an aerial photo or soil map supplied by the applicant and certified by the conservation district to the county assessor which matches the Conservation Cost-Share Agreement.
(c) The information found in Part 2 of OTC Form 999 must be identical to the information on the Conservation Cost-Share Agreement. Failure to comply will result in denial of the reimbursement by the Tax Commission.

[**Source:** Added at 18 Ok Reg 2796, eff 6-25-01]

710:10-12-3. Strict compliance

All persons claiming or administering the conservation land adjustment program provided for by the laws of this State shall strictly comply with the law and this Subchapter, under penalty of law, to the end that the objectives of the law be accomplished.

[**Source:** Added at 18 Ok Reg 2796, eff 6-25-01]

710:10-12-4. Qualifying conservation land exempt; forms

Qualifying conservation land shall be defined by law. [**See:** 68 O.S. § 2817.2] Adjustments on applications prescribed by the Oklahoma Tax Commission will only be allowed pursuant to filing and approval of the county assessor. The application must be fully completed, sworn to, and signed by the applicant. Any additional information requested in writing by the County Assessor, the County Board of Equalization, or the Oklahoma Tax Commission shall be furnished in a sworn and signed statement.

[**Source:** Added at 18 Ok Reg 2796, eff 6-25-01; Amended at 23 Ok Reg 2811, eff 5-25-06]

710:10-12-5. Beginning date of adjustment; failure to claim

The period of allowable conservation land adjustment shall begin on January 1, following the initial qualifying use of the property in the conservation program as provided by law. Application must be made in the tax year for which the adjustment is requested. Failure to claim an adjustment shall not toll or extend the period of allowable adjustment. No claims may be retroactive.

[**Source:** Added at 18 Ok Reg 2796, eff 6-25-01]

710:10-12-6. County assessor to determine eligibility; examination and valuation of the application; notice upon rejection

(a) The county assessor shall examine each application for the conservation land adjustment and shall determine whether the application and supporting documentation is valid. In determining whether the application is valid, the assessor shall, if necessary, make inspections, make a written request for additional information, or examine any person under oath as provided by law.

(b) The assessor shall complete the assessor's portion of each application, shall consecutively number each completed application received, and shall forward a copy of each application to the Oklahoma Tax Commission Ad Valorem Division. The original of each application shall be delivered to the County Board of Equalization, on or before the fourth Monday in April each year for review. If an application is rejected the applicant shall be notified in writing at the mailing address indicated on the original application and advised of the informal and formal protest procedure as outlined in 68 O.S. §§ 2893, 2894, 2895.

[**Source:** Added at 18 Ok Reg 2796, eff 6-25-01]

710:10-12-7. Method of valuation

(a) All agricultural land is to be valued according to the Oklahoma Constitution Article 10 Section 8 according to the actual fair cash value for its highest and best use. The Oklahoma statutes specifically outline the methodology as to use value for agricultural properties. [**See:** 68 O.S. § 2817(C)]

(b) The Oklahoma statutes make provision for valuation of certain designated conservation lands in 68 O.S. § 2817.2. For the purposes of this section qualified and approved conservation lands shall be valued using current approved use-value methodology presently in use for all other agricultural lands in the county based on the latest approved dollar-per-point from the Tax Commission. All Agricultural Conservation Land will be valued by classifying these lands at their current use classification as approved by the State Board of Equalization, and methodology developed by the Tax Commission. Land area may be rounded to the nearest tenth of an acre.

(c) These rules shall not be construed in a manner which is inconsistent with the State Board of Equalization's duties, powers, and authority as to equalization of

valuation of the counties as determined and defined by Section 21 of Article 10 of the Oklahoma Constitution.

[**Source:** Added at 18 Ok Reg 2796, eff 6-25-01; Amended at 23 Ok Reg 2811, eff 6-25-06]

710:10-12-8. County Board of Equalization to review

The County Board of Equalization shall review each application for conservation land adjustment exemption in the same time and manner as provided for reviewing new homestead exemptions and shall give written notice to the applicant if the board disallows an exemption. If an application is rejected, the applicant shall be notified in writing, and advised of the protest procedure as outlined in 68 O.S. §§ 2894, 2895.

[**Source:** Added at 18 Ok Reg 2796, eff 6-25-01; Amended at 23 Ok Reg 2811, eff 6-25-06]

710:10-12-9. Hearings before County Board of Equalization

In case the county assessor or County Board of Equalization disallows or rejects an application for Conservation Land Adjustment, the applicant may obtain a hearing before the County Board of Equalization by filing a written complaint with the Secretary of said Board (the county clerk) within ten (10) days from the receipt of the notice. The complaint shall specify the grievances and the pertinent facts in relation to the matter, and the Board shall conduct hearings, as provided by statute. [**See:** 68 O.S. § 2895]

[**Source:** Added at 18 Ok Reg 2796, eff 6-25-01; Amended at 23 Ok Reg 2812, eff 6-25-06]

710:10-12-10. Appeal from Board of Equalization to district court

Taxpayers may appeal the decision of the county board of equalization in the same manner and subject to the same requirements as provided by law for appeals from the county board of equalization on questions of valuation of property. [**See**: 68 O.S. §§ 2880.1 & 2895]

[**Source:** Added at 18 Ok Reg 2796, eff 6-25-01; Amended at 23 Ok Reg 2812, eff 6-25-06; Amended at 40 Ok Reg 1250, eff 8-11-23]

710:10-12-11. Review; protest; appeal

(a) **Notice of erroneous adjustment or; assessment.** If the Tax Commission determines that a Conservation Land Adjustment has been erroneously or unlawfully granted, in whole or in part, it shall notify the appropriate county assessor, who shall immediately value and assess the property without the Conservation Adjustment.

(b) **Notice to applicant.** The Commission shall mail a copy of the notice pursuant to the terms of 68 O.S. § 208 to the applicant at the mailing address shown on the application. The copy shall notify the applicant of his right to protest the Commission's decision.

(c) **Protest.** Within thirty (30) calendar days after the mailing of the notice, the applicant may file with the Oklahoma Tax Commission, a written protest, under oath, signed by himself or his duly authorized representative, in the manner and subject to the requirements set out in 68 O.S. § 207 of the Uniform Tax Procedure Code. A copy of the protest shall be mailed or delivered by the applicant to the county assessor.
(d) **Law governing protest procedure.** The Applicant's right of protest, hearing and procedure to be followed shall be governed by the provisions of the Uniform Tax Procedure Code. [**See:** 68 O.S. § 201, et seq. and the Rules of Practice and Procedure before the Office of Administrative Law Judges, promulgated at 710:1-5-20 through 710:1-5-49 of the *Oklahoma Administrative Code*.]
(e) **Appeal.** Appeals from the decision of the Oklahoma Tax Commission regarding any protest shall be made directly to the Supreme Court of Oklahoma, as provided by law. [**See:** 68 O.S. § 225]

[**Source:** Added at 18 Ok Reg 2796, eff 6-25-01; Amended at 23 Ok Reg 2812, eff 6-25-06]

710:10-12-12. County recording procedure for real property assessment and tax rolls

The county recording procedure will be to separately show each approved parcel, in its proper place on the assessment and tax roll, as if it were non-adjusted property. "Adjustment property" shall be designated, the tax calculated, and charged to the treasurer. The Treasurer will not bill the owner, for the difference between actual tax and adjusted tax. The difference in tax will be paid by the State Treasurer at the end of the fiscal year, based upon a county claim for reimbursement filed in June of the following year.

[**Source:** Added at 18 Ok Reg 2796, eff 6-25-01]

710:10-12-13. Actual Fair Cash Value

The use value used for the conservation land adjustment for ad valorem tax purposes will be the amount determined by the county assessor with the assistance of the Oklahoma Tax Commission, if required. [**See:** 710:10-12-7]. In calculating the use value of Buffer Strips as defined in 68 O.S. § 2817.2, exclusive consideration shall be based only on income from production of agriculture from such Buffer Strips, not including federal or state subsidies, when valued as required by 68 O.S. § 2817.2(C).

[**Source:** Added at 18 Ok Reg 2796, eff 6-25-01; Amended at 23 Ok Reg 2812, eff 6-25-06]

710:10-12-14. Designation on assessment roll; real property

Each conservation land adjustment assessment shall be placed on the assessment roll, as if it were taxable, except it shall be designated CL-1. The second year the exemption is allowed on the same property, the designation shall be CL-2, etc. The designation shall be entered under the less exemptions column.

[**Source:** Added at 18 Ok Reg 2796, eff 6-25-01]

710:10-12-15. Adjustments forwarded to tax rolls

Each conservation land adjustment assessment shall be forwarded to the proper tax roll and its designation (CL-1, etc.) shall be posted in the Treasurer's receipt number space, first half, and in addition, "CL Reimbursement" shall be entered under "by whom paid" on the same line. The amount shall be the difference between the adjusted and non adjusted amount.

[**Source:** Added at 18 Ok Reg 2796, eff 6-25-01]

710:10-12-16. Tax charge to County Treasurer

The tax shall be calculated and the difference between the adjusted and non-adjusted amount will be charged to the County Treasurer for each conservation land adjustment. This amount will be the amount any state reimbursement will be based on.

[**Source:** Added at 18 Ok Reg 2796, eff 6-25-01]

710:10-12-17. Owner not billed for tax

The County Treasurer shall not bill the owner of conservation land for the portion of ad valorem tax on "conservation land adjustment" property.

[**Source:** Added at 18 Ok Reg 2796, eff 6-25-01]

710:10-12-18. No late payment charges

No late payment interest, penalty, or tax liens on county property reimbursements will be charged to the State by the County Treasurer. No late penalty or interest shall be charged to the applicant upon the disallowance by the county or the Oklahoma Tax Commission of any assets properly claimed on the application.

[**Source:** Added at 18 Ok Reg 2796, eff 6-25-01]

710:10-12-19. Assessor's report to Excise Board; abstract of assessment

Conservation land adjustment assessments shall be included in the Assessor's Report to Excise Board (SA&I Form 263) and in the Annual Abstract of Valuation and Assessment (OTC Form 917), as if they were non adjusted agricultural lands.

[**Source:** Added at 18 Ok Reg 2796, eff 6-25-01]

710:10-12-20. County claim for reimbursement; funding shortfall

(a) The tax on "Conservation Land Adjustment" properties allowed ad valorem adjustment will be included on a County Claim for Reimbursement Form OSF-3 which will be filed by the County Commissioners by April 30, in the following year for reimbursement in June, of that same year, as provided by the law. [**See:** 62 O.S. § 193] Manufacturers tax exemption reimbursements are to have first priority and

additional homestead second priority before any other program utilizing the fund designated for the "Five-year Ad Valorem Tax Exemption for Oklahoma Manufacturers". In the event of a shortfall of State funding, county treasurers would receive less than a full payment. In that event, the Oklahoma Tax Commission shall advise the county treasurer of the proportion to be applied to each tax bill, and how to administer the shortfall.

(b) If the Ad Valorem Reimbursement Fund is insufficient to pay all claims, the claims will be paid proportionally from remaining funds. If no funds exist to pay any claims the claims are extinguished. (Ref: Ok AG Opinion 03-16).

[**Source:** Added at 18 Ok Reg 2796, eff 6-25-01; Amended at 23 Ok Reg 2812, eff 6-25-06]

710:10-12-21. Rulings of State Auditor and Inspector

Any specific instruction by the State Auditor and Inspector pertaining to recording or to the handling of public funds shall take precedence over the provisions of this Subchapter.

[**Source:** Added at 18 Ok Reg 2796, eff 6-25-01]

SUBCHAPTER 13. VALUATION EXCLUSION FOR DESULPHURIZATION EQUIPMENT

710:10-13-1. Purpose

The provisions of this Subchapter have been adopted for the purpose of compliance with the Administrative Procedures Act, 75 O.S. § 250 et seq., and to facilitate the valuation of certain locally-assessed oil refinery assets for ad valorem tax purposes.

[**Source:** Added at 21 Ok Reg 2563, eff 6-25-04]

710:10-13-2. Requirements for qualification of certain assets for valuation exclusion

An eligible facility must be one which:

(1) Is a *"facility, device or method for the desulphurization of gasoline or diesel fuel" including any device or method for the desulphurization of gasoline or diesel fuel, including any structure, building, installation, excavation, machinery, equipment, or device and any attachment or addition to, or reconstruction, replacement, or improvement of that property, that is used, constructed, acquired, or installed on or after January 1, 2003*; and

(2) Is *used, constructed, acquired or installed wholly or partly to meet or exceed rules adopted by the Oklahoma Environmental Quality Board or by the United States Environmental Protection Agency with respect to any program which has been delegated to the Department of Environmental Quality for the prevention, monitoring, control, or reduction of the amount of sulfur in gasoline or diesel fuel*. 68 O.S. § 2817.3

[**Source:** Added at 21 Ok Reg 2563, eff 6-25-04]

710:10-13-3. Strict compliance

All persons claiming, utilizing, or administering the valuation method detailed in 68 O.S. § 2817.3 shall strictly comply with the law and this subchapter, under penalty of law, to the end that the objectives of the law be accomplished.

[**Source:** Added at 21 Ok Reg 2563, eff 6-25-04]

710:10-13-4. Application for valuation exclusion of assets

(a) The firm, company, facility, or person seeking the exclusion shall make a written request to the Executive Director of the Department of Environmental Quality for a determination that certain assets qualify for valuation exclusion.
(b) The request shall be made in accordance with rules promulgated by the Department of Environmental Quality.

[**Source:** Added at 21 Ok Reg 2563, eff 6-25-04]

710:10-13-5. Notification to County Assessor and Tax Commission

(a) On or before March 15 of the year in which valuation exclusion is sought, all persons requesting valuation exclusion pursuant to this Subchapter shall provide a copy of the letter issued by the Department of Environmental Quality certifying specific assets for valuation exclusion to the County Assessor and to the Director of the Ad Valorem Division of the Oklahoma Tax Commission.
(b) The County Assessor or the Ad Valorem Division may require a person that has been granted a valuation exclusion in a prior year to file a new application or letter of continued qualification by March 15 of each year to confirm the continuation of the qualification for the exclusion.
(c) The qualification letter from the Department of Environmental Quality shall be conclusive evidence that the assets are used wholly for the desulphurization of gasoline and diesel fuel.

[**Source:** Added at 21 Ok Reg 2563, eff 6-25-04]

710:10-13-6. Further determination by the County Assessor or Ad Valorem Division

(a) The County Assessor or the Director of the Ad Valorem Division shall further determine if the property for which the exclusion is sought is qualified as provided by law.
(b) The County Assessor or the Ad Valorem Division may request any additional information from the Department of Environmental Quality, from another state or federal agency, or from the applicant, as required to determine qualification or valuation of any assets used in the desulphurization process. All information shall be held confidential by the Tax Commission and the County Assessor pursuant to 68 O.S. § 205.

[**Source:** Added at 21 Ok Reg 2563, eff 6-25-04]

710:10-13-7. Further determination of eligibility by the County Assessor

The County Assessor shall examine each application or letter of qualification and shall determine whether the application and supporting documentation is sufficient and valid. In making this determination the Assessor shall, if necessary, make inspections, make a written request for additional information, or examine any person under oath as provided by law. The Ad Valorem Division and Department of Environmental Quality shall assist the Assessor in the determination, if requested.

[**Source:** Added at 21 Ok Reg 2563, eff 6-25-04]

710:10-13-8. Exclusion of valuation for qualified assets

Qualified assets, as defined in 68 O.S. § 2817.3, shall not be included in the valuation used in determining the fair market value of oil refineries if such property would qualify as exempt property pursuant to 68 O.S. § 2902, whether or not an application for such exemption is made by an otherwise qualifying manufacturing concern owning the property described by 68 O.S. § 2817.3. The County Assessor shall indicate on the permanent property record the amount of any valuation exclusion and any other information that the Assessor deems necessary.

[**Source:** Added at 21 Ok Reg 2563, eff 6-25-04]

710:10-13-9. Denial by the County Assessor

If an application is rejected the applicant shall be notified in writing and advised of the procedure provided by law to protest the denial. The protest procedure for contesting denial by the county assessor is found at 68 O.S. §§ 2894 and 2895.

[**Source:** Added at 21 Ok Reg 2563, eff 6-25-04]

710:10-13-10. Hearings before the County Board of Equalization

If the County Assessor or County Board of Equalization disallows or rejects an application for valuation exclusion, the applicant may obtain a hearing before the County Board of Equalization by filing a written complaint with the secretary of the board (County Clerk) within ten days of the receipt of the notice of denial. The complaint shall specify the grievances and the pertinent facts in relation to the matter, and the board shall conduct hearings as provided by law. [**See:** 68 O.S. § 2895]

[**Source:** Added at 21 Ok Reg 2563, eff 6-25-04]

710:10-13-11. Appeal from Board of Equalization to district court

Taxpayers may appeal the decision of the county board of equalization in the same manner and subject to the same requirements as provided by law for appeals from the county board of equalization on questions of valuation of

property. [**See**: 68 O.S. §§ 2880.1 & 2895]

[**Source:** Added at 21 Ok Reg 2563, eff 6-25-04; Amended at 40 Ok Reg 1250, eff 8-11-23]

710:10-13-12. Erroneous adjustment or assessment; review; protest; appeal

(a) **Determination of erroneous or unlawful exclusion.** If the Tax Commission or the County Assessor determines that an valuation exclusion has been erroneously or unlawfully granted, in whole or in part, the Commission shall so notify the appropriate County Assessor, who shall immediately value and assess the property which was previously excluded from value.

(b) **Notice to applicant.** The Tax Commission shall mail a copy of the notice pursuant to the terms of 68 O.S. § 208 to the applicant at the address shown on the application or certification letter from the Department of Environmental Quality. The copy shall notify the applicant of the right to protest the Tax Commission's decision.

(c) **Protest.** Within sixty (60) calendar days after the mailing of the notice, the applicant may file a written protest, under oath, with the Oklahoma Tax Commission, signed by an authorized representative, in the manner and subject to the requirements set out in 68 O.S. § 207 of the Uniform Tax Procedure Code. The applicant shall mail or deliver a copy of the protest to both the County Assessor and the Tax Commission.

(d) **Law governing protest procedure.** The applicant's right of protest, hearing, and procedure to be followed shall be governed by the provisions of the Uniform Tax Procedure Code, 68 O.S. § 201 et seq., and the Rules of Practice and Procedure before the Office of Administrative Law Judges, OAC 710:1-5-20 through 710:1-5-49.

(e) **Appeal.** Appeals from the decision of the Tax Commission regarding any protest shall be made directly to the Supreme Court of Oklahoma, as provided by law. [**See:** 68 O.S. § 225]

[**Source:** Added at 21 Ok Reg 2563, eff 6-25-04]

710:10-13-13. County recording procedure for real and personal assessment and tax rolls

The County recording procedure for properties which are determined to qualify for valuation exclusion pursuant to this Subchapter will be no different from that applicable to other real and personal property. Property that has a valuation exclusion will be carried forward on the assessment and tax rolls at the net valuation after any valuation adjustments have been made.

[**Source:** Added at 21 Ok Reg 2563, eff 6-25-04]

SUBCHAPTER 14. DISABLED VETERANS IN RECEIPT OF COMPENSATION AT THE ONE HUNDRED PERCENT RATE

710:10-14-1. General provisions

(a) The procedures and requirements set out in this Subchapter shall be used to implement the exemption of the full fair cash value for homestead property and household personal property of qualified owners for ad valorem purposes.
(b) The "one hundred percent disabled veterans exemption" refers to the implementation of the constitutional amendments added to the Oklahoma Constitution, Article 10, § 8E, by State Question 715, effective January 1, 2006 and Article 10, § 8D, by State Question 735, effective January 1, 2009. The amendments direct county assessors to exempt the total amount of the actual fair cash value of the homestead real property and household personal property of any qualified person who has made proper application. The applicant's real property must be a valid homestead property, with evidence of a homestead exemption, or eligible for homestead exemption. As with any homestead-based exemption, the general statutes governing homestead exemption qualification apply to the one hundred percent disabled veterans exemption. Only one homestead, and by extension, only one exemption, is permitted in any one year, per applicant The exemption applies only to owner-occupied homestead property and may not be applied to any non-homestead property. [**See:** 68 O.S. §§ 2888, 2889, 2890, 2893]
(c) The passage of State Question 770, effective November 4, 2014, adds an amendment to Article 10 Section 8E to allow for the transfer of the exemption set forth therein under the circumstances where a qualifying veteran or surviving spouse of the veteran sells a previously exempted homestead property in Oklahoma and acquires, in the same calendar year, a new homestead property in the state. The full fair cash value of the newly acquired property shall be exempt from ad valorem tax. The exemption on the property sold will remain in effect through the end of the calendar year.

[**Source:** Added at 22 Ok Reg 1525, eff 6-11-05; Amended at 23 Ok Reg 2812, eff 6-25-06; Amended at 26 Ok Reg 2323, eff 6-25-09; Amended at 29 Ok Reg 516, eff 5-11-12; Amended at 32 Ok Reg 1335, eff 8-27-15; Amended at 33 Ok Reg 1060, eff 8-25-16]

710:10-14-2. [RESERVED]

710:10-14-3. Relationship to other exemptions and programs

Although the general law applies to applicants, since the actual fair cash value is exempt from ad valorem tax for qualified applicants, applications for other homestead specific property tax exemptions are unnecessary.

[**Source:** Added at 22 Ok Reg 1525, eff 6-11-05; Amended at 23 Ok Reg 2813, eff 6-25-06]

710:10-14-4. Qualified owner

Applicants must be heads of households who have been honorably discharged from active service in a branch of the Armed Forces of the United States or Oklahoma National Guard, and who have been certified by the United States Department of Veterans Affairs (USDVA), or its successor, to have one hundred percent (100%) permanent disability sustained through military action

or accident, or resulting from a disease contracted while in active service. The exemption extends to the surviving spouses of such veterans who are certified by the United States Department of Veterans to receive benefits under the terms of this Subchapter. Each applicant must provide to the county assessor, a current United States Department of Veterans Affairs benefits award letter from the USDVA office located in Muskogee, Oklahoma that certifies the one hundred percent service-related disability, or that the individual is in receipt of compensation at the one-hundred percent rate. One hundred percent (100%) disabled veterans or surviving spouses thereof owning and occupying a residence on leased land owned by a municipality, town, or city is considered a homestead for purposes of qualification for the ad valorem exemption authorized pursuant to Article 10, Section 8E of the Oklahoma Constitution.

[**Source:** Added at 22 Ok Reg 1526, eff 6-11-05; Amended at 28 Ok Reg 931, eff 6-1-11; Amended at 39 Ok Reg 2242, eff 9-11-22]

710:10-14-5. Application

(a) In order to be eligible for the one hundred percent disabled veterans exemption, the individual must apply at the county assessor's office by completing an Application for 100% Disabled Veterans Property Tax Exemption, Oklahoma Tax Commission Form 998. The application should be made between January 1 and March 15th in the same manner as for homestead exemptions. However, if the county assessor becomes aware of an otherwise-qualified applicant at any time during the current tax year, the county assessor may, upon compliance with all qualification criteria, make the appropriate adjustment. Providing all homestead requirements are met, if an otherwise qualified applicant receives their one hundred percent (100%) disability rating effective on or before the date of application, the property is exempt for the entire year regardless of the status of disability on January 1. If an otherwise-qualified applicant is discovered after the tax roll has been certified, then a tax roll correction may be made pursuant to 68 O.S § 2871(C)(2). Any applications that are denied by the county assessor shall be subject to the same protest procedure as provided for homestead exemption. If the disability rating of any veteran participating in the exemption program is reduced by the U.S. Dept. of Veterans Affairs to less than one hundred percent, the veteran shall immediately notify the county assessor of the change in status. Failure to do so will result in loss of any future homestead exemption pursuant to 68 O.S. §§ 2892(K) and 2900.

(b) To transfer the exemption to a newly acquired homestead property the qualified veteran or surviving spouse of the veteran must file Form 998-B, Application For 100% Disabled Veterans Exemption Acquired Homestead Property with the county assessor. Beginning with the month the deed instrument is filed of public record and the application is approved the homestead property will be exempt to the same extent as the homestead property previously owned in this state by such person or persons for the year

during which the new homestead property is acquired and each year thereafter providing qualifications are maintained.
(c) The exemption application must be filed in the year requested. Filing for previous years is prohibited pursuant to Oklahoma Constitution Article 10 § 22A.

[**Source:** Added at 22 Ok Reg 1526, eff 6-11-05; Amended at 23 Ok Reg 2813, eff 6-25-06; Amended at 19 Ok Reg 2029, eff 7-1-08; Amended at 32 Ok Reg 1335, eff 8-27-15; Amended at 33 Ok Reg 1060, eff 8-25-16]

710:10-14-6. Duties of the assessor

(a) The county assessor has the authority to review any information provided by the applicant, ask any necessary questions, request documentation including, but not limited to: Military I.D., Veterans Administration benefits card, current Oklahoma driver license or any other information that the assessor may feel is relevant for the initial application, transfer, or any time in subsequent years. The county assessor shall deny any application that is inaccurate, incomplete, inadequately documented, or otherwise invalid pursuant to this Subchapter.
(b) Any adjustment after the adjournment of the County Board of Equalization must be approved by the Board of Tax Roll Corrections.

[**Source:** Added at 22 Ok Reg 1526, eff 6-11-05; Amended at 23 Ok Reg 2813, eff 6-25-06; Amended at 32 Ok Reg 1335, eff 8-27-15]

710:10-14-7. Right of appeal

The taxpayer may appeal any denial of the exemption application by the county assessor to the county board of equalization in the same manner as an appeal of the denial of a homestead exemption. [**See:** 68 O.S. § 2895]

[**Source:** Added at 22 Ok Reg 1526, eff 6-11-05]

710:10-14-8. Duration; conditions which terminate the exemption

The 100% Disabled Veterans Exemption is valid on the property as long as the taxpayer or surviving spouse owns and occupies the property and remains eligible for homestead exemption. If title to the property is transferred or qualifications are no longer met, the exemption shall be terminated and the value of the property shall be subject to valuation the following year pursuant to Oklahoma Constitution, Article 10, § 8.

[**Source:** Added at 22 Ok Reg 1526, eff 6-11-05; Amended at 32 Ok Reg 1335, eff 8-27-15]

SUBCHAPTER 15. FREEPORT EXEMPTION

710:10-15-1. General provisions

(a) The procedures and requirements set out in this Subchapter shall be used to administer the exemption.
(b) The "Freeport Exemption" refers to the Oklahoma Constitutional provision contained in Oklahoma Constitution Article 10, Section 6A relating to property

moving through the state and goods, wares and merchandise held for assembly, storage, manufacturing, processing or fabricating purposes if not for more than nine (9) months.

[**Source:** Added at 19 Ok Reg 2029, eff 7-1-08]

710:10-15-2. Application

(a) In order to be eligible for the "Freeport Exemption" the owner or owner's agent must apply at the county assessor's office in the county where the property was located on the assessment date of January 1.
(b) The initial and any subsequent applications shall be made on Oklahoma Tax Commission Form 901-F, latest revision. Applications on non-approved Tax Commission forms or other submissions shall not be accepted by the county assessor.
(c) Applications shall be filed during each year in which the tax is due, on or before March 15 or within thirty (30) days from and after the receipt of a notice of valuation increase, whichever is later.
(d) Claims for previous years shall be declared null and void by the county assessor.
(e) Eligibility for the "Freeport Exemption" shall be established by annually filing an application for exemption using Oklahoma Tax Commission Form 901-F latest revision, on or before March 15 or within thirty (30) days from the receipt of a notice of valuation increase. [**See**: 68 O.S. § 2902.2**]**
(f) Effective January 1, 2009, the application must be made in the same year as the exemption is requested. The Oklahoma Constitution Article 10 Section 22A prohibits the filing of any exemption application in a subsequent year.

[**Source:** Added at 19 Ok Reg 2029, eff 7-1-08; Amended at 26 Ok Reg 2323, eff 6-25-09]

710:10-15-3. Duties of the assessor

The county assessor has the authority to verify any information provided by the applicant, ask any necessary questions, request documentation and conduct interviews. The county assessor may physically inspect the property and access applicant's books and records and any other information that the assessor may feel is relevant to the exemption application. The county assessor shall deny any application that is inaccurate, incomplete, inadequately documented, or otherwise invalid pursuant to this Subchapter.

[**Source:** Added at 19 Ok Reg 2029, eff 7-1-08]

710:10-15-4. Right of appeal

Each application shall be examined by the county assessor in the manner provided for homestead exemptions pursuant to 68 O.S. § 2893. The applications for "Freeport Exemption" shall be reviewed by the county board of equalization in the same manner as homestead exemption applications pursuant to 68 O.S.

§ 2894 and shall be subject to the same review and appeal process as provided in 68 O.S.§ 2895.

[**Source:** Added at 19 Ok Reg 2029, eff 7-1-08]

SUBCHAPTER 16. UNREMARRIED SURVIVING SPOUSES OF PERSONS WHO DIED IN THE LINE OF MILITARY DUTY

710:10-16-1. General provisions

(a) The procedures and requirements set out in this Subchapter shall be used to implement the exemption for the full fair cash value of homestead property of qualified unremarried surviving spouses.
(b) The exemption for "unremarried surviving spouses of military personnel who died in the line of duty" refers to the implementation of an amendment added to the Oklahoma Constitution, Article 10 § 8F, by State Question 771, effective for the 2014 calendar year and years thereafter. The amendment directs county assessors to exempt the full amount of the actual fair cash value of the homestead property. The applicant's real property must be a valid homestead property with evidence of a homestead exemption or be eligible for homestead exemption. Only one homestead and by extension only one exemption, is permitted in any one year. The exemption applies only to owner-occupied homestead property and may not be applied to non-homestead property. [**See:** 68 O.S. §§ 2888, 2889, 2890, and 2893]
(c) The exemption provided by this Section may be transferred under circumstances where a qualifying spouse sells a homestead property previously exempted pursuant to this Section and acquires, in the same calendar year, a new homestead property in this state. The full fair cash value of the newly acquired property shall be exempt from ad valorem taxation. The exemption on the property sold will remain in effect through the end of the calendar year.
(d) An unremarried spouse of a veteran killed in action owning and occupying a residence on leased land owned by a municipality, town, or city qualifies as a homestead for purposes of qualification for the ad valorem exemption authorized pursuant to Article 10, Section 8F of the Oklahoma Constitution.

[**Source:** Added at 32 Ok Reg 1335, eff 8-27-15; Amended at 33 Ok Reg 1060, eff 8-25-16; Amended at 39 Ok Reg 2242, eff 9-11-22]

710:10-16-2. Relationship to other exemptions and programs

Although the general law applies, since the actual fair cash value is exempt from ad valorem tax for qualified applicants, applications for other homestead specific property tax exemptions may be unnecessary.

[**Source:** Added at 32 Ok Reg 1335, eff 8-27-15]

710:10-16-3. Qualified owner

An applicant must be the unremarried surviving spouse of military personnel who is determined by the United States Department of Defense or any branch of the U.S. military to have died in the line of duty. Each applicant must provide the county assessor in the county where the homestead property is located, an original or certified copy of the Department of Defense Form DD-1300 which shall certify the applicant is the surviving spouse of such military personnel.

[**Source:** Added at 32 Ok Reg 1335, eff 8-27-15]

710:10-16-4. Application

In order to be eligible for the exemption the individual must apply in the initial year the exemption is requested at the county assessor's office by completing Form 998-C, Application for Unremarried Surviving Spouse of Veterans Deceased in the Line of Duty Property Tax Exemption. The application should be made between January 1 and March 15 in the same manner as the homestead exemption. However, if a county assessor becomes aware of an otherwise qualified applicant at any time during the current tax year or the exemption is transferred to another homestead eligible property the county assessor shall, upon compliance with all identification and qualification criteria, make the appropriate adjustment. Providing all homestead and other requirements are met, if an otherwise qualified applicant is in receipt of the Form DD-1300 certifying they are the surviving spouse of military personnel who died in the line of duty, on or before the date of the application, the homestead property is exempt for the remainder of the current year. If an otherwise qualified applicant is discovered after the tax roll has been certified, a tax roll correction shall be made pursuant to 68 O.S. § 2871(C)(2). Any application denied by the county assessor shall be subject to the same protest procedure as provided for homestead exemption. If the qualified unremarried surviving spouse subsequently remarries, they shall immediately notify the county assessor of the change in marital status. Failure to notify the county assessor may result in the loss of future homestead exemptions pursuant to 68 O.S. §§ 2892(K) and 2900. The application must be filed in the year requested, filing for previous years is prohibited pursuant Oklahoma Constitution Article 10 § 22A.

[**Source:** Added at 32 Ok Reg 1335, eff 8-27-15]

SUBCHAPTER 18. CENTRALLY ASSESSED PUBLIC SERVICE COMPANIES

710:10-18-2. Definitions

The following words and terms, when used in this Subchapter, shall have the following meaning, unless the context clearly indicates otherwise:

"End-user consumer" means a residential, business, institutional, governmental, or other customer that uses broadband-based services for its own purposes and does not resell such services to other entities or incorporate

such services into a retail service offering. An Internet service provider, wholesaler, or other reseller of such services is not an end-user consumer.

"Offering broadband-based services" means furnishing, selling, marketing, or holding out the availability of fixed or mobile Internet access, Voice over Internet Protocol, or Internet Protocol Television to end-user consumers in this state.

710:10-18-4. Annual returns and related schedules for centrally assessed companies and companies subject to status review

(a) Each company subject to central assessment as a railroad, air carrier, public service corporation, video services provider, or broadband service provider shall file the annual return, schedules, questionnaires, and other materials prescribed by the Oklahoma Tax Commission within the time required by law or otherwise specified by the Commission.

(b) The Ad Valorem Division may require a company for which it is determining whether the company is subject to central assessment to file such returns, schedules, questionnaires, or other information as are reasonably necessary to make that determination and, if applicable, to determine the appropriate assessment treatment. The company shall provide the requested information within the time specified by the Oklahoma Tax Commission.

(c) Returns, schedules, questionnaires, and other materials required under this Section shall be filed with the Oklahoma Tax Commission and received electronically through the OkTAP system, unless otherwise authorized by the Commission.

(d) The Oklahoma Tax Commission may prescribe forms, schedules, questionnaires, and other materials necessary for administration of 68 O.S. §§ 2808 and 2847, including, but not limited to:

(1) annual returns for railroads, air carriers, and public service corporations;
(2) video services provider certifications;
(3) broadband service provider questionnaires;
(4) mixed-service supplemental schedules;
(5) affiliate and shared-asset disclosure schedules; and
(6) late or incomplete filing penalty response forms.

710:10-18-6. Review of returns by Ad Valorem Division

(a) The Ad Valorem Division shall review annual returns and supporting materials received from centrally assessed companies.

(b) The review may include consideration of:

(1) completeness and timeliness of the filing;
(2) whether the company is properly subject to central assessment;
(3) the fair cash valuation to be recommended to the Board;
(4) whether an administrative penalty should be recommended for late or incomplete filing; and

(5) the assessment treatment applicable under 68 O.S. § 2847(C), (D), or (E).

(c) In conducting its review, the Ad Valorem Division may require production of records reasonably necessary to determine classification, fair cash valuation, and assessment treatment, including:

(1) organizational charts, including tax organizational charts and company structure charts, showing ownership and parent, subsidiary, sister-company, affiliate, and other related-entity relationships;
(2) service descriptions;
(3) websites and marketing materials;
(4) customer agreements or tariffs;
(5) technical descriptions of fixed wireless systems;
(6) financial statements;
(7) revenue schedules;
(8) subscriber reports;
(9) asset listings;
(10) federal and state regulatory reports;
(11) sworn affidavits; and
(12) other records reasonably necessary for administration of the Ad Valorem Tax Code.

710:10-18-7. Determination of cable television company status

(a) In determining whether a company is excluded from central assessment as a cable television company, the Ad Valorem Division shall consider the specific legal entity whose return and property are at issue.

(b) The determination shall be based on the totality of the relevant facts and circumstances reflected in the company's filings and supporting records.

(c) In making the determination, the Ad Valorem Division may consider:

(1) the services offered by the company in Oklahoma;
(2) whether cable service is offered on a stand-alone basis;
(3) whether cable service is offered together with internet service, telephone service, or other services;
(4) the manner in which the company markets or holds out its services to customers;
(5) customer agreements, tariffs, or terms of service;
(6) revenue by service line;
(7) subscriber or customer counts by service line; and
(8) any other fact relevant to whether the company is properly treated as a cable television company for purposes of 68O.S. § 2808.

710:10-18-8. Determination of broadband service provider status

(a) In determining whether a company qualifies as a broadband service provider under 68 O.S. § 2808, the Ad Valorem Division shall consider the specific legal entity whose return and property are at issue.

(b) The determination shall be based on the totality of the relevant facts and circumstances reflected in the company's filings and supporting records.
(c) In making the determination, the Ad Valorem Division may consider:
(1) the services offered by the company in Oklahoma;
(2) whether such services are offered to end-user consumers;
(3) websites, marketing materials, and service descriptions;
(4) customer agreements, tariffs, or terms of service;
(5) revenue by service line;
(6) subscriber or customer counts by service line;
(7) technical descriptions of services provided;
(8) type of equipment used to provide services;
(9) affiliate relationships relevant to service offerings or asset use; and
(10) whether the company claims treatment as a video services provider or claims exclusion as a cable television company or fixed wireless broadband Internet service provider.

710:10-18-9. Classification and assessment-treatment standards
(a) In determining whether a company is subject to central assessment and, if so, the assessment treatment to recommend to the Board for a public service corporation or subclass addressed in 68 O.S. § 2847(C), (D), or (E), the Ad Valorem Division shall consider:
(1) whether the company is a public service corporation;
(2) whether the company is excluded from public service corporation treatment as a cable television company or as a fixed wireless broadband Internet service provider;
(3) whether the company qualifies as a video services provider;
(4) whether the company qualifies as a broadband service provider; and
(5) which assessment treatment under 68 O.S. § 2847(C), (D), or (E) applies.
(b) For purposes of administration, the following assessment treatments may be recommended to the Board:
(1) public service corporation treatment only;
(2) broadband service provider treatment only;
(3) video services provider and public service corporation treatment; or
(4) video services provider and broadband service provider treatment.
(c) A company shall not be recommended for central assessment solely by reason of video-services-provider status if, based on the totality of the relevant facts and circumstances, the company is properly treated as a cable television company.
(d) If a company is a public service corporation and does not qualify for treatment under 68 O.S. § 2847(C) or (E), the company shall be recommended for public service corporation treatment only under 68 O.S. § 2847(D).
(e) If a company is a public service corporation and qualifies as a broadband service provider, but does not qualify for video-services-provider treatment in

combination with another centrally assessed classification, the company shall be recommended for broadband service provider treatment only under 68 O.S. § 2847(E). For such company, subsection (E) shall operate as an alternative to subsection (D).

(f) If a company qualifies as a video services provider and is also a public service corporation, but not as a broadband service provider, the fair cash value attributable to video programming services shall be determined under 68 O.S. § 2847(C), and the remaining fair cash value shall be recommended under 68 O.S. § 2847(D).

(g) If a company qualifies both as a video services provider and as a broadband service provider:

(1) the fair cash value attributable to video programming services shall first be determined under 68 O.S. § 2847(C);

(2) that video-programming portion shall be recommended under 68 O.S. § 2847(C); and

(3) the remaining fair cash value shall be recommended under 68 O.S. § 2847(E), provided the company otherwise qualifies as a broadband service provider.

(h) Where a company qualifies both as a video services provider and as a broadband service provider, 68 O.S. § 2847(C) and (E)shall be construed so that both provisions are given effect if reasonably possible. The allocation method set forth in 68 O.S. §2847(C) shall govern the fair cash value attributable to video programming services, and subsection (E) shall govern the remaining fair cash value otherwise subject to public service corporation treatment.

(i) Except as provided in subsection (g) of this Section, no allocation shall be created between 68 O.S. § 2847(D) and (E) for broadband and non-broadband property of the same company unless authorized by statute or final order of a court of competent jurisdiction.

710:10-18-10. Broadband service provider questionnaire

(a) Any company potentially qualifying as a broadband service provider shall complete the electronic broadband service provider questionnaire in the OkTAP system and provide information sufficient to determine:

(1) the identity of the reporting legal entity;

(2) the services offered by that entity in Oklahoma;

(3) whether those services include fixed or mobile Internet access, Voice over Internet Protocol, or Internet Protocol Television;

(4) whether those services are offered to end-user consumers;

(5) whether the company claims exclusion as a cable television company or fixed wireless broadband Internet service provider;

(6) whether the company also qualifies as a video services provider; and

(7) whether any affiliate provides related services or owns related property used by the reporting company.

(b) The Oklahoma Tax Commission may require the questionnaire to be accompanied by supporting records and schedules.

710:10-18-11. Video services provider certification

Any company claiming or subject to treatment as a video services provider shall file the certification required by 68 O.S. § 2847(C),including:

(1) total gross receipts for the immediately preceding calendar year for both system and Oklahoma values; and

(2) gross receipts derived from video programming services.

710:10-18-12. Mixed-service supplemental schedules

Any company engaged in both video and broadband-related services, or in both covered and excluded service lines, shall file a supplemental schedule showing:

(1) revenue by service line;

(2) subscriber or customer counts by service line;

(3) identification of services offered directly by the reporting company;

(4) identification of shared assets; and

(5) identification of affiliate-owned assets used by the reporting company or reporting-company assets used by affiliates.

710:10-18-15. Fixed wireless exclusion

A company claiming exclusion as a fixed wireless broadband Internet service provider shall establish that it solely offers access to the Internet through a stationary fixed point-to-point connection often requiring direct line of sight between the provider's transmitter and the end-user consumer's receiver.