

STATE OF OKLAHOMA

2nd Session of the 48th Legislature (2002)

2ND CONFERENCE COMMITTEE SUBSTITUTE
FOR ENGROSSED
SENATE BILL 17

By: Williams and Cain of the
Senate

and

Roach, Liotta, Sullivan,
Lindley, Worthen,
Pettigrew, Balkman and
Hiatt of the House

2ND CONFERENCE COMMITTEE SUBSTITUTE

An Act relating to revenue and taxation; directing the Secretary of State to refer to the people for their approval or rejection proposed amendments to Section 9 of Article X of the Constitution of the State of Oklahoma; allowing school district to make additional tax levy; limiting amount thereof; requiring voter approval; providing for apportionment of revenues; prohibiting conditioning of state aid or benefits on levy; providing ballot title; directing filing; amending 68 O.S. 2001, Section 2890, which relates to homestead exemptions; modifying income level to qualify for additional homestead exemption; and providing a conditional effective date.

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 9 of Article X of the Constitution of the State of Oklahoma to read as follows:

~~(a)~~ A. Except as herein otherwise provided, the total taxes for all purposes on an ad valorem basis shall not exceed, in any taxable year, fifteen (15) mills on the dollar, no less than five (5) mills of which is hereby apportioned for school district purposes, the remainder to be apportioned between county, city, town and school district, by the County Excise Board, until such time as a regular apportionment thereof is otherwise provided for by the Legislature.

~~No~~ Except as otherwise provided in subsection H of this section,
no ad valorem tax shall be levied for State purposes, nor shall any
part of the proceeds of any ad valorem tax levy upon any kind of
property in this State be used for State purposes.

~~(b)~~ B. A tax of four (4) mills on the dollar valuation of all
taxable property in the county shall be levied annually in each
county of the State for school purposes and, until otherwise
provided by law, the proceeds thereof shall be apportioned to the
school districts of the county by the County Treasurer on the basis
of the legal average daily attendance for the preceding school year
as certified by the State Board of Education. Provided that in case
a school district lies in more than one county, such district shall
be deemed a school district of the county having the greater part of
the area comprising such district, unless otherwise provided by law,
and shall be entitled to participate in the proceeds of such tax on
the same basis as districts lying wholly within such county but
revenue from such tax on the assessed valuation of the district in
other counties shall, when collected, be transmitted to the County
Treasurer of such county having the greater part of the area
comprising the district, unless otherwise provided by law, and be
apportioned as hereinbefore provided for the proceeds of such tax on
the assessed valuation of such county. Not to exceed seventy-five
per centum (75%) of the amount received by a school district from
the proceeds of such county levy in any year shall be required to
finance the State guaranteed program of such district.

~~(c)~~ C. Upon certification of a need therefor by the board of
education of any school district an additional tax of not to exceed
fifteen (15) mills on the dollar valuation of all taxable property
in the district shall be levied for the benefit of the schools of
such district.

~~(d)~~ D. In addition to the levies hereinbefore authorized, any
school district may make an emergency levy for the benefit of the

schools of such district, in an amount not to exceed five (5) mills on the dollar valuation of the taxable property in such district when approved by a majority of the electors of the district voting on the question at an election called for such purpose. This emergency levy shall provide only sufficient additional revenue to meet the needs of the district each fiscal year as determined by the board of such district and must be approved by a majority of the electors voting on ~~said~~ the question at such an election for each fiscal year.

~~(d-1)~~ E. In addition to the levies hereinbefore authorized, any school district may make a local support levy for the benefit of the schools of such district, in an amount not to exceed ten (10) mills on the dollar valuation of the taxable property in such district, when approved by a majority of the ad valorem taxpaying voters voting on ~~said~~ the question at an election for each fiscal year called for such purposes. This local support levy shall provide only sufficient additional revenue to meet the needs of the district for each such fiscal year as determined by the board of such district; provided, an elector desiring to vote upon such local support levy must present an ad valorem tax receipt for the year immediately preceding before being issued a ballot, or sign a sworn affidavit certifying the fact of such payment.

~~(d-2)~~ F. A school district may upon approval by a majority of the electors of the district voting on the question make the ad valorem levy for emergency levy and local support levy under ~~(d)~~ subsections D and ~~(d-1)~~ E of this section permanent. If the question is approved, the levies, in the amount approved as required by this section, shall be made each fiscal year thereafter until such time as a majority of the electors of the district voting on the question rescind the making of the levy permanent. An election on such question shall be held at such time as a petition is signed by ten percent (10%) of the school district electors or a

recommendation by the board of education of the school district is made asking that the levies be made each fiscal year.

~~(e)~~ G. The amount of revenue from school district ad valorem taxes levied under ~~(a)~~ subsections A and ~~(e)~~ C of this ~~Section~~ section which any school district may be required to use to finance its State guaranteed program shall not be in excess of its share, based upon its relative taxpaying ability as may be defined by law, of an amount equivalent to the net proceeds from a fifteen (15) mill tax levy on the aggregate net assessed valuation of the State; but until such relative taxpaying ability is defined by the Legislature, the amount of revenue from such taxes which any school district may be required to use to finance its State guaranteed program shall not be in excess of the net proceeds from an ad valorem tax levy of fifteen (15) mills on the dollar net assessed valuation of the district. No part of the proceeds from any ad valorem levy for emergency levy and local support levy under ~~(d)~~ subsections D and ~~(d-1)~~ E of this ~~Section~~ section shall be required to finance the State guaranteed program of such district.

Nothing in the amendments to the Constitution incorporated herein shall be construed to amend, alter or supersede the present application of Sections 1 and 2 of Article XII-A, ~~Sections 1 and 2~~ of the Oklahoma Constitution.

H. In addition to other levies herein authorized, any school district may make a levy annually, in an amount not to exceed five (5) mills on the dollar valuation of the taxable property in such district when approved by a majority of the electors of the district voting on the question at an election called for such purpose. Revenue from any levy made pursuant to the provisions of this subsection shall be apportioned as follows:

1. Ninety percent (90%) of such revenue shall be apportioned to the school district to be used for the benefit of the schools of such district; and

2. Ten percent (10%) of such revenue shall be transmitted to the State Treasurer for deposit to a revolving fund, to be used exclusively for the benefit of the common schools of this state.

Provided, no state aid or benefit to any school district may be conditioned on or reduced or increased by the levying of or failure to levy the millage provided for in this subsection.

SECTION 2. The Ballot Title for the proposed Constitutional amendments 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 Section 9 of Article 10 of the State Constitution. This section allows a school district to levy an additional property tax of up to five mills. Before the levy could be made, voter approval is required. Revenue from the levy is used for schools of the district (90%) and by the state for common schools (10%). State aid or benefits cannot be conditioned on or affected by the levy of this new millage.

SHALL THIS AMENDMENT BE APPROVED BY THE PEOPLE?

YES, FOR THE AMENDMENT

NO, AGAINST THE AMENDMENT

SECTION 3. The President Pro Tempore of the Senate shall, immediately after the passage of this act, 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.

SECTION 4. AMENDATORY 68 O.S. 2001, Section 2890, is amended to read as follows:

Section 2890. A. In addition to the amount of the homestead exemption authorized and allowed in Section 2889 of this title, an additional exemption is hereby granted, to the extent of One Thousand Dollars (\$1,000.00) of the assessed valuation on each

homestead of heads of households whose gross household income from all sources for the preceding calendar year did not exceed ~~Twenty Thousand Dollars (\$20,000.00)~~ Forty Thousand Dollars (\$40,000.00).

B. The term "gross household income" as used in this section means the gross amount of income of every type, regardless of the source, received by all persons occupying the same household, whether such income was taxable or nontaxable for federal or state income tax purposes, including pensions, annuities, federal Social Security, unemployment payments, veterans' disability compensation, public assistance payments, alimony, support money, workers' compensation, loss-of-time insurance payments, capital gains and any other type of income received, and excluding gifts. The term "head of household" as used in this section means a person who as owner or joint owner maintains a home and furnishes support for the home, furnishings, and other material necessities.

C. The application for the additional homestead exemption shall be made each year before March 15 or within thirty (30) days from and after receipt by the taxpayer of notice of valuation increase, whichever is later, and upon the form prescribed by the Oklahoma Tax Commission, which shall require the taxpayer to certify as to the amount of gross income. Upon request of the county assessor, the ~~Oklahoma~~ Tax Commission shall assist in verifying the correctness of the amount of the gross income.

D. For persons sixty-five (65) years of age or older as of March 15 and who have previously qualified for the additional homestead exemption, no annual application shall be required in order to receive the exemption provided by this section; however, any person whose gross household income in any calendar year exceeds the amount specified in this section in order to qualify for the additional homestead exemption shall notify the county assessor and the additional exemption shall not be allowed for the applicable year. Any executor or administrator of an estate within which is

included a homestead property exempt pursuant to the provisions of this section shall notify the county assessor of the change in status of the homestead property if such property is not the homestead of a person who would be eligible for the exemption provided by this section.

E. The Legislature shall be required to reimburse recipients of ad valorem tax revenue for revenues lost to such entities as a result of the exemption provided by this section.

SECTION 5. Section 4 of this act shall become effective January 1, 2003, conditioned upon certification of election returns favoring passage of the Constitutional Amendment proposed in Section 1 of this act.

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