

ENGROSSED HOUSE
BILL NO. 2125

By: Pope, Case, Nance,
Blackburn, Deutschendorf,
Easley and Sullivan of the
House

and

Monson of the Senate

(revenue and taxation - proposed amendment to
Section 8C of Article X - ballot title - filing -
amending 68 O.S., Section 2890.1 - Ad Valoren Tax
Code - income limitation -
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 8C of Article X of the Constitution of the State of Oklahoma to read as follows:

Section 8C. Despite any provision to the contrary, beginning January 1, ~~1997~~ 2005, the fair cash value, as determined by law, on each homestead of an individual head of household ~~whose gross household income from all sources for the preceding calendar year did not exceed Twenty-five Thousand Dollars (\$25,000.00),~~ and which individual head of household is sixty-five (65) years of age or older, shall not exceed the fair cash value placed upon the property during the first year in which the individual head of household was sixty-five (65) years of age or older ~~and had gross household income from all sources of Twenty-five Thousand Dollars (\$25,000.00) or less.~~ Subject to the limitations of this section, the fair cash value shall not exceed such amount as long as the individual head of

household who is sixty-five (65) years of age or older owns and occupies the property ~~and as long as the gross household income from all sources does not exceed Twenty-five Thousand Dollars (\$25,000.00) in any calendar year.~~ If any improvements are made to the property, the fair cash value of the improvements shall be assessed in accordance with law by the county assessor and added to the assessed value of the property. Once the fair cash value of the improvements has been added to the fair cash value of the property, the total fair cash value shall not exceed the revised valuation of the property so long as the individual head of household who is sixty-five (65) years of age or older owns and occupies the property ~~and so long as the gross household income from all sources does not exceed Twenty-five Thousand Dollars (\$25,000.00) in a calendar year.~~ For any individual head of household who is sixty-five (65) years of age or older prior to January 1, 1997, and has gross household income from all sources of Twenty-five Thousand Dollars (\$25,000.00) or less in calendar year 1996, the fair cash value of the real property shall be the fair cash value placed upon the property on January 1, 1997. If the individual head of household ceases to own and occupy the property ~~or if the gross household income from all sources exceeds Twenty-five Thousand Dollars (\$25,000.00) in a calendar year,~~ the fair cash value of the property shall be determined as if the provisions of Section 8 of Article X of the Constitution of the State of Oklahoma or any other provisions relating to a limitation on the fair cash value of locally assessed real property had been in effect during the time the property was valued pursuant to the provisions of this section.

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 the Oklahoma Constitution. It amends Section 8C of Article 10. Property used as a person's home is known as homestead. A limit is placed on increasing the value of some homesteads for property tax purposes. The market value of homesteads owned by some persons age 65 or older cannot increase. For this rule to apply, a person age 65 or older cannot have more than \$25,000 in income. This measure would repeal the limit on income. If this measure passes, the limit on increases in market value would apply regardless of the income of the owner.

SHALL THE PROPOSAL BE APPROVED?

FOR THE PROPOSAL — YES _____

AGAINST THE PROPOSAL — NO _____

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.

SECTION 4. AMENDATORY 68 O.S. 2001, Section 2890.1, is amended to read as follows:

Section 2890.1 A. The application for a limit on the fair cash value of homestead property as provided for in Section 8C of Article X of the Oklahoma Constitution shall be made before March 15 or within thirty (30) days from and after receipt by the taxpayer of a notice of valuation increase, whichever is later. The application shall be made upon a form prescribed by the Oklahoma Tax Commission, which shall require the taxpayer to certify as to the amount of gross household income. As used in Section 8C of Article X of the Oklahoma Constitution, "gross household income" shall be as defined in Section 2890 of this title. Upon request of the county assessor,

the Oklahoma Tax Commission shall assist in verifying the correctness of the amount of the gross income.

B. For persons who have previously qualified for the limitation on the fair cash value of homestead property as provided for in Section 8C of Article X of the Oklahoma Constitution, no annual application shall be required in order to be subject to the limitation. However:

1. Any such person whose gross household income in any calendar year exceeds ~~Twenty-five Thousand Dollars (\$25,000.00)~~ the amount provided for in Section 8C of Article X of the Oklahoma Constitution shall notify the county assessor and the limitation shall not be allowed for the applicable year; and

2. Any such person who makes improvements to the property shall notify the county assessor and the improvements shall be assessed in accordance with law by the county assessor and added to the assessed value of the property as provided in Section 8C of Article X of the Oklahoma Constitution.

C. Any executor or administrator of an estate within which is included a homestead property subject to the limitation of the fair cash value of homestead property as provided for in Section 8C of Article X of the Oklahoma Constitution 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 limitation of the fair cash value of homestead property.

SECTION 5. Section 4 of this act shall become effective January 1, 2005.

Passed the House of Representatives the 10th day of February,
2004.

Presiding Officer of the House of
Representatives

Passed the Senate the ____ day of _____, 2004.

Presiding Officer of the Senate