

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 57th Legislature (2020)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 2776

By: Sims, **Nollan, Vancuren** and
Sneed of the House

7
8 and

Rader and **Ikley-Freeman** of
the Senate

9
10 COMMITTEE SUBSTITUTE

11 An Act relating to counties and county officers;
12 creating the Oklahoma Hazard Mitigation Assessment
13 District Act; permitting counties to initiate
14 creation of hazard mitigation assessment districts;
15 directing resolution be submitted to the registered
16 voters of the county; conferring powers; describing
17 territory of a hazard mitigation assessment district;
18 creating Hazard Mitigation District Trust Authority;
19 providing for management and budgetary oversight;
20 developing administrative policies and procedures;
21 requiring county to pay for election; providing for
22 notice of election; stating question to be placed on
23 ballot; describing eligible voters; providing for
24 conduct of election subject to general or special
 election laws; declaring establishment of district
 upon majority vote; authorizing creation of certain
 advisory board; providing for levy of annual
 assessment on certain property based on assessed
 value and specifying purposes thereof; eliminating
 assessment automatically after certain time;
 prohibiting assessment to be used in exchange for
 appropriations; providing exception; providing
 minimum amount of assessment be used for certain
 purpose in certain rural counties; providing for a
 lien against property if assessment is unpaid;
 stating priority of lien; directing specified

1 accounting procedures by certain county officers;
2 directing certain costs be paid from the proceeds of
3 the district; requiring interest to be charged on
4 delinquent assessment; permitting dissolution of a
5 hazard mitigation assessment district upon certain
6 majority vote; authorizing certain cooperative
7 agreements with tribal entities; requiring certain
8 quarterly reports; amending 68 O.S. 2011, Section
9 2915, which relates to statement to taxpayers; adding
10 information to be included on certain statement;
11 providing for codification; providing an effective
12 date; and declaring an emergency.

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

14 SECTION 1. NEW LAW A new section of law to be codified
15 in the Oklahoma Statutes as Section 501.1 of Title 19, unless there
16 is created a duplication in numbering, reads as follows:

17 This act shall be known and may be cited as the "Oklahoma Hazard
18 Mitigation Assessment District Act".

19 SECTION 2. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 501.2 of Title 19, unless there
21 is created a duplication in numbering, reads as follows:

22 The governing body of a county may initiate the creation of a
23 hazard mitigation assessment district by the adoption of a
24 resolution calling for the question to be placed before the
registered voters of the county of whether to organize a hazard
mitigation assessment district. The resolution shall be submitted
to registered voters of the county at a countywide special or
general election. When a district is organized, it shall have the

1 powers conferred by the Oklahoma Hazard Mitigation Assessment
2 District Act.

3 SECTION 3. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 501.3 of Title 19, unless there
5 is created a duplication in numbering, reads as follows:

6 A. A hazard mitigation assessment district shall include all
7 territory located within the county.

8 B. To administer the hazard mitigation assessment district, a
9 Hazard Mitigation District Trust Authority shall be created to be
10 responsible for the administration, determination of projects and
11 programs to be funded, to create, amend and oversee the budget and
12 to approve the expenditures of the collected assessment. The
13 Authority shall have seven (7) trustees which shall include the
14 three members of the board of county commissioners, the mayor or
15 other elected officials from three municipalities within the county
16 selected by the board of county commissioners and one member at
17 large selected by the board of county commissioners. Operational
18 management of the hazard mitigation assessment district as it
19 pertains to the approval of any capital improvements constructed and
20 any short-term and long-term capital acquisitions and other
21 expenditures as provided in paragraphs 1 through 13 of subsection C
22 of Section 7 of this act shall be vested within the Hazard
23 Mitigation Trust Authority.

1 C. Budgetary oversight, prioritization of capital and
2 noncapital projects funded and the development of the necessary
3 administrative policies and procedures shall be vested within the
4 Hazard Mitigation District Trust Authority.

5 SECTION 4. NEW LAW A new section of law to be codified
6 in the Oklahoma Statutes as Section 501.4 of Title 19, unless there
7 is created a duplication in numbering, reads as follows:

8 A. The costs of an election to establish a hazard mitigation
9 assessment district shall be paid by the county as determined by the
10 county election board conducting the countywide special or general
11 election.

12 B. The election to determine whether a district shall be
13 established, and the notice thereof, shall be conducted in the same
14 manner as other county questions which are submitted to the
15 electorate of the county. The notice shall require the registered
16 voters of the county to cast ballots which contain the words:

17 1. "Hazard Mitigation Assessment District - Yes"; and

18 2. "Hazard Mitigation Assessment District - No",

19 or words equivalent thereto. All residents of the county who are
20 qualified electors shall be qualified to vote on the proposition.
21 The hazard mitigation assessment district election shall be
22 conducted in accordance with the general or special election laws of
23 the state, and the regular election officials shall be in charge at
24 the usual polling place of each regular precinct, or part of a

1 precinct, which shall include lands within the boundaries of the
2 county.

3 SECTION 5. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 501.5 of Title 19, unless there
5 is created a duplication in numbering, reads as follows:

6 If the certified election results show that greater than sixty
7 percent (60%) of all the votes cast are "Hazard Mitigation
8 Assessment District - Yes", the governing body of the county shall,
9 by adoption of a resolution, declare the hazard mitigation
10 assessment district established. Any resolution establishing a
11 hazard mitigation assessment district shall be filed in the office
12 of the county clerk in the county where the election was held.

13 SECTION 6. NEW LAW A new section of law to be codified
14 in the Oklahoma Statutes as Section 501.6 of Title 19, unless there
15 is created a duplication in numbering, reads as follows:

16 The governing body of the county may establish a hazard
17 mitigation advisory board composed of thirteen (13) citizens from
18 the municipalities and unincorporated areas of the county to make
19 reports and recommendations to the Hazard Mitigation Trust Authority
20 to advise the county governing body on hazard mitigation and
21 disaster recovery expenditures and projects. The governing body of
22 the county shall appoint the hazard mitigation advisory board
23 members for either one- or two-year terms.

24

SECTION 7. NEW LAW A new section of law to be codified

in the Oklahoma Statutes as Section 501.7 of Title 19, unless there is created a duplication in numbering, reads as follows:

A. There shall be levied an annual assessment no greater than two (2) mills on the dollar of assessed value of the types of property in the district as provided in paragraphs 1, 2 and 3 of subsection A of Section 2803 of Title 68 of the Oklahoma Statutes.

B. The annual assessment provided in subsection A of this section shall not apply to real property zoned for agricultural land use, livestock utilized in support of the family and personal property owned by for-profit agricultural business entities. A property that is exempt from the assessment at the time when the voters approve the assessment shall remain exempt even if the property is rezoned to a nonexempt category at a later time. Government-owned and nonprofit properties shall be exempt from the annual assessment. Properties located within a tax increment financing district shall be subject to the assessment.

C. The proceeds of the assessments shall be used for the short-term and long-term capital acquisitions and capital improvements of the hazard mitigation assessment district, as well as expenses related to any of the following, or combination of the following, purposes:

1. Planning, designing, installing, constructing, operating and maintaining hazard mitigation capital improvements;

1 2. Creating a fund balance equal to ten percent (10%) of the
2 amount of assessment collected annually to be used by the county
3 where the district is located or any municipality located within the
4 district for matching any funding requirements by the state or
5 federal government in order to qualify and to receive state or
6 federal government disaster relief funds;

7 3. Purchasing and maintaining equipment and vehicles required
8 to implement projects in a FEMA-approved hazard mitigation plan;

9 4. Providing funds in support of efforts to acquire and
10 demolish or relocate, if technically feasible, or elevate structures
11 located in areas prone to flooding, including expenses to ensure
12 that people whose real property is acquired using federal funds, or
13 who move as a result of projects receiving funds, will be treated
14 fairly and equitably, pursuant to the Uniform Relocation Assistance
15 and Real Property Acquisition Policies Act of 1970, Sections 4601
16 through 4655 of Title 42 of the United States Code, and receive
17 assistance in moving from the property they occupy;

18 5. Providing funding to county health departments for the
19 creation of and implementation of public health hazard mitigation
20 plans;

21 6. Funding for studies, evaluations, consulting services and
22 professional services related directly or indirectly to purposes in
23 paragraphs 1 through 5 of this subsection;

24 7. Providing and receiving hazard mitigation training;

1 8. Providing administrative costs not to exceed five percent
2 (5%) of the total amount of assessment collected annually for the
3 administration of the hazard mitigation plan;

4 9. Providing for costs incurred by the county for including
5 hazard mitigation assessment information in the tax statement as
6 provided in subsection B of Section 2915 of Title 68 of the Oklahoma
7 Statutes;

8 10. Providing any funds required as a deductible on the
9 municipal and county property insurance policies that cover any
10 property, buildings, facilities, equipment, vehicles and materials
11 located within the district damaged or destroyed as a result of the
12 hazard for which an insurance claim is filed. For purposes of this
13 section, "hazard" shall mean a condition with the potential threat
14 or actual loss or harm to humans, property, the community or
15 environment that is naturally occurring or a human-induced disaster
16 or event which poses or results in great risk or danger or damage;

17 11. Providing for any required matching funds in order to
18 receive hazard mitigation grants from the state or federal
19 government or any private sector or nonprofit organization provided
20 grant funds;

21 12. Providing hazard mitigation and disaster recovery funding
22 to public authorities and trusts which are responsible for the
23 management, operation, construction, maintenance and preservation of
24 public property; and

1 13. Providing funds for any cleanup, demolition, debris removal
2 and hazardous material removal following any hazard.

3 D. The establishment of the hazard mitigation annual assessment
4 shall terminate five (5) years after the passage by the voters of
5 the county unless renewed by the voters of the county.

6 SECTION 8. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 501.8 of Title 19, unless there
8 is created a duplication in numbering, reads as follows:

9 No portion of annual assessment shall be used to supplant or be
10 used in exchange for any current appropriations dedicated for and
11 expended for hazard mitigation or disaster recovery expenditures.
12 The annual assessment shall only be used in addition to or to
13 supplement current appropriations and expenditures for hazard
14 mitigation or disaster recovery. The prohibition provided in this
15 subsection shall not apply to federal Community Development Block
16 Grant (CDBG) funding which a county or municipality is using for
17 hazard mitigation or disaster recovery. In those cases, the annual
18 assessment shall be used to replace any CDBG funding which has been
19 directed towards hazard mitigation, disaster recovery expenditures
20 or both hazard mitigation and disaster recovery expenditures.

21 SECTION 9. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 501.9 of Title 19, unless there
23 is created a duplication in numbering, reads as follows:

1 In counties determined by the most recent Federal Decennial
2 Census to be completely or mostly rural, no less than forty percent
3 (40%) of the annual assessment collected in the county shall be used
4 for mitigation improvements, disaster recovery or both mitigation
5 improvements and disaster recovery impacting agricultural property.

6 SECTION 10. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 501.10 of Title 19, unless there
8 is created a duplication in numbering, reads as follows:

9 Every assessment levied under the authority of the Oklahoma
10 Hazard Mitigation Assessment District Act shall be a lien against
11 the tract of land on which it has been levied, until paid, and the
12 lien shall be coequal with the lien of ad valorem and other taxes,
13 including special assessments, and prior and superior to all other
14 liens, and the assessment shall draw interest and shall be collected
15 in the same manner as ad valorem taxes.

16 SECTION 11. NEW LAW A new section of law to be codified
17 in the Oklahoma Statutes as Section 501.11 of Title 19, unless there
18 is created a duplication in numbering, reads as follows:

19 The county assessor shall compute and enter, in respective
20 columns of the tax rolls, the respective sums in dollars and cents
21 to be paid on each piece of property therein enumerated. The county
22 clerk shall certify to the county treasurer in the county where the
23 district, or any part thereof, is located the amount of assessment
24 in each fund levied upon each tract. The county treasurer shall

1 enter the amount of each in separate columns of the tax list of the
2 county. The assessments shall be collected by the county treasurer
3 at the same time and in the same manner as all other taxes are
4 collected in this state. Costs associated with the collection of
5 the assessments incurred by the county treasurer shall be paid from
6 the proceeds of the district. If any assessment becomes delinquent,
7 it shall draw interest as a penalty after delinquency at the rate of
8 eighteen percent (18%) per annum. All assessments and penalties
9 collected or received from the Oklahoma Hazard Mitigation Assessment
10 District Act shall be paid to the county treasurer.

11 SECTION 12. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 501.12 of Title 19, unless there
13 is created a duplication in numbering, reads as follows:

14 A hazard mitigation assessment district may be dissolved by a
15 majority vote of the registered voters at an election called for
16 that purpose by the governing body of the county.

17 SECTION 13. NEW LAW A new section of law to be codified
18 in the Oklahoma Statutes as Section 501.13 of Title 19, unless there
19 is created a duplication in numbering, reads as follows:

20 The governing body of the county is authorized to negotiate and
21 enter into intergovernmental cooperative agreements on behalf of the
22 district with a federally recognized Indian tribal government within
23 this state, owner of restricted property, beneficiaries of trust
24

1 property and the federal Bureau of Indian Affairs to address
2 payments in lieu of assessments and other issues of mutual interest.

3 SECTION 14. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 501.14 of Title 19, unless there
5 is created a duplication in numbering, reads as follows:

6 The governing body of the county shall prepare, present and file
7 quarterly reports on the activities of the hazard mitigation
8 assessment district. The reports shall include, but shall not be
9 limited to, the current receipts, the current expenditures and the
10 projects funded, the projects to be funded in the next quarter, any
11 reports and recommendations received from the hazard mitigation
12 advisory board, and any other information regarding the activities
13 and actions taken.

14 SECTION 15. AMENDATORY 68 O.S. 2011, Section 2915, is
15 amended to read as follows:

16 Section 2915. A. It shall be the duty of every person subject
17 to taxation under the Ad Valorem Tax Code, Section 2801 et seq. of
18 this title, to attend the treasurer's office and pay taxes, and if
19 any person neglects to attend and pay taxes until after they have
20 become delinquent, the treasurer shall collect the same in the
21 manner provided by law. If any person owing taxes~~7~~ removes from one
22 county to another in this state, the county treasurer shall forward
23 the tax claim to the treasurer of the county to which the person has
24 removed, and the taxes shall be collected by the county treasurer of

1 the latter place as other taxes and returned to the proper county,
2 less legal charges. The county treasurer may visit, in person or by
3 deputy, places other than the county seat for the purpose of
4 receiving taxes. Nothing herein shall be so construed as to prevent
5 an agent of any person subject to taxation from paying the taxes.

6 B. The county treasurer of each county shall, within thirty
7 (30) days after the tax rolls have been completed and delivered to
8 the office of the county treasurer by the county assessor, mail to
9 each taxpayer at the taxpayer's last-known address a statement
10 showing separately the amount of all ad valorem taxes assessed
11 against the taxpayer's real and personal property for the current
12 year ~~and~~, all delinquent taxes remaining unpaid thereon for previous
13 years and, if applicable, any assessments levied on properties
14 within a hazard mitigation assessment district pursuant to Section 7
15 of this act. At the county treasurer's option, in lieu of regular
16 mailing, the treasurer may instead send the tax statement to the
17 taxpayer by electronic mail provided the taxpayer has submitted a
18 written request to receive such statements by electronic mail
19 instead of by regular mail. It is expressly provided, however, that
20 failure of any taxpayer to receive such statement, or failure of the
21 treasurer to so mail the same, shall not in any way extend the date
22 by which such taxes or assessments shall be due and payable nor
23 relieve the taxpayer or property owner of the duty and
24 responsibility of paying same as provided by law.

1 C. The statement required by this section shall contain an
2 explanation of how the ad valorem tax bill is calculated using
3 language so that a person of common understanding would know what is
4 intended. The statement shall also contain an explanation of the
5 manner in which ad valorem taxes are apportioned between the county,
6 school district or other jurisdiction levying ad valorem taxes and
7 shall identify the apportionment of the taxes for the current year
8 on the subject property. The State Auditor and Inspector shall
9 promulgate rules necessary to implement the provisions of this
10 subsection.

11 D. It shall be the mandatory duty of the county treasurer to
12 request an appropriation for necessary postage and expense to defray
13 the cost of furnishing taxpayers the statement herein provided and
14 it shall be the mandatory duty of the board of county commissioners
15 and the county excise board to make such appropriation.

16 SECTION 16. This act shall become effective July 1, 2020.

17 SECTION 17. It being immediately necessary for the preservation
18 of the public peace, health or safety, an emergency is hereby
19 declared to exist, by reason whereof this act shall take effect and
20 be in full force from and after its passage and approval.

21
22 COMMITTEE REPORT BY: COMMITTEE ON COUNTY AND MUNICIPAL GOVERNMENT,
23 dated 02/27/2020 - DO PASS, As Amended and Coauthored.
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