STATE OF OKLAHOMA

2nd Session of the 50th Legislature (2006)

SENATE BILL 1797 By: Rabon

AS INTRODUCED

An Act relating to revenue and taxation; authorizing county to impose tax upon severance of sand, gravel, rock and shale; requiring voter approval before levying of tax; specifying time period before subsequent special election can be called under certain circumstances; providing effective date for tax levy or change in tax rate; requiring designation of purpose for tax and specifying purposes; specifying disposition of funds; providing for duration of tax; requiring Oklahoma Tax Commission to provide certain notice; modifying effective date of rate change under specified circumstances; authorizing certain contract between county and Tax Commission and providing contract criteria; authorizing Tax Commission to charge specified fee; requiring initiative petitions be in compliance with specified statutes; mandating specified procedures; setting time period during which election shall be held; providing for codification; and providing an effective date.

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

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

A. Any county of this state is hereby authorized to levy a tax upon the severance of sand, gravel, rock, and shale, within the territorial limits of the county, in an amount specified in the special election call as provided herein. Before a severance tax may be levied by the county, the imposition of the tax shall first be approved by a majority of the registered voters of the county voting thereon at a special election called by the board of county commissioners or by initiative petition signed by not less than five percent (5%) of the registered voters of the county who were

registered at the time of the last general election. However, if a majority of the registered voters of a county voting fail to approve such a tax, the board of county commissioners shall not call another special election for such purpose for six (6) months.

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

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

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

E. The Oklahoma Tax Commission shall give notice to all relevant taxpayers of a rate change at least sixty (60) days prior to the effective date of the rate change. Failure to give notice as required by this section shall delay the effective date of the rate change to the first day of the next calendar quarter. The board of county commissioners of a county levying a tax pursuant to the provisions of this section and the Tax Commission are authorized to enter into a contract whereby the Tax Commission shall have authority to assess, collect and enforce the tax and any penalties or interest thereon levied by the county and to remit the same to the county. Such authority shall apply to any tax, penalty or interest liability existing at the time of contracting. Upon contracting, the Tax Commission shall have the power of enforcement of the tax, penalties or interest that are vested in the county. The contract shall provide for the assessment, collection and enforcement of the tax, penalties or interest in the same manner as the administration, collection or enforcement of the state gross production tax by the Tax Commission. For providing such assistance, the Tax Commission shall charge the county a fee of one percent (1%) of the gross collection proceeds.

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

days of the county commissioners receiving the petition from the county clerk.

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

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