

STATE OF OKLAHOMA

2nd Session of the 50th Legislature (2006)

HOUSE JOINT  
RESOLUTION 1044

By: Worthen

AS INTRODUCED

A Joint Resolution directing the Secretary of State to refer to the people for their approval or rejection a proposed amendment to Sections 8B and 8C of Article X of the Constitution of the State of Oklahoma; modifying provisions related to maximum increases in fair cash value for certain property; providing for valuation of improvements to certain property; imposing limitations based upon age and value of improvements; providing for adjustment of improvement value; modifying provisions related to valuation of homesteads; modifying qualifying age limit; eliminating qualifying income limit; providing ballot title; and directing filing.

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES AND THE SENATE OF THE 2ND 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 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. 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, except as provided by subsection B of this section, when improvements have been made to the property. 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.

¶ B. Except as otherwise provided by this subsection, 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. The provisions of this subsection shall not be applicable to improvements made to the homestead of a person who, at any time during the year the improvements are made, is fifty-five (55) years of age or older if the value of such improvements for that assessment year is not in excess of Twenty-five Thousand Dollars (\$25,000.00). The fair cash value of any such improvements in excess of Twenty-five Thousand Dollars (\$25,000.00) for the assessment year during which the improvements are made shall be subject to taxation in the manner otherwise required by law. The value of improvements prescribed by this subsection shall be adjusted for inflation prior to the beginning of each assessment year using the most recently available information from the Consumer Price Index - All Urban Consumers, including both positive and negative adjustments.

C. 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. 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.

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

SECTION 2. 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. ~~A.~~ Despite any provision to the contrary, beginning January 1, ~~2005~~ 2007, 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 an amount as provided in subsection B of this section, and which individual head of household who~~ who is ~~sixty-five~~ fifty-five (55) 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)~~ fifty-five (55) years of age or older and ~~had gross household income from all sources which did not exceed an amount as provided in subsection B of this section.~~ 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)~~ fifty-five (55) years of age or older owns and occupies the property ~~and as long as the gross household income from all sources does not exceed an amount as provided in subsection B of this section.~~ 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)~~ fifty-five (55) years of age or older owns and occupies the property ~~and so long as the gross household income from all sources does not exceed an amount as provided in subsection B of this section.~~ 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 an amount as provided in subsection B of this section,~~ 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.

~~B. The income threshold for the gross household income from all sources for an individual head of household under this section shall not exceed the amount determined by the United States Department of Housing and Urban Development to be the estimated median income for the preceding year for the county or metropolitan statistical area which includes such county. The Oklahoma Tax Commission shall provide such information to each county assessor each year as soon as such information becomes available.~~

SECTION 3. The Ballot Title for the proposed Constitutional amendment as set forth in SECTIONS 1 and 2 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 Sections 8B and 8C of Article 10. These provisions impose limits on property taxes. There is a cap on increases in fair cash value of real property. For property tax purposes, county assessors cannot increase the fair cash value of this property more than five percent (5%) each

year. If improvements are made to the home, this rule does not apply. This measure would change the rule for improvements to a home. If improvements are made to the home by persons age 55 or older, the improvements would still be subject to the limit on increases in fair cash value. Improvements could not be worth more than \$25,000.00. Another requirement is that the value of a homestead cannot increase at all for property tax purposes if it is owned by persons age 65 or older. These persons cannot have an income greater than an amount determined each year. If this measure passes, persons age 55 or older would qualify and there would be no limit on their income. If the homestead was owned by a person age 55 or older, the county assessor could not increase the homestead value for property tax purposes.

SHALL THE PROPOSAL BE APPROVED?

FOR THE PROPOSAL - YES \_\_\_\_\_

AGAINST THE PROPOSAL - NO \_\_\_\_\_

SECTION 4. 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 3 hereof, with the Secretary of State and one copy with the Attorney General.

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