STATE OF OKLAHOMA

2nd Session of the 46th Legislature (1998)

CONFERENCE COMMITTEE SUBSTITUTE
FOR ENGROSSED
HOUSE BILL NO. 3278 By: Rice of the House

and

Easley of the Senate

CONFERENCE COMMITTEE SUBSTITUTE

An Act relating to revenue and taxation; exempting certain pollution control property from ad valorem tax; providing for proportional exemption; specifying certain property not subject to exemption; defining phrase; providing for application and permit; requiring certain information in permit application for permit exemption; providing for notice to Ad Valorem Division of the Oklahoma Tax Commission; providing for letter of determination; providing for certain fee; authorizing adoption of rules; requiring county assessor or Director of Ad Valorem Division of Oklahoma Tax Commission to accept certain letter as certain evidence; providing exception; providing certain guidelines; providing for codification; and providing an 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 2950 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. A person shall be entitled to an exemption from ad valorem tax on all or part of any personal property that the person owns and that is used wholly as a facility, device or method for the control of air, water or land pollution in accordance with Section 6D of Article X of the Oklahoma Constitution. The exemption shall be proportionate to the percentage of property determined to be pollution control property under subsections C and D of this section. A person is not entitled to an exemption from taxation under this section solely on the basis that the person manufactures or produces a product that prevents, monitors, controls or reduces air, water or land pollution. Property used for residential purposes, or for recreational or park uses, is ineligible for an exemption under this section.

B. As used in this section, "facility, device or method for the control of air, water or land pollution" means any structure, building, installation, excavation, machinery, equipment or device and any attachment or addition to or reconstruction, replacement or improvement of that property, that is used, constructed, acquired or installed on or after January 1, 1999, wholly or partly to meet or exceed rules adopted by the Oklahoma Environmental Quality Board, or by the United States Environmental Protection Agency with respect to any program which has been delegated to the Department of Environmental Quality for the prevention, monitoring, control or reduction of air, water or land pollution. This definition and this section shall not apply to a motor vehicle.

C. In applying for an exemption under this section, a person seeking the exemption shall present in a permit application or

permit exemption request to the Executive Director of the Department of Environmental Quality information detailing:

1. The anticipated environmental benefits from the installation of the facility, device or method for the control of air, water or land pollution;

2. The estimated cost of the pollution control facility, device or method; and

3. The purpose of the installation of such facility, device or method and the proportion of the installation that is pollution control property.

D. Following submission of the information required by subsection C of this section, the Executive Director of the Department of Environmental Quality shall determine if the facility, device or method is used wholly as a facility, device or method for the control of air, water or land pollution. As soon as practicable, the Executive Director shall send notice by regular mail to the Director of the Ad Valorem Division of the Oklahoma Tax Commission that the person has applied for a determination under this section. If the Executive Director determines that the facility, device or method is used wholly to control pollution, the Executive Director shall issue a letter to the person stating that determination and the proportion of the installation that is pollution control property.

E. The Department of Environmental Quality may charge a person seeking a determination that property is pollution control property an additional fee not to exceed its administrative costs for processing the information, making the determination and issuing the letter required by this section. The Environmental Quality Board may adopt rules to implement this section.

F. A person seeking an exemption under this section shall provide to the county assessor or the Director of the Ad Valorem Division of the Oklahoma Tax Commission a copy of the letter issued

by the Executive Director of the Department of Environmental Quality under subsection D of this section. The county assessor or the Director of the Ad Valorem Division of the Oklahoma Tax Commission shall accept the copy of the letter from the Executive Director as conclusive evidence that the facility, device or method is used wholly as pollution control property.

G. This section does not apply to a facility, device or method for the control of air, water or land pollution that is subject to any other ad valorem tax exemptions under the laws of this state.

H. The exemption provided by this section, once allowed, need not be claimed in subsequent years, and the exemption applies to the property until it changes ownership or the qualification of the property for the exemption changes. However, the county assessor or the Director of the Ad Valorem Division of the Oklahoma Tax Commission may require a person allowed one of the exemptions in a prior year to file a new application to confirm the current qualification for the exemption by delivering a written notice that a new application is required, accompanied by an appropriate application form, to the person previously allowed the exemption.

SECTION 2. This act shall become effective January 1, 1999, upon
the approval by the people of the constitutional amendment in House Joint Resolution No. 1096.

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