STATE OF OKLAHOMA

1st Session of the 48th Legislature (2001)

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 1198 By: Ervin

COMMITTEE SUBSTITUTE

An Act directing the Secretary of State to refer to the people for their approval or rejection a proposed amendment to Section 35 of Article X of the Constitution of the State of Oklahoma; modifying authorized purposes for certain bonds to be issued by units of local government; authorizing levy of sales tax; imposing maximum rate; authorizing apportionment of certain revenues in accordance with provisions of Section 6C of Article X of the Oklahoma Constitution; prohibiting revocation of tax levies or apportionments; authorizing suspension of levy or apportionment under certain circumstances; authorizing creation of regional economic development districts; providing for authorized purposes of certain bond proceeds; providing for applicability of certain election procedures; providing ballot title; and directing filing.

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

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 amendment to Section 35 of Article X of the Constitution of the State of Oklahoma to read as follows:

Section 35. (a) Any incorporated town and any county may issue, by and with the consent of the majority of the registered voters of said municipality or county voting on the question at an election held for the purpose, bonds in sums provided by such majority at such election for ~~the purpose of securing and developing industry~~ economic or community development purposes, as may be defined by law, within or near the said municipality or county holding the election.

(b) Such bonds shall bear interest at a rate as set by law and shall be sold in a manner prescribed by law.

(c) To provide for the payment of all such bonds outstanding, principal, and interest as they mature, the municipality or county may:

(1) levy a special tax, payable annually, in a total amount not to exceed five (5) mills on the dollar, in addition to the legal rate permitted, on the real and personal taxable property therein; ~~provided, however, the municipality or county may, from time to time, suspend the collection of such annual levy when not required for the payment of its bonds; and~~ provided ~~further~~, however, that in no event shall the real and personal taxable property in any city or town be subject to a special tax in excess of five (5) mills for bonds issued hereunder;

(2) levy a special sales tax, payable as may be prescribed by law, in a total amount not to exceed one cent ($0.01) on the dollar, in addition to the legal rate permitted, upon the sale of tangible personal property and services, not otherwise exempted by law; or

(3) apportion revenues pursuant to Section 6C of Article X of the Constitution, in a manner prescribed by law.

(d) Such bonds shall be issued under terms prescribed by law.

(e) (1) The governing body of the municipality or the county commissioners of the county shall exercise jurisdiction over the sale or exchange of any such bonds voted by the electors at an election held for that purpose and shall expend economically the funds so provided.

(2) In the expenditure and use of proceeds from the sale of said bonds, the said governing body is hereby authorized and directed to coordinate its industrial development plans and projects insofar as practicable with similar plans and projects of local industrial development agencies and the Oklahoma Industrial Finance Authority, as set forth in Section 34 of Article X of the Constitution, so as

to supplement funds to be derived from these and other sources, including federal aid available to economically depressed areas, if any; and to the extent that federal requirements shall require subordination of liens securing loans from the Oklahoma Industrial Finance Authority or from other sources, as a condition to the obtaining of such federal aid, the same is hereby approved and authorized.

(f) The election on the issuance of such bonds shall be held at such time as the governing body of the municipality may designate by ordinance, or as the county commissioners of the county may designate by order, which ordinance or order shall state the sum total of issue, the dates of maturities thereof, and shall fix the date of election so that it shall not occur earlier than thirty (30) days after the passage of the said ordinance or the granting of said order. All elections called pursuant to this section shall be conducted by the appropriate county election board or boards pursuant to the general election laws of the state. The said election shall be held and conducted, the vote thereof canvassed, and the result thereof declared under the law and in the manner now or hereafter provided for municipal elections when the election is held by a municipality, and in the manner now or hereafter provided for county elections when the election is held by a county, so far as the same may be applicable, except as herein otherwise provided. Notice of the election shall be given by the mayor of the municipality or by the county commissioners of the county by advertisement weekly for at least four times in some newspaper having a bona fide circulation in the said municipality or county, with the last publication to be not less than ten (10) days prior to the date of the said election. Only registered voters of the said municipality or county shall have a right to vote at the said election. The result of the said election shall be proclaimed by the mayor of the municipality or by the county commissioners of the

county, and the result as proclaimed shall be conclusive, unless attacked in the courts within thirty (30) days after the date of such proclamation.

(g) The tax levies or revenue apportionment associated with bonds issued pursuant to this section may not be revoked during the term of such bonds; provided, however, the municipality or county may, from time to time, suspend the collection of such levy or apportioned revenues when not required for the payment of its bonds.

(h) The Legislature may provide by law for the creation of regional economic development districts, comprised of two or more municipalities or counties, or a combination of one or more municipalities and counties, and may specify the terms and conditions under which the bonds authorized in this section may be issued by municipalities and counties located within such districts. The provisions of paragraph (f) of this section shall not apply to any bonds issued in accordance with this paragraph unless such provisions are made expressly applicable by law.

SECTION 2. The Ballot Title for the proposed Constitutional amendment as set forth in SECTION 1 of this act 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 the Oklahoma Constitution. It amends Section 35 of Article 10. This section allows local governments to issue bonds. The bonds are for economic development. If this measure passes, economic development purposes could be defined by law. This measure would allow local governments to levy a special sales tax. The tax rate could not be more than one cent ($0.01). This measure would allow local governments to use tax money in special ways for economic development. If a special tax is approved to repay bonds, the special tax could

not be repealed until the bonds were repaid. If taxes were being used in other ways to repay bonds, the bonds would have to be repaid before changing the way the taxes were being spent. This measure would allow regional economic development districts to be created. The districts could be created by laws that the Legislature could write. After a district was created, the district could issue bonds. The bonds would be for economic development or community development. There are procedures for having an election to issue economic development bonds. The procedures used for regional economic development district bonds could be different.

SHALL THIS AMENDMENT BE APPROVED BY THE PEOPLE?

☐ YES, FOR THE AMENDMENT

☐ NO, FOR THE AMENDMENT

SECTION 3. The Chief Clerk of the House of Representatives, immediately after the passage of this act, 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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