

**TITLE 710. OKLAHOMA TAX COMMISSION
CHAPTER 10. AD VALOREM**

RULEMAKING ACTION:

Notice of proposed **PERMANENT** rulemaking.

PROPOSED RULES:

Chapter 10. Ad Valorem [AMENDED]

SUMMARY:

As part of the Tax Commission's ongoing review of its rules, many proposed amendments to the existing rules have been made to implement recent legislation. All legislative references are to the Second Regular Session of the 58th Legislature (2022) unless otherwise indicated.

The proposed amendment to Section 710:10-1-3 is to remove unnecessary and outdated language.

The proposed amendment to Section 710:10-2-2 implements the provisions of HB 1682 and SB 192. As a result of the enactment of these two measures the stricken definitions are no longer applicable or necessary. [68:2807.1, 2817]

The proposed amendments to Sections 710:10-7-14, 710:10-12-10 and 710:10-13-11 implement the provisions of HB 3901 which extended the jurisdiction of the Court of Tax Review to complaints challenging an order of the county board of equalization sustaining a valuation of real or personal property with a fair cash value as determined by the county assessor in excess of \$3 million, as authorized by 68 O.S. § 2880.1, for which a scheduling conference will be required within 20 days of the answer filed by the county assessor. Also, taxpayers and county assessors shall have the right to appear from any order of the county board of equalization sustaining a valuation of real or personal property at a fair cash value as determined by the county assessor in excess of \$3 million to the Court of Tax Review. Appeals from any other order of the county board of equalization will be filed in the district court of the same county. [68:2880.1, 3024]

The proposed amendments to Subchapter 9 Manufactured Homes implements the provisions of HB 3419 which created Service Oklahoma as a division of the Oklahoma Office of Management and Enterprise Services. It also transferred applicable powers, duties, and responsibilities exercised by the Motor Services Division of the OTC to Service Oklahoma on January 1, 2023.

The proposed amendment to Section 710:10-10-28 implements the provisions of HB 2627; at the time of filing a protest pursuant to subsections E and F of Section 2876, which relate to proposed increases of existing property values, the taxpayer will also file the form provided for in 68 O.S. § 2835. If the taxpayer fails to file the required form, a presumption will exist in favor of the correctness of the county assessor's valuation in any appeal of the county assessor's valuation. [68:2876]

Other sections may be amended to clarify policy, improve readability, correct scrivener's errors, remove obsolete language, update or correct citations, update contact information, and ensure accurate internal cross-references, which do not change the interpretation or intent of the rules.

AUTHORITY:

68 O.S. §§ 203 and 2817; Oklahoma Tax Commission

COMMENT PERIOD:

Persons wishing to present their views in writing may do so by 4:30 p.m., February 7, 2023, at the following address: Oklahoma Tax Commission, Tax Policy and Research Division, Oklahoma City, Oklahoma 73194, Attention: Lisa Haws, or by email to lhaws@tax.ok.gov.

PUBLIC HEARING:

A public hearing is scheduled for 1:30 p.m., on Wednesday, February 8, 2023, at the Oklahoma Tax Commission, 123 Robert S. Kerr Ave, Oklahoma City, Oklahoma. Those wishing to make oral comments at the public hearing should request placement on the docket well in advance of the hearing date by calling Lakesha Mackie at (405) 521-3133. Time limitations may be imposed on oral presentations to ensure that all persons who have filed written requests for placement on the docket will have an opportunity to speak.

In order to facilitate entry into the building, those wishing to appear should contact Lakesha Mackie at (405) 521-3133 at least 24 hours prior to the hearing date to complete their visitor pre-registration. In order to gain access to the hearing, attendees must register at the information desk in the lobby by presenting a driver license or other photo identification.

REQUEST FOR COMMENTS FROM BUSINESS ENTITIES:

Although nothing in this rulemaking action has been determined to adversely impact small business, the Oklahoma Tax Commission (OTC) requests that, pursuant to 75 O.S. § 303(B)(6), business entities affected by these rules provide the OTC, within the comment period, in dollar amounts, if possible, information on any increase in direct costs, such as fees, and indirect costs, such as those associated with reporting, recordkeeping, equipment, construction, labor, professional services, revenue loss, or other costs expected to be incurred by a particular entity due to compliance with the proposed Rules.

COPIES OF PROPOSED RULES:

Copies of the proposed rules may be obtained from the below listed contact person. The proposed rules may also be viewed on the agency's website at <http://www.tax.ok.gov>.

RULE IMPACT STATEMENT:

Pursuant to 75 O.S. § 303(D), a Rule Impact Statement will be prepared and available from the below listed contact person. The Rule Impact Statement may also be viewed on the agency's website at <http://www.tax.ok.gov>.

CONTACT PERSON:

Lisa R. Haws, Agency Liaison, Tax Policy Division, Oklahoma Tax Commission, Oklahoma City, Oklahoma 73194. Telephone number: 405-521-3133; Email: lhaws@tax.ok.gov

**TITLE 710. OKLAHOMA TAX COMMISSION
CHAPTER 10. AD VALOREM
CHAPTER 1. GENERAL PROVISIONS**

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

(a) **Application of limitation for counties in compliance January 1, 2013 and subsequently.** Pursuant to Article X, Section 8B of the Oklahoma Constitution and 68 O.S. §2817.1, ~~on and after January 1, 2013,~~ 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] ~~The limitation shall apply January 1, 2013, to all counties in compliance with applicable laws and administrative regulations governing valuation of locally assessed real property. For those counties out of compliance as of January 1, 2013, the limitation shall apply January 1 of the year following the date on which the county was deemed to be in compliance. Once a county is in compliance on or after January 1, 2013 the limitation shall not be removed, even if a county is deemed to be out of compliance.~~

(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 remodeling, 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]

SUBCHAPTER 2. BUSINESS PERSONAL PROPERTY VALUATION SCHEDULES

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

(a) ~~**Agricultural products.**~~ The term "~~**agricultural products**~~" includes, but is not limited to: wheat, milo, peanuts, alfalfa hay, grass hay, corn, soybeans, native pecans, improved pecans, grains, and cotton.

(b) ~~**Livestock.**~~ The term "~~**livestock**~~" includes, but is not limited to: horses, cattle, commercial pigs, commercial chickens, commercial turkeys, table eggs, and other livestock.

(c) ~~**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.

(d) ~~(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.

(e) ~~(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.

~~(f)~~ (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.

~~(g)~~ (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)]

~~(h)~~ (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.

SUBCHAPTER 7. MANUFACTURING FACILITIES

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

~~The decision of the County Board of Equalization as to the exemption of a manufacturing concern from ad valorem taxation may be appealed to the District Court by either the applicant or the county assessor, as provided by law. [See: 68 O.S. § 2879] 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]~~

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 original document of title may be surrendered to ~~the Oklahoma Tax Commission~~ Service Oklahoma, a division of the Oklahoma Office of Management and Enterprise Services (hereinafter "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 Section 1117 of the Vehicle License and Registration Act 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 sixty (60) days establishes taxable situs and will be assessed ad valorem taxes.

(f) **Information required.** Data elements required for listing a manufactured home with a completed certified OTC Form 936 (Manufactured Home Certificate 936) consist of:

- (1) Receipt or Release for taxes paid;
- (2) Type of manufactured home transaction;
- (3) Date to be moved;
- (4) Name of current manufactured home owner(s);
- (5) Seller's current mailing address;
- (6) Seller's new mailing address;
- (7) Name of manufactured home buyer;
- (8) Buyer's current mailing address;
- (9) Buyer's new mailing address;
- (10) Information describing where manufactured home is being moved from, such as:
 - (A) Landowner's or park's name,
 - (B) City,
 - (C) County, and
 - (D) Legal description, or
 - (E) Situs description;
- (11) Current physical address;
- (12) Real property account number or personal property account number;
- (13) Information describing where manufactured home is being moved to, such as:
 - (A) Landowner's or park's name,
 - (B) City,

- (C) County, and
- (D) Legal description, or
- (E) Situs description;
- (14) New physical address;
- (15) School district;
- (16) Certificate of Title information, consisting of:
 - (A) Vehicle identification number (VIN);
 - (B) Year of manufacture;
 - (C) Size;
 - (D) Make;
 - (E) Title number;
 - (F) Body type;
 - (G) Model;
 - (H) Agent number;
 - (I) Factory delivered price;
 - (J) Total delivered price.
- (17) Fair cash value;
- (18) Total current estimated taxes due;
- (19) Taxes due from prior years, if unpaid;
- (20) Total of prior years' taxes due, if unpaid;
- (21) Signature of applicant and date;
- (22) Certification by assessor's office, evidenced by signature and date;
- (23) Certification by treasurer's office that all current and prior years' taxes have been paid, evidenced by signature, date, and a statement substantially as follows: "THIS DOCUMENT SHALL NOT BE CERTIFIED BY THE TREASURER'S SIGNATURE UNLESS ALL SPACES HAVE BEEN COMPLETED WITH THE INFORMATION REQUESTED"
- (24) Column for remarks;
- (25) Legal certification of the Manufactured Home Certificate 936 requires the signatures of the assessor and treasurer;
- (26) Other information necessary for CAMA valuation;
- (27) Such other information as may be required by the Oklahoma Tax Commission

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

(a) ~~Requirements to obtain license plate.~~ The following manufactured homes shall require a license plate:

- ~~(1) Any manufactured home entering Oklahoma requiring registration under the Motor Vehicle Code or establishing taxable situs;~~
- ~~(2) Any manufactured home previously registered and subject to ad valorem taxation as provided by law;~~
- ~~(3) Any manufactured home which remains in Oklahoma for a period in excess of sixty (60) days; and~~

~~(4) Any manufactured home with taxable situs in Oklahoma which has not applied for registration and a certificate of title under the Motor Vehicle Code as required by law.~~

~~(b) **Initial decal requirement.**~~

~~(1) The initial decal will be affixed to the license plate which is issued by the motor licensing agent (commonly referred to as a tag agent). Thereafter, the decal will be issued on an annual basis by the county treasurer. New or used manufactured homes entering Oklahoma will receive a license plate and validation decal upon registering with the Motor Vehicle Division of the Oklahoma Tax Commission~~

~~(2) The initial decal will be issued with the license plate as follows:~~

~~(A)(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;~~

~~(B)(2) The taxpayer should bring his 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);~~

~~(C)(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);~~

~~(D) The cost of the license plate will be \$1.00. An additional \$1.25 may be charged for a license plate purchased from a motor license agent (commonly referred to as a tag agent) as a processing fee for a total cost of \$2.25.~~

~~(3)(b) The decal shall be obtained ~~on an annual basis~~ from the county treasurer in the county in which the manufactured home is located as follows:~~

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

~~(B)(2) The county treasurer then shall issue the decal as prescribed by the Motor Vehicle Division of the Oklahoma Tax Commission Service Oklahoma.~~

~~(4)(c) If the manufactured home is to be moved, the taxpayer shall be charged a registration fee by the motor license agent an operator licensed by Service Oklahoma (hereinafter "licensed operator"), in lieu of current ad valorem tax.~~

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 the ~~Oklahoma Tax Commission~~ Service Oklahoma or a ~~motor license agent (tag agent)~~ licensed operator who will prepare the registration and certificate of title pursuant to the rules and regulations of the ~~Motor Vehicle Division of the Oklahoma Tax Commission~~ Service Oklahoma. A registration would not be issued unless the initial registration fee was never collected.
- (3) All taxes due, as required by ~~this Subchapter~~ and 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.

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 ~~with the Motor Vehicle Division of the Oklahoma Tax Commission annually for a fee of twenty dollars (\$20.00). A U.S. Armed Forces Affidavit (OTC Form 779) must be submitted with the OTC copy of the registration receipt. Snapp v. Neal, 382 U.S. 398, 86 S.Ct. 485 (1966).~~
- (b) **Personal property.** ~~Section 574 of the Civil Relief Act of 1940 exempts household personal property from ad valorem taxation for servicemen qualifying under this act.~~
- (c) **When exemption not applicable.** The provisions of (a) and ~~(b)~~ of this Section do not apply when a serviceman establishes residency by the filing of a homestead exemption.

710:10-9-6. Registration and ad valorem taxation of manufactured homes of nonresident owners [REVOKED]

- (a) **Registration.** ~~A manufactured home properly registered or not properly registered in another state which remains in Oklahoma for a period in excess of sixty (60) days shall be registered under the same terms and conditions as an Oklahoma resident.~~
- (b) **Ad Valorem Taxation.**
 - (1) ~~A manufactured home improperly registered which remains in Oklahoma in excess of sixty (60) days establishes taxable situs and will be assessed ad valorem taxes for failure to properly register the manufactured home.~~

~~(2) Manufactured homes properly registered as provided by Section 1117 of the Motor Vehicle Code who pay the proper fees and excise taxes will not be liable for ad valorem taxes until the following tax year.~~

~~(c) **College Students.** Any full time student of an institution of higher learning paying nonresident tuition shall not be required to purchase an Oklahoma license plate for a manufactured home provided that the state of residence of such student affords a similar exemption to Oklahoma students attending institutions of higher learning in such state. [See: 47 O.S. §1125(B)]~~

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 ~~the local motor licensing agent (tag agent)~~ a licensed operator before approving the homestead application with an OTC Form 936 for proof of all taxes paid.

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, ~~Motor License Agent (tag agent)~~ 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 ~~Motor Vehicle Code~~ 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.

710:10-9-14. ~~Registration of new or used non-registered manufactured homes; payment~~ Payment of taxes; proof of registration and failure to show proof of registration

~~(a) Who shall register.~~ The following shall apply for registration and obtaining an original certificate of title with the Oklahoma Tax Commission or a motor license agent (tag agent):

(1) ~~New manufactured home.~~ A person that purchases a new manufactured home which acquires taxable situs in this state;

(2) ~~Used manufactured home.~~ A person that purchases a used manufactured home which acquires taxable situs in this state;

~~(3) **Manufactured home which obtains taxable situs.** A nonresident owner of a manufactured home which obtains taxable situs by the presence of the manufactured home in this state in excess of sixty (60) days.~~

~~(b) **Registration of new manufactured homes.** Proper registration of a manufactured home is described as follows:~~

~~(1) A person lawfully filing an application for registration and original certificate of title for a manufactured home shall be required to make payment of the following:~~

~~(A) License fee; and,~~

~~(B) Excise tax, if applicable. Used manufactured homes entering Oklahoma and owned over sixty (60) days are exempt from payment of the excise tax.~~

~~(2) The Oklahoma Tax Commission or motor license agent (tag agent) shall, upon the proper application and payment of required fees, issue to the owner of the manufactured home the following:~~

~~(A) A certificate of original title;~~

~~(B) A manufactured home registration receipt;~~

~~(C) A manufactured home registration decal;~~

~~(D) A manufactured home license plate; and~~

~~(E) An excise tax receipt, if applicable.~~

~~(e) **Payment of excise tax in lieu of ad valorem tax.** The owner of a manufactured home that documents pays payment of the titling and registration fees set out in (b)(1) of the Vehicle License and Registration Act along with any applicable excise taxes authorized pursuant to the Vehicle Excise Tax Code this Section as evidenced by the presentation of the documents set out in (b)(2) of this Section 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]~~

~~(d) **Failure to register and pay excise tax as required by the Motor Vehicle Code.** The owner of a manufactured home which fails to register a manufactured home and pay the fees and excise tax required by the Motor Vehicle Code shall have his manufactured home listed and assessed as omitted property and entered upon the assessment and tax rolls for prior years not to exceed three (3) years. The subsequent registration of a manufactured home by the owner, as required by the Motor Vehicle Code, 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 Motor Vehicle Code 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.~~

~~(e)(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 ~~local motor vehicle agent (tag agent)~~ licensed operator or the ~~Oklahoma Tax Commission 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 ~~the local motor vehicle agent (tag agent)~~.

(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.

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

~~(a) Upon the registration of a manufactured home in the State of Oklahoma, the Oklahoma Tax Commission will collect the following information and enter into its computer system:~~

- ~~(1) The name and address of the owner of the manufactured home;~~
- ~~(2) The serial number or vehicle identification number (VIN) of the manufactured home;~~
- ~~(3) The registration number (Title number) given to the manufactured home by the Motor Vehicle Division of the Oklahoma Tax Commission;~~
- ~~(4) The Tag number / validation decal number;~~
- ~~(5) The situs (physical address) or legal description where the manufactured home is to be located;~~
- ~~(6) The actual retail selling price of the manufactured home, excluding Oklahoma state taxes; and~~
- ~~(7) Any other information necessary to enable the county assessor to list and assess the proper ad valorem taxes for the manufactured home for the following year.~~

~~(b) The county treasurer, in cooperation with the county assessor, shall transmit a quarterly report of all decaled manufactured homes listed on the tax roll of the county:~~

- ~~(1) The information shall be transmitted either on a form prescribed by the Oklahoma Tax Commission, or by computerized data compatible with the Oklahoma Tax Commission computer and formatted as prescribed by the Oklahoma Tax Commission.~~
- ~~(2) Information submitted to the Oklahoma Tax Commission shall be as follows:
 - ~~(A) Title number;~~
 - ~~(B) Vehicle identification number (VIN);~~
 - ~~(C) Decal number; and~~
 - ~~(D) Tag number.~~~~

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

~~If a manufactured home is moved more than one time within any given calendar year, a current year registration and decal will be required by the Department of Public Safety before issuing a permit.~~

~~(1) (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:~~

- ~~(A) (1) Current registration and current decal or payment of ad valorem taxes due for the current year and prior years.~~

~~(B)~~ (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.

~~(2)~~ (b) **Issuance of release.** Procedure for issuing a release of taxes paid are as follows:

~~(A)~~ (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.

~~(B)~~ (2) The county treasurer shall check for any tax warrants from another county, and any special assessment or taxes delinquent on the manufactured home.

~~(C)~~ (3) The county treasurer shall collect any outstanding taxes or assessment due on the manufactured home.

~~(D)~~ (4) If no taxes are due, the county treasurer will place "NTD" in the space designated total estimated taxes due.

~~(E)~~ (5) The treasurer will sign and return the OTC Form 936 to the county assessor.

~~(F)~~ (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.

SUBCHAPTER 10. VISUAL INSPECTION PLAN

PART 5. DIRECTION AND GUIDANCE

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.

SUBCHAPTER 12. AGRICULTURAL LAND CONSERVATION ADJUSTMENT

710:10-12-10. Appeal from Board of Equalization to district court

~~The decision of the Board of Equalization as to the conservation land adjustment may be appealed to the District Court by either the applicant or the county assessor, as provided by law. [See: 68 O.S. § 2879]~~ 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]

SUBCHAPTER 13. VALUATION EXCLUSION FOR DESULPHURIZATION EQUIPMENT

710:10-13-11. Appeal from Board of Equalization to district court

~~The decision of the Board of Equalization as to the valuation exclusion may be appealed to the district court by either the applicant or the County Assessor, as provided by law. [See: 68 O.S. § 2879]~~ 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]

**TITLE 710. OKLAHOMA TAX COMMISSION
CHAPTER 10. AD VALOREM**

RULE IMPACT STATEMENT

Pursuant to 75 O.S. §303(D), the Oklahoma Tax Commission provides the following rule impact statement with regard to proposed rule changes to Chapter 10 of Title 710 of the Oklahoma Administrative Code.

DESCRIPTION: The proposed amendment to Section 710:10-2-2 implements the provisions of HB 1682 and SB 192. As a result of the enactment of these two measures the stricken definitions are no longer applicable or necessary. [68:2807.1, 2817]

The proposed amendments to Sections 710:10-7-14, 710:10-12-10 and 710:10-13-11 implement the provisions of HB 3901 which extended the jurisdiction of the Court of Tax Review to complaints challenging an order of the county board of equalization sustaining a valuation of real or personal property with a fair cash value as determined by the county assessor in excess of \$3 million, as authorized by 68 O.S. § 2880.1, for which a scheduling conference will be required within 20 days of the answer filed by the county assessor. Also, taxpayers and county assessors shall have the right to appear from any order of the county board of equalization sustaining a valuation of real or personal property at a fair cash value as determined by the county assessor in excess of \$3 million to the Court of Tax Review. Appeals from any other order of the county board of equalization will be filed in the district court of the same county. [68:2880.1, 3024]

The proposed amendments to Subchapter 9 Manufactured Homes implements the provisions of HB 3419 which created Service Oklahoma as a division of the Oklahoma Office of Management and Enterprise Services. It also transferred applicable powers, duties, and responsibilities exercised by the Motor Services Division of the OTC to Service Oklahoma on January 1, 2023.

The proposed amendment to Section 710:10-10-28 implements the provisions of HB 2627; at the time of filing a protest pursuant to subsections E and F of Section 2876, which relate to proposed increases of existing property values, the taxpayer will also file the form provided for in 68 O.S. § 2835. If the taxpayer fails to file the required form, a presumption will exist in favor of the correctness of the county assessor's valuation in any appeal of the county assessor's valuation. [68:2876]

CLASSES AFFECTED: County assessors and taxpayers may be affected by this rulemaking action.

CLASSES BENEFITED: All taxpayers affected by this rulemaking action may benefit; it updates the Tax Commission's rules consistent with recent legislation.

PROBABLE ECONOMIC IMPACT OF THE PROPOSED RULE UPON AFFECTED CLASSES OF PERSONS OR POLITICAL SUBDIVISIONS: There are no anticipated increase to costs associated with the proposed rule changes.

LISTING OF ALL FEE CHANGES, INCLUDING A SEPARATE JUSTIFICATION FOR EACH FEE CHANGE: The rulemaking action does not levy, implement, or increase an existing fee.

PROBABLE COSTS TO THE AGENCY: Costs to promulgate and enforce the proposed rules will be funded through normal agency budget. No measurable impact on State revenues is anticipated.

ECONOMIC IMPACT ON POLITICAL SUBDIVISIONS: The agency does not anticipate any economic impact on any political subdivision to implement the proposed rule changes at this time.

SMALL BUSINESS IMPACT: After consideration with reference to Section 303(A)(4) and 303(B)(6) of Title 75, it is believed that the proposed rules will have no adverse impact upon Small Business.

ALTERNATIVE METHODS AND COSTS OF COMPLIANCE: There are no less costly or non-regulatory methods or less intrusive methods for achieving the purpose of the proposed rules. No formalized compliance cost minimization measures have been pursued.

DETERMINATION OF THE EFFECT ON PUBLIC HEALTH, SAFETY AND ENVIRONMENT: The agency does not anticipate any impact on public health, safety, or environment as a result of implementation of the proposed rules at this time.

DETERMINATION OF THE DETRIMENTAL EFFECT WILL THERE BE ON THE PUBLIC HEALTH, SAFETY, AND ENVIRONMENT IF THE RULE CHANGE IS NOT IMPLEMENTED: The agency does not anticipate any detrimental effect on public health, safety, or environment as a result of failure to implement the proposed rules at this time.

DATE PREPARED: December 13 2022