STATE OF OKLAHOMA

1st Session of the 50th Legislature (2005)

HOUSE BILL 1557 By: Staggs

AS INTRODUCED

A Joint Resolution directing the Secretary of State to refer to the people for their approval or rejection a proposed amendment to Section 6 of Article X of the Constitution of the State of Oklahoma; modifying provisions related to exemptions from ad valorem taxation; providing for exemption of certain fraternal property; modifying requirements related to exemption for charitable property; providing exception for real property of certain charitable hospitals; imposing certain filing requirement; providing ballot title; and directing filing.

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES AND THE SENATE OF THE 1ST SESSION OF THE 50TH OKLAHOMA LEGISLATURE:

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

Section 6. A. Except as otherwise provided in subsection ~~B~~ F of this section, all ~~property~~:

1. Property used for free public libraries~~,~~;

2. Property used for free museums~~,~~;

3. Property used for public cemeteries~~, property~~;

4. Property used exclusively for nonprofit schools and colleges~~, and all property~~;

5. Property used exclusively for religious ~~and~~ purposes;

6. Property owned by an organization recognized as exempt from federal income taxation pursuant to Section 501(c)(10) of the

Internal Revenue Code of 1986, as such section existed on January 1, 2004, and used exclusively for fraternal purposes;

7. Property owned by charitable entities and used by the owner exclusively for charitable purposes~~, and all property~~ provided that its facilities and services are available to any person regardless of their ability to pay;

8. Real property used by a charitable hospital exclusively for charitable purposes provided that such charitable hospital does not discriminate on the basis of ability to pay;

9. Property of the United States except property for which a federal agency obtains title through foreclosure, voluntary or involuntary liquidation or bankruptcy unless the taxation of such property is prohibited by federal law; ~~all property~~

10. Property of this state, and of counties and of municipalities of this state; ~~household~~

11. Household goods of the heads of families, tools, implements, and livestock employed in the support of the family, not exceeding One Hundred Dollars ($100.00) in value~~,~~; and ~~all growing~~

12. Growing crops,

shall be exempt from taxation: Provided, that all property not herein specified now exempt from taxation under the laws of the Territory of Oklahoma, shall be exempt from taxation until otherwise provided by law.

B. All owners of religious, fraternal and charitable properties shall file for the exemption created by subsection A of this section with the county assessor on a form prescribed by the Oklahoma Tax Commission. The application shall be filed on or before March 15.

C. All property owned by the Murrow Indian Orphan Home, located in Coal County, and all property owned by the Whitaker Orphan Home, located in Mayes County, so long as the same shall be used exclusively as free homes or schools for orphan children, and for poor and indigent persons, and all fraternal orphan homes, and other

orphan homes, together with all their charitable funds, shall be exempt from taxation, and such property as may be exempt by reason of treaty stipulations, existing between the Indians and the United States government, or by federal laws, during the force and effect of such treaties or federal laws.

D. The Legislature may authorize any incorporated city or town, by a majority vote of its electors voting thereon, to exempt manufacturing establishments and public utilities from municipal taxation, for a period not exceeding five (5) years, as an inducement to their location.

E. Up to one hundred (100) square feet of a storm shelter designed for protection and safety from tornadoes or tornadic winds and installed or added to an improvement to real property after January 1, 2002, shall be exempt from taxation. A storm shelter shall include, but not be limited to, a safe room built as part of and within an improvement to real property. If title to property with an exempt storm shelter is transferred, changed or conveyed to another person, such storm shelter shall be assessed for that year based on the fair cash value as set forth in Section 8 of this article.

~~B.~~ F. The board of county commissioners of any county may call a special election to determine whether or not household goods of the heads of families and livestock employed in support of the family located within the county shall be exempt from ad valorem taxation. Such an election shall also be called by the board upon petition signed by not less than twenty-five percent (25%) of the registered voters of the county. Upon passage of the question, the exemption provided for in this subsection shall become effective on January 1 of the following year.

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 6 of Article 10. Some property is exempt from property tax. Property can be exempt based upon how it is used. Property can be exempt based upon who owns it. Property used for religious purposes is exempt. Some kinds of fraternal property could be exempt. For fraternal property to be exempt, the fraternal group would have to obtain a special status. This status would be provided by federal income tax law. Property used for charitable purposes is now exempt. The rule for the charities would change. Property would have to be owned by a charity and be used for a charitable purpose to be exempt. A charity would have to make its property and services available to people without regard to their ability to pay. Real property used by a charitable hospital would be exempt. The property would have to be available without regard to a person's ability to pay. A religious group, fraternal group or charity that could have the exemption would be required to apply by March 15. The application would be filed with the county assessor.

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.

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