

STATE OF OKLAHOMA

2nd Session of the 47th Legislature (2000)

HOUSE JOINT
RESOLUTION HJR1047

By: Calvey

AS INTRODUCED

A Joint Resolution directing the Secretary of State to refer to the people for their approval or rejection proposed amendments to Sections 6 and 26 of Article X of the Constitution of the State of Oklahoma and a proposed amendment to the Constitution of the State of Oklahoma by adding a new section to Article X to be designated as Section 8D; providing for the exemption of business personal property or business inventory from ad valorem taxation on a county option basis; setting forth procedures for election to vote on tax exemption; providing for computation of modified maximum amount of indebtedness for certain political subdivisions or political corporations; requiring adjustment of certain millage rates to compensate for certain potential loss of revenue; providing procedures for computation of certain millage rates; providing effective dates; providing ballot title; and directing filing.

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES AND THE SENATE OF THE
2ND SESSION OF THE 47TH OKLAHOMA LEGISLATURE:

SECTION 1. The Secretary of State shall refer to the people for their approval or rejection, as and in the manner provided by law, the following proposed amendments to Sections 6 and 26 of Article X of the Constitution of the State of Oklahoma and the following proposed amendment to Article X of the Oklahoma Constitution by adding a new Section 8D to read as follows:

Section 6. ~~(a)~~ A. Except as otherwise provided in ~~subsection~~ ~~(b)~~ subsections B or C of this section, all property used for free public libraries, free museums, public cemeteries, property used exclusively for nonprofit schools and colleges, and all property used exclusively for religious and charitable purposes, and all

property of the United States except property for which a federal agency obtains title through foreclosure, voluntary or involuntary liquidation or bankruptcy unless the taxation of such property is prohibited by federal law; all property of this state, and of counties and of municipalities of this state; household goods of the heads of families, tools, implements, and livestock employed in the support of the family, not exceeding One Hundred Dollars (\$100.00) in value, and all growing crops, shall be exempt from taxation: Provided, that all property not herein specified now exempt from taxation under the laws of the Territory of Oklahoma, shall be exempt from taxation until otherwise provided by law.

All property owned by the Murrow Indian Orphan Home, located in Coal County, and all property owned by the Whitaker Orphan Home, located in Mayes County, so long as the same shall be used exclusively as free homes or schools for orphan children, and for poor and indigent persons, and all fraternal orphan homes, and other orphan homes, together with all their charitable funds, shall be exempt from taxation, and such property as may be exempt by reason of treaty stipulations, existing between the Indians and the United States government, or by federal laws, during the force and effect of such treaties or federal laws. The Legislature may authorize any incorporated city or town, by a majority vote of its electors voting thereon, to exempt manufacturing establishments and public utilities from municipal taxation, for a period not exceeding five (5) years, as an inducement to their location.

~~(b)~~ B. The board of county commissioners of any county may call a special election to determine whether or not household goods of the heads of families and livestock employed in support of the family located within the county shall be exempt from ad valorem taxation. Such an election shall also be called by the board upon petition signed by not less than twenty-five percent (25%) of the registered voters of the county. Upon passage of the question, the

exemption provided for in this subsection shall become effective on January 1 of the following year.

C. The board of county commissioners of any county may call a special election to determine whether to exempt from ad valorem taxation business personal property or business inventory. Such election shall also be called by the board of county commissioners upon a petition signed by not less than twenty-five percent (25%) of the registered voters of the county. Upon passage of the question, the exemption provided for in this subsection shall become effective on January 1 of the following year.

Section 26. ~~(a)~~ A. Except as herein otherwise provided, no county, city, town, township, school district, or other political corporation, or subdivision of the state, shall be allowed to become indebted, in any manner, or for any purpose, to an amount exceeding, in any year, the income and revenue provided for such year without the assent of three-fifths of the voters thereof, voting at an election, to be held for that purpose, nor, in cases requiring such assent, shall any indebtedness be allowed to be incurred to an amount, including existing indebtedness, in the aggregate exceeding five percent (5%) of the valuation of the taxable property therein, to be ascertained from the last assessment for state and county purposes previous to the incurring of such indebtedness: Provided, that if a school district has an absolute need therefor, such district may, with the assent of three-fifths of the voters thereof voting at an election to be held for that purpose, incur indebtedness to an amount, including existing indebtedness, in the aggregate exceeding five percent (5%) but not exceeding ten percent (10%) of the valuation of the taxable property therein, to be ascertained from the last assessment for state and county purposes previous to the incurring of such indebtedness, for the purpose of acquiring or improving school sites, constructing, repairing, remodeling or equipping buildings, or acquiring school furniture,

fixtures or equipment; and such assent to such indebtedness shall be deemed to be a sufficient showing of such absolute need, unless otherwise provided by law. Provided further, that if a city or town has an absolute need therefor, such city or town may, with the assent of three-fifths of the voters thereof voting at an election to be held for that purpose, incur indebtedness to an amount, including existing indebtedness, in the aggregate exceeding five percent (5%) but not exceeding ten percent (10%) of the valuation of the taxable property therein, to be ascertained from the last assessment for state and county purposes previous to the incurring of such indebtedness, and such assent to such indebtedness shall be deemed to be a sufficient showing of such absolute need unless otherwise provided by law. Provided, further, that any county, city, town, school district, or other political corporation, or subdivision of the state, incurring any indebtedness requiring the assent of the voters as aforesaid, shall, before or at the time of doing so, provide for the collection of an annual tax sufficient to pay the interest on such indebtedness as it falls due, and also to constitute a sinking fund for the payment of the principal thereof within twenty-five (25) years from the time of contracting the same, and provided further that nothing in this section shall prevent, under such conditions and limitations as shall be prescribed by law, any school district from contracting with:

~~(1)~~ 1. certificated personnel for periods extending one (1) year beyond the current fiscal year; or

~~(2)~~ 2. a school superintendent for periods extending more than one (1) year, but not to exceed three (3) years beyond the current fiscal year.

~~(b)~~ B. If a county approves an exemption of household goods of the heads of families and livestock employed in support of the family from ad valorem taxation pursuant to the provisions of subsection ~~(b)~~ B of Section 6 of this article, or approves an

exemption of business personal property or business inventory from ad valorem taxation pursuant to the provisions of subsection C of Section 6 of this article, the percentage limitations on indebtedness as specified in subsection ~~(a)~~ A of this section for political subdivisions or political corporations located in any such county shall be adjusted by multiplying the percentage levels specified in subsection ~~(a)~~ A of this section by the millage adjustment factor as specified in subsection ~~(b)~~ B of Section 8A of this article.

~~(e)~~ C. If approved by the people, the amendment to this section shall become effective January 1, ~~1993~~ 2001.

Section 8D. A. If a county approves an exemption of business personal property or business inventory from taxation pursuant to the provisions of subsection C of Section 6 of this article, the millage rate levied against the net taxable valuation of nonresidential and nonagricultural property, or nonresidential, or all property of each taxing jurisdiction located within such county levying ad valorem taxes for a general fund or a building fund shall be adjusted pursuant to the provisions of subsection B of this section to compensate for the potential loss of revenue to the taxing jurisdiction directly attributable to the exemption of all such property. For purposes of this section, "taxing jurisdiction" shall include, but not be limited to, counties, cities, towns, common school districts, vocational-technical school districts and any other unit of government authorized to collect ad valorem taxes from millage levied against the taxable value of property.

B. The adjusted millage rate for a general fund or building fund of each taxing jurisdiction located within a county which exempts business personal property or business inventory from ad valorem taxation pursuant to the provisions of subsection C of Section 6 of this article shall be computed, at the option of each county, for each taxing jurisdiction, by dividing the net taxable

valuation of all nonresidential and nonagricultural property, or nonresidential property, or all property for the year preceding the year in which the exemption of such property becomes effective by the difference between the net taxable valuation of all nonresidential and nonagricultural property, or all nonresidential property, or all property for the year preceding the year in which the exemption of such property becomes effective and the net taxable valuation of the business personal property or business inventory for the year preceding the year in which the exemption of such property becomes effective. The resulting quotient shall be the millage adjustment factor, and shall be multiplied by the millage rate which would otherwise have been applied for the year in which the exemption of such property becomes effective to derive the adjusted millage rate, which shall be levied against the net taxable valuation of all nonresidential and nonagricultural property, or all nonresidential property, or all property, other than the exempt property, within the jurisdiction for the year in which the exemption of business personal property or business inventory becomes effective. However, such adjusted millage rate may be increased or decreased in the manner provided by the provisions of this article.

C. If a county approves an exemption of business personal property or business inventory from ad valorem taxation pursuant to the provisions of subsection C of Section 6 of this article, the maximum allowable millage for any millage levied by any taxing jurisdiction located within such county for a general fund or building fund, as prescribed by Sections 9, 9A, 9B, 9C, 9D, 10, 10A, 10B and 35 of this article or as otherwise authorized by Section 36 of Article V of the Oklahoma Constitution, shall be adjusted by multiplying such millage by the millage adjustment factor as specified in subsection B of this section. The resulting product shall be the adjusted maximum allowable millage for that particular

millage levied by such taxing jurisdiction for a general fund or building fund.

D. If approved by the people, this section will become effective January 1, 2001.

SECTION 2. The Ballot Title for the proposed Constitutional amendment as set forth in SECTION 1 of this resolution shall be in the following form:

BALLOT TITLE

Legislative Referendum No. _____ State Question No. _____

THE GIST OF THE PROPOSITION IS AS FOLLOWS:

This measure amends Sections 6 and 26 of Article 10 of the State Constitution. It adds a new Section 8D to Article 10. It gives counties the option of exempting business personal property or business inventory from ad valorem taxation. The exemption would have to be approved at an election. The election could be called by the board of county commissioners on their own. The election could also be called by the board of county commissioners upon a petition. The petition would have to be signed by at least 25% of the registered voters of the county. The measure would provide for an adjusted millage rate for each taxing entity within an approving county. The adjusted millage rate would make up for revenue lost due to the tax exemption. The measure provides a method to adjust total bond debt capacity of taxing entities. Thus, the bonding capacity of such taxing entities in approving counties would remain the same.

SHALL THIS AMENDMENT BE APPROVED BY THE PEOPLE?

YES, FOR THE AMENDMENT

NO, AGAINST THE AMENDMENT

SECTION 3. The Chief Clerk of the House of Representatives, immediately after the passage of this resolution, shall prepare and file one copy thereof, including the Ballot Title set forth in

SECTION 2 hereof, with the Secretary of State and one copy with the Attorney General.

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