

OKLAHOMA TAX COMMISSION

REVENUE IMPACT STATEMENT AND/OR ADMINISTRATIVE IMPACT STATEMENT SECOND REGULAR SESSION, FIFTY-EIGHTH OKLAHOMA LEGISLATURE

DATE OF IMPACT STATEMENT: January 28, 2022

BILL NUMBER: HB 3209 STATUS AND DATE OF BILL: Introduced 01/17/22

AUTHORS: House Nichols Senate NA

TAX TYPE (S): Other SUBJECT: Other

PROPOSAL: New Law

HB 3209 proposes to enact the Municipal Code Lien Enforcement Act of 2022, allowing an applicable municipality to proceed with judicial in rem foreclosures on municipal code liens by enactment of an ordinance or resolution of the governing authority of the municipality in which the real property is located. After enforcement proceedings have commenced in accordance with the Act, the enforcement proceedings may be amended to include any subsequently arising municipal code liens, and, if applicable, any and all taxes as defined in the Act.

EFFECTIVE DATE: November 1, 2022

REVENUE IMPACT:

Insert dollar amount (plus or minus) of the expected change in state revenues due to this proposed legislation.

FY 23: None.

FY 24: None.

Jan. 31, 2022
DATE

Rick Miller
DIVISION DIRECTOR

bf

1/31/2022
DATE

Huan Gong
HUAN GONG, ECONOMIST

2/2/2022
DATE

[Signature]
FOR THE COMMISSION

The revenue impact provided herein is an estimate of the potential impact on the collection or apportionment of tax revenues affected by the proposed legislation. It is not intended to be an estimate of the overall fiscal impact on the state budget if the proposed legislation is enacted.

ATTACHMENT TO REVENUE IMPACT – HB 3209 [Introduced] Prepared 1/28/2022

HB 3209 proposes to enact the Municipal Code Lien Enforcement Act of 2022, allowing an applicable municipality to proceed with judicial in rem foreclosures on municipal code liens by enactment of an ordinance or resolution of the governing authority of the municipality in which the real property is located. As provided in 68 O.S. § 3103, a lien for taxes¹ is superior to all other liens, including municipal code liens.

A municipality that has adopted the provisions of the Act and that seeks to enforce a municipal code lien through the sale of real property must utilize the judicial in rem proceedings of the Act as the sole remedy for the enforcement through the sale of real property. After enforcement proceedings have commenced in accordance with the Act, the enforcement proceedings may be amended to include any subsequently arising municipal code liens, and, if applicable, any and all taxes as defined in the Act.

If the property on which the municipality is seeking to foreclose is subject to taxes, then at least 60 days prior to the filing of the petition, the code enforcement director will notify all other taxing agencies within the jurisdiction of the municipality and the State of Oklahoma of the code enforcement director's intention to file a petition for judicial in rem foreclosure of the real property on which a municipal code lien exists.

Simultaneous with the filing of notice of intent to file a judicial in rem foreclosure action, the code enforcement director, in the name of the municipality, will file a petition with the clerk of the district court for the district in which the real property is located. The petition will be filed against the real property against which the municipal code lien has been recorded and will include:

- The year or years for which the taxes are delinquent, if any,
- The principal amount of the taxes together with interest and penalties, if any, and
- A statement that upon final sale in accordance with this act and payment of the amount due for taxes, if applicable, an interested party's rights of redemption shall be extinguished.

The municipality will mail copies of the petition by both certified mail, return receipt requested, and by regular mail to all interested parties whose identities and addresses are reasonably ascertainable.

No revenue impact is expected as a result of the proposal.

¹ "Taxes" means those taxes assessed against real property by either the State of Oklahoma, the county in which the real property is situated, or the municipality that are delinquent as of the date a proceeding under this act is commenced or at any time before final resolution of the same, and shall also include any taxes assessed against real property that are unpaid from any previous year and any amounts required for redemption.