

ENGROSSED HOUSE
BILL NO. 3278

By: Rice of the House

and

Easley of the Senate

(revenue and taxation - exempting certain pollution
control property from ad valorem 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 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 wholly or partly to meet or exceed rules or regulations adopted by any environmental protection agency of the United States, this state or a political subdivision of this state 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 Department of Environmental Quality 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. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-3-450 of Title 27A, unless there is created a duplication in numbering, reads as follows:

A. 1. For purposes of this section the term "vegetative filter strip" means any land that:

a. is located between land used for agricultural purposes and an area to be protected, including but not limited to surface water, a stream, a river, or a sinkhole, and

b. meets the requirements of subsection B of this section.

2. A vegetative filter strip shall be valued at one-sixth (1/6) of its assessed use value.

B. Vegetative filter strips shall be at least sixteen (16) feet in width and contain vegetation that:

1. Has a dense top growth;

2. Forms a uniform ground cover;

3. Has a heavy fibrous root system; and

4. Tolerates pesticides used upon the land used for agricultural purposes.

C. 1. The conservation district in which the land is located shall assist the taxpayer in completing a uniform certified document as prescribed by the Oklahoma Tax Commission in cooperation with the Conservation Commission that certifies:

a. that the property meets the requirements established under this section for vegetative filter strips, and

b. the acreage or square footage of property that qualifies for assessment as a vegetative filter strip.

2. The document shall be filed by the applicant with the county assessor of the county in which the land is located.

D. The conservation district shall create a conservation plan for the creation of the filter strip. The plan shall be kept on file in the conservation district office.

E. Nothing in this section shall be construed to require any taxpayer to have vegetative filter strips.

F. The Department of Agriculture in consultation with the Conservation Commission shall file a report concerning the effect and impact of vegetative filter strips on soil and water quality improvements to the Oklahoma Legislature by March 1, 2000.

SECTION 3. This act shall become effective January 1, 1999, upon the approval by the people of the constitutional amendment in House Joint Resolution No. 1096.

Passed the House of Representatives the 9th day of March, 1998.

Speaker of the House of
Representatives

Passed the Senate the ____ day of _____, 1998.

President of the Senate