

SENIOR PROPERTY VALUATION FREEZE

OKLAHOMA TAX COMMISSION

AD VALOREM DIVISION



STATE QUESTION 677

State Question 677 directs that Homestead Property shall be frozen by the County Assessor if the following conditions exist:

- The homestead property owner is age 65 or older.
- The gross household income from **all sources**, except gifts, does not exceed the amount determined by the U.S. Department of Housing and Urban Development (H.U.D.) for your county.
- Property must be a valid homestead property with proper evidence of a homestead or an application.
- As with any homestead, the general statutes for homestead qualification apply to the freeze.
- The statutes specify that only one homestead and, by extension, only one freeze is permitted.
- The freeze applies only to the homestead property used as a domicile and may not be applied to non-homestead property.

(Reference 68 O.S. Ann. Sections 2888, 2893 and applicable Attorney General Opinions.)

THE APPLICATION PROCESS

The property owner must apply for the freeze at the county assessor's office by completing Form OTC 994, Application for Property Valuation Freeze and Additional Homestead Exemption. The form must be completed in its entirety regarding:

- *Income*
Gross household income from all sources, except gifts, for all persons residing in the home.
- *Age*
The year **after** the property owner turns 65 is the first year of eligibility.
- *Ownership*
Proof of ownership shall be required.
- *Other information*
As may be required by the assessor to document claim for the freeze.

The freeze will take effect for the taxable year in which the application is made and approved and the application must be made between January 1 and March 15.

If the application is denied, the property owner has the right to appeal to the County Board of Equalization.

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SPECIAL NOTICE

The senior freeze locks in valuation, but **does not freeze all taxes**. The tax amount could increase under these three specific situations.

1. Additional millage or levy is added.
2. Judgment against county.
3. Voters modify assessment percentages.

The Senior Valuation Freeze may be obtained in addition to participation in the Property Tax Refund and the Additional Homestead Exemption programs.

If previously qualified for the limitation on the fair cash value of homestead property, no annual application is required. (68 O.S., Section 2890.1-B)

However, if income exceeds the amount determined by H.U.D., in any year, the person shall notify the county assessor that the limitation shall not be allowed for the applicable year.

CIRCUMSTANCES FOR REMOVAL OF FREEZE

- The freeze is valid on the property as long as the property is not changed, transferred, or sold.
- If title is transferred, changed, or conveyed to another person, the senior valuation freeze shall expire. The assessor is then required to value the property at its fair market value.
- Improvements to the property, such as a room addition, will lift the valuation freeze. The additional value will be added to the value of the property which had been frozen. The new total value is frozen again as long as freeze requirements are met.
- Physical additions or changes considered to be maintenance such as normal repairs or minor remodeling, minor efficiency improvements, or retrofit improvements, such as wheelchair ramps are not considered physical improvements affecting the senior valuation freeze.
- If gross household income from all sources, except gifts, exceeds the H.U.D. limit, the freeze shall expire. The value of the property is then subject to the 5 percent cap increase for that year.

For more information about the Senior Property Valuation Freeze, please contact:
Your local County Assessor's Office

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