CS for HJR 1009

THE HOUSE OF REPRESENTATIVES
Wednesday, March 7, 2007

Committee Substitute for

House Joint Resolution No. 1009

COMMITTEE SUBSTITUTE FOR HOUSE JOINT RESOLUTION NO. 1009 - By: LIEBMANN of the House and BRANAN of the Senate.

(proposed amendment to Sections 8B and 8C of Article X of the Constitution of the State of Oklahoma - annual maximum increases in fair cash value for certain property - ballot titles - filing)

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES AND THE SENATE OF THE 1ST SESSION OF THE 51ST 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, and except as provided by subsection B of this section, the fair cash value of any parcel of locally assessed real property shall not increase by more than five percent (5%).

B. Despite any provision to the contrary, the fair cash value of any parcel of locally assessed real property eligible for a homestead exemption and occupied by one or more natural persons as the principal residence shall not increase more than three percent

(3%) or the increase in the Consumer Price Index-All Urban Consumer for the year preceding the applicable assessment year, whichever is less, in any taxable year.

C. 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 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. 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.

D. 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.

E. 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.

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

UNDERLINED language denotes Amendments to present Statutes.
BOLD FACE CAPITALIZED language denotes Committee Amendments.
~~Strike thru~~ language denotes deletion from present Statutes.

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 8B of Article 10. This section relates to the property tax. The law limits the amount by which the market value of some types of property can increase each year. This value is known as fair cash value. This limit applies to real property that is assessed by the local county assessor. The law limits the increase to five percent each year. This measure would change the annual limit to three percent or an amount determined by an economic index. This index is the Consumer Price Index. The limit would be the lower of three percent or the change in the Consumer Price Index. This limit would apply to real property occupied as the principal residence. These changes would be in effect beginning January 1, 2009.

SHALL THE PROPOSAL BE APPROVED?

FOR THE PROPOSAL — YES _____

AGAINST THE PROPOSAL — NO _____

SECTION 3. 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:

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Section 8C. ~~A.~~ Despite any provision to the contrary, beginning January 1, ~~2005~~ 2009, 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 is sixty-five (65) 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) 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) 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) 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

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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 4. The Ballot Title for the proposed Constitutional amendment as set forth in SECTION 3 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 8C of Article 10. Persons aged 65 or older who own a homestead can qualify for a property tax

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benefit. A homestead owned by such persons will not be subject to increases in value for property tax purposes. This value is known as fair cash value. The law limits the amount of income persons may have in order to qualify for this benefit. This measure would allow any person age 65 or older regardless of income to have this benefit. The homestead of these persons would not be subject to any further increases in fair cash value. This change would become effective January 1, 2009.

SHALL THE PROPOSAL BE APPROVED?

FOR THE PROPOSAL — YES _____

AGAINST THE PROPOSAL — NO _____

SECTION 5. 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 SECTIONS 2 and 4 hereof, with the Secretary of State and one copy with the Attorney General.

COMMITTEE REPORT BY: COMMITTEE ON RULES, dated 03-06-07 - DO PASS, As Amended and Coauthored.

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