

3 **Senate Bill No. 1797**
4 **As Amended**

5 SENATE BILL NO. 1797 - By: RABON of the Senate and HYMAN of the
6 House.

7 [revenue and taxation - authorizing severance tax - voter
8 approval - effective date]

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

10 SECTION 1. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 1001.4 of Title 68, unless there
12 is created a duplication in numbering, reads as follows:

13 A. Any county of this state is hereby authorized to levy a tax
14 upon the severance of sand, gravel, rock, and shale **of no more than**
15 **five percent (5%) of the value of such sand, gravel, rock and shale,**
16 within the territorial limits of the county, in an amount specified
17 in the special election call as provided herein. Before a severance
18 tax may be levied by the county, the imposition of the tax shall
19 first be approved by a majority of the registered voters of the
20 county voting thereon at a special election called by the board of
21 county commissioners or by initiative petition signed by not less
22 than five percent (5%) of the registered voters of the county who
23 were registered at the time of the last general election. However,
24 if a majority of the registered voters of a county voting fail to

1 approve such a tax, the board of county commissioners shall not call
2 another special election for **one (1) year**.

3 B. Any tax levied or any change in the rate of a tax levied
4 pursuant to the provisions of this section shall become effective on
5 the first day of the calendar quarter following approval by the
6 voters of the county unless another effective date, which shall also
7 be on the first day of a calendar quarter, is specified in the
8 ordinance of resolution levying the tax or changing the rate of the
9 tax.

10 C. Any severance tax which may be levied by a county shall be
11 designated for county roads or for a particular purpose. Such
12 purposes may include but are not limited to: Projects owned by the
13 state, any agency or instrumentality thereof, the county and/or
14 political subdivision located in whole or in part with such county,
15 regional development economic development, common education, general
16 operations, capital improvements, county roads, weather modification
17 or any other purpose deemed by a majority vote of the county
18 commissioners or as stated by initiative petition, to be necessary
19 to promote safety, security and the general well-being of the
20 people. The county shall identify the purpose of the severance tax
21 when it is presented to the voters pursuant to the provisions of
22 subsection A of this section. The proceeds of any severance tax
23 levied by a county shall be deposited in the general revenue fund of

1 the county and shall be used only for the purposes for which the tax
2 was designated.

3 D. The life of a tax levied pursuant to the provisions of this
4 section may be limited or unlimited in duration. The county shall
5 identify the duration of the tax when it is presented to the voters
6 pursuant to the provisions of subsection A of this section.

7 E. The Oklahoma Tax Commission shall give notice to all
8 relevant taxpayers of a rate change at least sixty (60) days prior
9 to the effective date of the rate change. Failure to give notice as
10 required by this section shall delay the effective date of the rate
11 change to the first day of the next calendar quarter. The board of
12 county commissioners of a county levying a tax pursuant to the
13 provisions of this section and the Tax Commission are authorized to
14 enter into a contract whereby the Tax Commission shall have
15 authority to assess, collect and enforce the tax and any penalties
16 or interest thereon levied by the county and to remit the same to
17 the county. Such authority shall apply to any tax, penalty or
18 interest liability existing at the time of contracting. Upon
19 contracting, the Tax Commission shall have the power of enforcement
20 of the tax, penalties or interest that are vested in the county.
21 The contract shall provide for the assessment, collection and
22 enforcement of the tax, penalties or interest in the same manner as
23 the administration, collection or enforcement of the state gross

1 production tax by the Tax Commission. For providing such
2 assistance, the Tax Commission shall charge the county a fee of one
3 percent (1%) of the gross collection proceeds.

4 F. Initiative petitions calling for a special election
5 concerning county severance tax proposals shall be in accordance
6 with Sections 2, 3, 3.1, 6, 18 and 24 of Title 34 of the Oklahoma
7 Statutes. Petitions shall be submitted to the office of the county
8 clerk for approval as to form prior to circulation. Following
9 approval, the petitioner shall have ninety (90) days to secure the
10 required signatures. After securing the requisite number of
11 signatures, the petitioner shall submit the petition and signatures
12 to the county clerk. Following the verification of signatures, the
13 county clerk shall present the petition to the board of county
14 commissioners. The special election shall be held within sixty (60)
15 days of the county commissioners receiving the petition from the
16 county clerk.

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.