STATE OF OKLAHOMA

2nd Session of the 50th Legislature (2006)

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 2921 By: Terrill

COMMITTEE SUBSTITUTE

An Act directing the Secretary of State to refer to the people for their approval or rejection a proposed amendment to Section 8B of Article X of the Constitution of the State of Oklahoma; modifying provisions related to maximum increase in value upon transfer of certain property; authorizing laws governing transfers to business entities; 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 8B of Article X of the Constitution of the State of Oklahoma to read as follows:

Section 8B. A. Despite any provision to the contrary, the fair cash value of any parcel of locally assessed real property shall not increase by more than five percent (5%) in any taxable year.

B. The provisions of this section shall not apply in any year when title to the property is transferred, changed, or conveyed to another person or when improvements have been made to the property.

C. If title to the property is transferred, changed, or conveyed to another person, the property shall be assessed for that year based on the fair cash value as set forth in Section 8 of Article X of this Constitution, subject to such exceptions for transfers from individuals to business entities as may be provided by law.

D. If any improvements are made to the property, the increased value to the property as a result of the improvement shall be

assessed for that year based on the fair cash value as set forth in Section 8 of Article X of this Constitution.

E. The provisions of this section shall be effective January 1, 1997, and thereafter for counties which are in compliance with the applicable law or administrative regulations governing valuation of locally assessed real property as of such date. For counties which are not in compliance with such law or regulations as of January 1, 1997, the provisions of this section shall be effective January 1 of the year following the date the county is deemed to be in compliance with such laws or regulations as provided by law.

F. The provisions of this section shall not apply to any personal property which may be taxed ad valorem or any property which may be valued or assessed by the State Board of Equalization.

G. The Legislature shall enact any laws necessary to implement the provisions of this section.

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 8B of Article 10. This section provides a limit on increases in value for purposes of property tax. The limit is five percent (5%) each year for property that the county assessor values. It only applies to real property. There is an exception for property that is transferred. This measure would allow laws to be written. The laws would describe the types of property transfers covered by the exception. The exception would involve property owned by an individual person and then transferred to a business entity.

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 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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