

SB 1496

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THE STATE SENATE
Monday, February 27, 2006

Senate Bill No. 1496
As Amended

SENATE BILL NO. 1496 - By: JOLLEY of the Senate and TERRILL of the House.

[public finance - modifying requirement - tax levy - effective date]

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

SECTION 1. AMENDATORY 62 O.S. 2001, Section 431, is amended to read as follows:

Section 431. It shall be the duty of the officers of each municipal corporation in the State of Oklahoma by law authorized to levy taxes to make a levy each year for a sinking fund, which shall, with cash actually on hand and lawful investments in such fund, excluding taxes in process of collection, be sufficient to pay:

1. All the bonded indebtedness of such municipality coming due prior to April 1 of the second ensuing fiscal year for which no prior levy has been made;

2. The interest accrued but unpaid and to accrue on all outstanding bonds of such municipality to ~~June 30th~~ April 1 of the second ensuing fiscal year for which no prior levy has been made;

3. A sinking fund to pay any interest payable on the last and final bond maturity coming due after ~~such~~ June 30th of the ensuing

1 fiscal year but before the tax levy of the succeeding fiscal year
2 may be made and collected;

3 4. A sum, after reserving from said cash and investments on
4 hand for bond and bond-interest accruals as aforesaid and judgment
5 accruals theretofore levied for bonds unpaid, equal to one-third
6 (1/3) of the original amount of all outstanding judgments against
7 the municipality when one-third (1/3) or more of such judgment
8 remains due and unpaid, and in case less than one-third (1/3) of
9 such judgment remains due then for the entire amount of such
10 judgment yet remaining unpaid; and

11 5. The interest accrued but unpaid and to accrue on all
12 unsatisfied judgments within the ensuing fiscal year but not beyond
13 June 30th of such year.

14 B. The foregoing formula shall be applied by said taxing
15 officials each year in determining the amount necessary to raise by
16 tax levy for sinking fund purposes, independently of actions taken
17 in previous years; and, if by omission to make a levy which could
18 have been validly made for any judgment, bonds or interest coupons,
19 or where from any cause the cash and valid investments in the
20 sinking fund does not equal the accrual liabilities, it shall be the
21 duty of said taxing officials to readjust the annual bond accrual in
22 accordance with the foregoing formula in order that said bonds shall
23 be paid when due, save and except only that where the cash and valid

1 investments in the sinking fund at the close of any fiscal year,
2 after reserving for interest accrued and accruing under the priority
3 therefor as contained in Section 28 of Article X of the Oklahoma
4 Constitution, is insufficient to pay and retire any bonds matured or
5 to mature before another tax levy may be made and collected and no
6 action has been instituted to refund such matured bonds or to
7 convert them to judgment, it shall be the duty of said taxing
8 officials to include, in addition to interest thereon or aforesaid,
9 an accrual therefor in an amount equal to the bonds so matured or to
10 mature or the annual accrual first lawfully applicable to the issue
11 thereof, whichever is the lesser.

12 C. It is the sole intention of this section to require that the
13 pledge contained in Sections 26, 27 and 35 of Article X of the
14 Oklahoma Constitution, be fulfilled, and that sinking funds be
15 applied as provided by Section 28 of Article X of the Oklahoma
16 Constitution.

17 SECTION 2. This act shall become effective November 1, 2006.

18 COMMITTEE REPORT BY: COMMITTEE ON FINANCE, dated 2-21-06 - DO PASS,
19 As Amended and Coauthored.