

ENGROSSED SENATE
BILL NO. 494

By: Snyder of the Senate

and

Vaughn of the House

[revenue and taxation - public road and highway
authority - sales tax - codification -
effective date]

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1370.7 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. Any combination of cities, towns and counties, by resolution of their governing boards, may jointly create a public road and highway authority pursuant to the provisions of Section 176 of Title 60 of the Oklahoma Statutes for the purpose of planning, financing and constructing roads or highways, or both, located within the boundaries of such cities, towns or counties. An authority created pursuant to the provisions of this subsection shall have the powers granted pursuant to the provisions of Section 176 of Title 60 of the Oklahoma Statutes in addition to the powers granted pursuant to the provisions of this act. The combination of cities, towns and counties creating the public road and highway authority shall be designated the beneficiary of such authority. The boundaries of the road and highway authority shall be coterminous with the boundaries of the cities, towns or counties creating the authority.

B. Any public road and highway authority created pursuant to the provisions of subsection A of this section may levy a sales tax of not to exceed two percent (2%) upon the gross proceeds or gross receipts derived from all sales or services in the cities, towns and counties comprising the public authority upon which a consumer's sales tax is levied by this state. Before a sales tax may be levied by the public authority, the imposition of the tax shall first be approved by a majority of the registered voters within the boundaries of the public road and highway authority voting thereon at a special election jointly called by the governing boards of the cities, towns and counties comprising the public authority. Provided, if a majority of the voters of one or more cities, towns or counties creating the authority fail to approve the imposition of the tax but a majority of the voters of the entire authority approve the imposition of the tax, the tax shall be deemed approved and shall be levied within the boundaries or limits of all cities, towns or counties creating the authority. Provided further, that if a majority of the registered voters of a public authority voting fail to approve such a tax, the governing boards of such cities, towns and counties shall not jointly call another special election for such purpose for at least six (6) months. Any sales tax approved by the registered voters of a public authority shall be applicable only when the point of sale is within the boundaries or limits of such public authority.

C. All items that are exempt from the state sales tax shall be exempt from any sales tax levied pursuant to the provisions of this section.

D. Any sales tax which may be levied pursuant to the provisions of this section shall be designated for the purposes of planning, financing and constructing a road or highway within the boundaries of the public authority. The public authority shall identify the purpose of the sales tax when it is presented to the voters pursuant

to the provisions of this section. The proceeds of any sales tax levied by a public authority shall be used only for the purposes for which such sales tax was designated.

E. The public authority shall identify the duration of the tax when it is presented to the voters pursuant to the provisions of this section.

F. A public road and highway authority created pursuant to the provisions of subsection A of this section shall be dissolved:

1. At such time as the planning, financing and constructing of the roads or highways within the boundaries of the authority is completed; and

2. At such time as the revenue collected from any taxes levied by the authority is sufficient for payment of any and all expenses incurred by the authority in the planning, financing and constructing of such roads or highways.

If the proceeds of any tax levied by an authority pursuant to this section are pledged for the purpose of retiring indebtedness incurred for the specific purpose for which the tax is imposed, the tax shall not be repealed until such time as the indebtedness is retired. Provided, in no event shall the life of the tax be extended beyond the duration approved by the voters of the authority.

If the revenue collected from any taxes levied by the authority exceeds the amount necessary for payment of any and all expenses incurred by the authority in the planning, financing and constructing of such roads or highways, such excess funds shall be apportioned to the general funds of the cities, towns and counties comprising the authority in proportion to the population of each such city, town and county.

SECTION 2. This act shall become effective November 1, 1995.

Passed the Senate the 8th day of March, 1995.

President of the Senate

Passed the House of Representatives the ____ day of
_____, 1995.

Speaker of the House of
Representatives