

1 STATE OF OKLAHOMA

2 2nd Session of the 51st Legislature (2008)

3 SENATE BILL 1153

By: Gumm

4
5
6 AS INTRODUCED

7 An Act relating to revenue and taxation; creating
8 Freedom From Hunger Act; providing short title;
9 exempting sales of certain food and beverages from
10 sales tax; providing limitation on such exemption;
11 requiring Oklahoma Tax Commission to promulgate
12 rules; amending 68 O.S. 2001, Sections 1370, as last
13 amended by Section 4, Chapter 136, O.S.L. 2007,
14 1370.1, 1370.2, 1370.2A, 1370.4, 1370.5, 1370.6,
15 1370.7, as last amended by Section 1, Chapter 308,
16 O.S.L. 2006, 1370.8, as amended by Section 2, Chapter
17 103, O.S.L. 2004, 2701, as last amended by Section 6,
18 Chapter 136, O.S.L. 2007 (68 O.S. Supp. 2007,
19 Sections 1370, 1370.7, 1370.8 and 2701), which relate
20 to the Sales Tax Code; permitting exception to
21 certain county sales tax levy under specified
22 circumstances; updating reference; limiting
23 application of provision unless certain conditions
24 exist; permitting exception to certain municipal
sales tax levy under specified circumstances;
providing for codification; providing an effective
date; and declaring an emergency.

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 1357.11 of Title 68, unless
there is created a duplication in numbering, reads as follows:

1 This act shall be known and may be cited as the "Freedom From
2 Hunger Act".

3 SECTION 2. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 1357.12 of Title 68, unless
5 there is created a duplication in numbering, reads as follows:

6 A. The sale of all eligible food and beverages as defined in
7 the Streamlined Sales and Use Tax Agreement shall be exempt from the
8 tax imposed by Section 1354 of Title 68 of the Oklahoma Statutes.

9 B. The exemption provided for in subsection A of this section
10 shall not apply to any county or municipal sales tax imposed
11 pursuant to law by any county, municipality or authority.

12 C. The Oklahoma Tax Commission shall promulgate any necessary
13 rules to implement the provisions of this act, including a rule
14 defining eligible food and beverages in accordance with the
15 Streamlined Sales and Use Tax Agreement.

16 SECTION 3. AMENDATORY 68 O.S. 2001, Section 1370, as
17 last amended by Section 4, Chapter 136, O.S.L. 2007 (68 O.S. Supp.
18 2007, Section 1370), is amended to read as follows:

19 Section 1370. A. Any county of this state may levy a sales tax
20 of not to exceed two percent (2%) upon the gross proceeds or gross
21 receipts derived from all sales or services in the county upon which
22 a consumer's sales tax is levied by this state. Before a sales tax
23 may be levied by the county, the imposition of the tax shall first
24 be approved by a majority of the registered voters of the county

1 voting thereon at a special election called by the board of county
2 commissioners or by initiative petition signed by not less than five
3 percent (5%) of the registered voters of the county who were
4 registered at the time of the last general election. However, if a
5 majority of the registered voters of a county voting fail to approve
6 such a tax, the board of county commissioners shall not call another
7 special election for such purpose for six (6) months. Any sales tax
8 approved by the registered voters of a county shall be applicable
9 only when the point of sale is within the territorial limits of such
10 county. Any sales tax levied or any change in the rate of a sales
11 tax levied pursuant to the provisions of this section shall become
12 effective on the first day of the calendar quarter following
13 approval by the voters of the county unless another effective date,
14 which shall also be on the first day of a calendar quarter, is
15 specified in the ordinance or resolution levying the sales tax or
16 changing the rate of sales tax.

17 B. The Oklahoma Tax Commission shall give notice to all vendors
18 of a rate change at least sixty (60) days prior to the effective
19 date of the rate change. Provided, for purchases from printed
20 catalogs wherein the purchaser computed the tax based upon local tax
21 rates published in the catalog, the rate change shall not be
22 effective until the first day of a calendar quarter after a minimum
23 of one hundred twenty (120) days' notice to vendors. Failure to
24 give notice as required by this section shall delay the effective

1 date of the rate change to the first day of the next calendar
2 quarter.

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

17 D. Subject to the provisions of ~~Section 3 of this act~~ Section
18 1357.10 of this title and except as provided in subsection B of
19 Section 2 of this act, all items that are exempt from the state
20 sales tax shall be exempt from any sales tax levied by a county.

21 E. Any sales tax which may be levied by a county shall be
22 designated for a particular purpose. Such purposes may include, but
23 are not limited to, projects owned by the state, any agency or
24 instrumentality thereof, the county and/or any political subdivision

1 | located in whole or in part within such county, regional
2 | development, economic development, common education, general
3 | operations, capital improvements, county roads, weather modification
4 | or any other purpose deemed, by a majority vote of the county
5 | commissioners or as stated by initiative petition, to be necessary
6 | to promote safety, security and the general well-being of the
7 | people. The county shall identify the purpose of the sales tax when
8 | it is presented to the voters pursuant to the provisions of
9 | subsection A of this section. Except as otherwise provided in this
10 | section, the proceeds of any sales tax levied by a county shall be
11 | deposited in the general revenue or sales tax revolving fund of the
12 | county and shall be used only for the purpose for which such sales
13 | tax was designated. If the proceeds of any sales tax levied by a
14 | county pursuant to this section are pledged for the purpose of
15 | retiring indebtedness incurred for the specific purpose for which
16 | the sales tax is imposed, the sales tax shall not be repealed until
17 | such time as the indebtedness is retired. However, in no event
18 | shall the life of the tax be extended beyond the duration approved
19 | by the voters of the county.

20 | F. 1. Notwithstanding any other provisions of law, any county
21 | that has approved a sales tax for the construction, support or
22 | operation of a county hospital may continue to collect such tax if
23 | such hospital is subsequently sold. Such collection shall only
24 | continue if the county remains indebted for the past construction,

1 support or operation of such hospital. The collection may continue
2 only until the debt is repaid or for the stated term of the sales
3 tax, whichever period is shorter.

4 2. If the construction, support or operation of a hospital is
5 funded through the levy of a county sales tax pursuant to this
6 section and such hospital is subsequently sold, the county levying
7 the tax may dissolve the governing board of such hospital following
8 the sale. Upon the sale of the hospital and dissolution of any
9 governing board, the county is relieved of any future liability for
10 the operation of such hospital.

11 G. Proceeds from any sales tax levied that is designated to be
12 used solely by the sheriff for the operation of the office of
13 sheriff shall be placed in the special revenue account of the
14 sheriff.

15 H. The life of the tax could be limited or unlimited in
16 duration. The county shall identify the duration of the tax when it
17 is presented to the voters pursuant to the provisions of subsections
18 A and C of this section.

19 I. There are hereby created one or more county sales tax
20 revolving funds in each county which levies a sales tax under this
21 section if any or all of the proceeds of such tax are not to be
22 deposited in the general revenue fund of the county or comply with
23 the provisions of subsection G of this section. Each such revolving
24 fund shall be designated for a particular purpose and shall consist

1 of all monies generated by such sales tax which are designated for
2 such purpose. Monies in such funds shall only be expended for the
3 purposes specifically designated as required by this section. A
4 county sales tax revolving fund shall be a continuing fund not
5 subject to fiscal year limitations.

6 SECTION 4. AMENDATORY 68 O.S. 2001, Section 1370.1, is
7 amended to read as follows:

8 Section 1370.1 Notwithstanding the provisions of Section 1370
9 of this title, any county of this state with a population of more
10 than three hundred thousand (300,000) according to the latest
11 Federal Decennial Census may levy a sales tax of not to exceed one-
12 half of one percent (1/2 of 1%) upon the gross proceeds or gross
13 receipts derived from all sales or services in the county upon which
14 a consumer's sales tax is levied by the state, except as provided in
15 subsection B of Section 2 of this act, subject to the following
16 conditions:

17 1. The proceeds of such sales tax shall be used solely for the
18 purpose of constructing and equipping county jail facilities or
19 capital improvements for jail facilities only;

20 2. Before a sales tax may be levied by the county, the
21 imposition of the tax shall first be approved by a majority of the
22 registered voters of the county voting thereon at a special election
23 called by resolution of the board of county commissioners;

24

1 3. Such sales tax can only be imposed for a period not to
2 exceed three (3) years; and

3 4. Any special election called pursuant to this section must be
4 held no later than January 1, 1992.

5 SECTION 5. AMENDATORY 68 O.S. 2001, Section 1370.2, is
6 amended to read as follows:

7 Section 1370.2 Notwithstanding the provisions of Section 1370
8 of this title, any county of this state with a population of more
9 than three hundred thousand (300,000) according to the latest
10 Federal Decennial Census may levy a sales tax of not to exceed one
11 percent (1%) upon the gross proceeds or gross receipts derived from
12 all sales or services in the county upon which a consumer's sales
13 tax is levied by the state, except as provided in ~~subsection (F)~~
14 paragraph 8 of Section 1357 of this title and subsection B of
15 Section 2 of this act, subject to the following conditions:

16 1. The proceeds of such sales tax and the interest thereon
17 shall be used solely for the purpose of development of qualified
18 aircraft maintenance or manufacturing facilities and any necessary
19 infrastructure changes or airport improvements directly related to
20 such facilities located within the county to be owned by the county,
21 any municipality within the county or a public trust in which the
22 county or municipality is a beneficiary. However, such municipality
23 or public trust shall hold such title for the use and benefit of the
24 residents of the entire county in which the tax is levied and

1 collected. The acceptance by the municipality or public trust of
2 any title or tax proceeds shall be deemed an acceptance of this
3 requirement. The board of county commissioners of any county that
4 has approved the imposition of a sales tax pursuant to this section
5 may not commence the collection of any such sales tax until a
6 qualified aircraft maintenance or manufacturing facility has signed
7 an agreement to locate such facility within the county. As used in
8 this paragraph, "qualified aircraft maintenance or manufacturing
9 facility" means a new or expanding facility primarily engaged in
10 aircraft repair, building or rebuilding, whether or not on a factory
11 basis, whose total cost of construction exceeds the sum of One
12 Hundred Fifty Million Dollars (\$150,000,000.00) and which employs at
13 least one thousand (1,000) new full-time-equivalent employees, as
14 certified by the Employment Security Commission upon completion of
15 the facility;

16 2. Before a sales tax may be levied by the county, the
17 imposition of the tax shall first be approved by a majority of the
18 registered voters of the county voting thereon at a special election
19 called by resolution of the board of county commissioners;

20 3. The monies collected pursuant to the provisions of this
21 section shall only be expended by the board of county commissioners
22 to finance an amount not to exceed twenty-five percent (25%) of the
23 total cost of construction of the qualified aircraft maintenance or
24

1 manufacturing facility and any necessary infrastructure changes or
2 airport improvements directly related to such facility; and

3 4. Such sales tax can only be imposed for a period not to
4 exceed three (3) years.

5 SECTION 6. AMENDATORY 68 O.S. 2001, Section 1370.2A, is
6 amended to read as follows:

7 Section 1370.2A Notwithstanding the provisions of Section 1370
8 of this title, any county of this state with a population of more
9 than three hundred thousand (300,000) according to the latest
10 Federal Decennial Census may levy a sales tax of not to exceed one
11 percent (1%) upon the gross proceeds or gross receipts derived from
12 all sales or services in the county upon which a consumer's sales
13 tax is levied by the state, except as provided in subsection B of
14 Section 2 of this act, subject to the following conditions:

15 1. The proceeds of such sales tax and the interest thereon
16 shall be used solely for the purpose of acquisition and development
17 of qualified manufacturing facilities, related machinery and
18 equipment and any necessary infrastructure changes or improvements
19 related to such facilities located within the county to be owned by
20 the county, any municipality within the county or a public trust in
21 which the county or municipality is a beneficiary. However, such
22 municipality or public trust shall hold such title for the use and
23 benefit of the residents of the entire county in which the tax is
24 levied and collected. The acceptance by the municipality or public

1 trust of any title or tax proceeds shall be deemed an acceptance of
2 this requirement. The board of county commissioners of any county
3 that has approved the imposition of a sales tax pursuant to this
4 section may not commence the collection of any such sales tax until
5 a qualified manufacturing facility has signed an agreement to locate
6 such facility within the county. As used in this paragraph,
7 "qualified manufacturing facility" means a new or expanding facility
8 primarily engaged in manufacturing, production and/or assembly of
9 consumer or other products, whether or not on a factory basis, whose
10 total cost of acquisition and construction exceeds the sum of
11 Fifteen Million Dollars (\$15,000,000.00) and which will employ at
12 least one thousand (1,000) new full-time-equivalent employees, as
13 certified by the Employment Security Commission within three (3)
14 years after the completion of the facility;

15 2. Before a sales tax may be levied by the county, the
16 imposition of the tax shall first be approved by a majority of the
17 registered voters of the county voting thereon at a special election
18 called by resolution of the board of county commissioners in the
19 manner provided by law for county elections;

20 3. The monies collected pursuant to the provisions of this
21 section shall only be expended by the board of county commissioners
22 to finance an amount not to exceed twenty-five percent (25%) of the
23 total cost related to the acquisition and construction of the
24 qualified manufacturing facility, related machinery and equipment

1 and any necessary infrastructure changes or improvements directly
2 related to such facility; and

3 4. Such sales tax can only be imposed for a period not to
4 exceed three (3) years.

5 SECTION 7. AMENDATORY 68 O.S. 2001, Section 1370.4, is
6 amended to read as follows:

7 Section 1370.4 Notwithstanding the provisions of Section 1370
8 of ~~Title 68 of the Oklahoma Statutes~~ this title, any county of this
9 state with a population of more than three hundred thousand
10 (300,000) according to the latest Federal Decennial Census may levy
11 a sales tax of not to exceed one percent (1%) upon the gross
12 proceeds or gross receipts derived from all sales or services in the
13 county upon which a consumer's sales tax is levied by the state,
14 except as provided in ~~subsection (F)~~ paragraph 8 of Section 1357 of
15 ~~Title 68 of the Oklahoma Statutes~~ this title and subsection B of
16 Section 2 of this act, subject to the following conditions:

17 1. The proceeds of such sales tax and the interest thereon
18 shall be used solely for the purpose of development of facilities
19 for lease or conveyance to the government of the United States and
20 any necessary infrastructure changes or improvements directly
21 related to such facilities located within the county. The board of
22 county commissioners of any county that has approved the imposition
23 of a sales tax pursuant to this section may not commence the
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1 collection of any such sales tax until an agreement to locate such
2 facility within the county is reached;

3 2. Before a sales tax may be levied by the county, the
4 imposition of the tax shall first be approved by a majority of the
5 registered voters of the county voting thereon at a special election
6 called by resolution of the board of county commissioners;

7 3. The monies collected pursuant to the provisions of this
8 section shall only be expended by the board of county commissioners
9 to finance the construction of the facility and any necessary
10 infrastructure changes or improvements directly related to such
11 facility; and

12 4. Such sales tax can only be imposed for a period not to
13 exceed three (3) years.

14 SECTION 8. AMENDATORY 68 O.S. 2001, Section 1370.5, is
15 amended to read as follows:

16 Section 1370.5 A. Notwithstanding the provisions of Section
17 1370 of ~~Title 68 of the Oklahoma Statutes~~ this title, any county of
18 this state with a population of more than three hundred thousand
19 (300,000) according to the latest Federal Decennial Census may levy
20 a sales tax of not to exceed one percent (1%) upon the gross
21 proceeds or gross receipts derived from all sales or services in the
22 county upon which a consumer's sales tax is levied by the state,
23 except as provided in paragraph ~~6~~ 8 of Section 1357 of ~~Title 68 of~~

24

1 ~~the Oklahoma Statutes~~ this title and subsection B of Section 2 of
2 this act, subject to the following conditions:

3 1. The proceeds of such sales tax shall be used solely for the
4 purpose of funding one or more economic development projects;

5 2. Before a sales tax may be levied by the county, the
6 imposition of the tax shall first be approved by a majority of the
7 registered voters of the county voting thereon at a special election
8 called by resolution of the board of county commissioners;

9 3. Such sales tax can only be imposed for a period of not to
10 exceed three (3) years; and

11 4. Any special election called pursuant to this section must be
12 held no later than March 1, 1994.

13 B. The board of county commissioners shall create a limited-
14 purpose fund and deposit therein any revenue generated by any sales
15 tax levied pursuant to the provisions of subsection A of this
16 section. The fund shall be placed in an insured or collateralized
17 interest-bearing account and the interest which accrues to the fund
18 shall be retained in the fund. Monies in the limited-purpose fund
19 shall be expended only as accumulated and only for the purpose
20 specifically described in paragraph 1 of subsection A of this
21 section.

22 C. As used in this section, "economic development project"
23 means any project which the board of county commissioners determines
24

1 will promote, enhance or improve economic conditions within the
2 county.

3 SECTION 9. AMENDATORY 68 O.S. 2001, Section 1370.6, is
4 amended to read as follows:

5 Section 1370.6 A. Notwithstanding the provisions of Section
6 1370 of ~~Title 68 of the Oklahoma Statutes~~ this title, any county of
7 this state with a population of more than three hundred thousand
8 (300,000) according to the latest Federal Decennial Census may levy
9 a sales tax of not to exceed one percent (1%) upon the gross
10 proceeds or gross receipts derived from all sales or services in the
11 county upon which a consumer's sales tax is levied by the state,
12 except as provided in paragraph ~~6~~ 8 of Section 1357 of ~~Title 68 of~~
13 ~~the Oklahoma Statutes~~ this title and subsection B of Section 2 of
14 this act, subject to the following conditions:

15 1. The proceeds of such sales tax shall be used solely for the
16 purpose of funding one or more projects for new public improvements;

17 2. Before a sales tax may be levied by the county, the
18 imposition of the tax shall first be approved by a majority of the
19 registered voters of the county voting thereon at a special election
20 called by resolution of the board of county commissioners;

21 3. Such sales tax can only be imposed for a period of not to
22 exceed three (3) years; and

23 4. Any special election called pursuant to this section must be
24 held no later than March 1, 1994.

1 B. The board of county commissioners shall create a limited-
2 purpose fund and deposit therein any revenue generated by any sales
3 tax levied pursuant to the provisions of subsection A of this
4 section. The fund shall be placed in an insured interest-bearing
5 account and the interest which accrues to the fund shall be retained
6 in the fund. Monies in the limited-purpose fund shall be expended
7 only as accumulated and only for the purpose specifically described
8 in paragraph 1 of subsection A of this section.

9 C. As used in this section:

10 1. "Projects for new public improvements" means any new and
11 beneficial change, addition, betterment or enhancement of or upon
12 any real property belonging to a public agency, intended to enhance
13 the value, beauty or utility of said property or to adapt it to new
14 or further purposes; and

15 2. "Public agency" means the State of Oklahoma and any county,
16 city, public trust or other public entity specifically created by
17 the statutes of the State of Oklahoma or as a result of statutory
18 authorization contained therein.

19 SECTION 10. AMENDATORY 68 O.S. 2001, Section 1370.7, as
20 last amended by Section 1, Chapter 308, O.S.L. 2006 (68 O.S. Supp.
21 2007, Section 1370.7), is amended to read as follows:

22 Section 1370.7 A. Any combination of cities, towns and
23 counties, by resolution of their governing boards, may jointly
24 create a transportation authority or regional economic development

1 authority pursuant to the provisions of Section 176 of Title 60 of
2 the Oklahoma Statutes for the purpose of planning, financing and
3 constructing transportation or regional economic development
4 projects located within the boundaries of such cities, towns or
5 counties. An authority created pursuant to the provisions of this
6 subsection shall have the powers granted pursuant to the provisions
7 of Section 176 of Title 60 of the Oklahoma Statutes in addition to
8 the powers granted pursuant to the provisions of this section except
9 that no regional economic development authority created pursuant to
10 the provisions of this subsection shall have any power or authority
11 to exercise or to attempt to exercise any powers of eminent domain.
12 The combination of cities, towns and counties creating the authority
13 shall be designated the beneficiary of the authority. The
14 boundaries of the authority shall be coterminous with the boundaries
15 of the cities, towns or counties creating the authority.

16 B. Any transportation authority or regional economic
17 development authority created pursuant to the provisions of
18 subsection A of this section may levy a sales tax of not to exceed
19 two percent (2%) upon the gross proceeds or gross receipts derived
20 from all sales or services in the cities, towns and counties
21 comprising the authority upon which a consumer's sales tax is levied
22 by this state. Before a sales tax may be levied by the authority,
23 the imposition of the tax shall first be approved by a majority of
24 the registered voters within the boundaries of each of the cities,

1 towns and counties comprising the authority voting thereon at a
2 special election jointly called by the governing boards of the
3 cities, towns and counties comprising the authority. Provided, if a
4 majority of the registered voters of an authority voting fail to
5 approve such a tax, the governing boards of such cities, towns and
6 counties shall not jointly call another special election for such
7 purpose for at least six (6) months. Any sales tax approved by the
8 registered voters of an authority shall be applicable only when the
9 point of sale is within the boundaries or limits of the authority.

10 C. All items that are exempt from the state sales tax shall be
11 exempt from any sales tax levied pursuant to the provisions of this
12 section; however, this subsection shall not apply to the exemption
13 set forth in subsection A of Section 2 of this act.

14 D. Any sales tax which may be levied pursuant to the provisions
15 of this section shall be designated for the purposes of planning,
16 financing and constructing transportation or regional economic
17 development projects within the boundaries of the authority. The
18 authority shall identify the purpose of the sales tax when it is
19 presented to the voters pursuant to the provisions of this section.
20 The proceeds of any sales tax levied by an authority shall be used
21 only for the purposes for which the sales tax was designated.

22 E. The authority shall identify the specific duration of the
23 tax when it is presented to the voters pursuant to the provisions of
24 this section and shall include specific language in the ballot title

1 disclosing the duration of the tax. A levy by a transportation
2 authority or a regional economic development authority shall have a
3 maximum duration of thirty (30) years if the proceeds from the tax
4 are pledged to the repayment of indebtedness and a maximum duration
5 of twenty (20) years if the proceeds from the tax are to be used for
6 expenditures other than the repayment of indebtedness.

7 F. An authority created pursuant to the provisions of
8 subsection A of this section may utilize the provisions of the Local
9 Development Act as it relates to the financing of such
10 transportation or regional economic development projects.

11 G. An authority created pursuant to the provisions of
12 subsection A of this section shall be dissolved:

13 1. At such time as the planning, financing and constructing of
14 the transportation or regional economic development project within
15 the boundaries of the authority is completed; and

16 2. At such time as the revenue collected from any taxes levied
17 by the authority is sufficient for payment of any and all expenses
18 incurred by the authority in the planning, financing and
19 constructing of a transportation or regional economic development
20 project.

21 H. If the proceeds of any tax levied by an authority pursuant
22 to this section are pledged for the purpose of retiring indebtedness
23 incurred for the specific purpose for which the tax is imposed, the
24 tax shall not be repealed until such time as the indebtedness is

1 | retired. In no event shall the life of the tax be extended beyond
2 | the duration approved by the voters of the authority.

3 | I. If the revenue collected from any taxes levied by the
4 | authority exceeds the amount necessary for payment of any and all
5 | expenses incurred by the authority in the planning, financing and
6 | constructing of transportation or regional economic development
7 | projects, the excess funds shall be apportioned to the general funds
8 | of the cities, towns and counties comprising the authority in
9 | proportion to the population of each city, town and county.

10 | J. A transportation authority created pursuant to the
11 | provisions of subsection A of this section may provide for the
12 | financing of a toll bridge utilizing any revenue measures available
13 | pursuant to subsections A through I of this section in combination
14 | with revenue derived from toll charges. Such combination financing
15 | shall be fully described in the resolution of the transportation
16 | authority which authorizes the construction of such toll bridge.
17 | The resolution shall set out minimum and maximum percentages of the
18 | total debt which shall be retired utilizing revenue received from
19 | toll charges.

20 | SECTION 11. AMENDATORY 68 O.S. 2001, Section 1370.8, as
21 | amended by Section 2, Chapter 103, O.S.L. 2004 (68 O.S. Supp. 2007,
22 | Section 1370.8), is amended to read as follows:

23 | Section 1370.8 A. Any combination of cities, towns and
24 | counties, by resolution of their governing boards, may jointly

1 create a hospital authority pursuant to the provisions of Section
2 176 of Title 60 of the Oklahoma Statutes for the purpose of
3 planning, financing and constructing hospitals or related medical
4 facilities located within the boundaries of such cities, towns or
5 counties. An authority created pursuant to the provisions of this
6 subsection shall have the powers granted pursuant to the provisions
7 of Section 176 of Title 60 of the Oklahoma Statutes in addition to
8 the powers granted pursuant to the provisions of this section. The
9 combination of cities, towns and counties creating the authority
10 shall be designated the beneficiary of the authority. The
11 boundaries of the authority shall be coterminous with the boundaries
12 of the cities, towns or counties creating the authority.

13 B. Any hospital authority created pursuant to the provisions of
14 subsection A of this section may levy a sales tax of not to exceed
15 two percent (2%) upon the gross proceeds or gross receipts derived
16 from all sales or services in the cities, towns and counties
17 comprising the authority upon which a consumer's sales tax is levied
18 by this state. Before a sales tax may be levied by the authority,
19 the imposition of the tax shall first be approved by a majority of
20 the registered voters within the boundaries of each of the cities,
21 towns and counties comprising the authority voting thereon at a
22 special election jointly called by the governing boards of the
23 cities, towns and counties comprising the authority. Provided, if a
24 majority of the registered voters of an authority voting fail to

1 approve such a tax, the governing boards of such cities, towns and
2 counties shall not jointly call another special election for such
3 purpose for at least six (6) months. Any sales tax approved by the
4 registered voters of an authority shall be applicable only when the
5 point of sale is within the boundaries or limits of the authority.

6 C. All items that are exempt from the state sales tax shall be
7 exempt from any sales tax levied pursuant to the provisions of this
8 section; however, this subsection shall not apply to the exemption
9 set forth in subsection A of Section 2 of this act.

10 D. Any sales tax which may be levied pursuant to the provisions
11 of this section shall be designated for the purposes of planning,
12 financing and constructing hospitals or related medical facilities
13 within the boundaries of the authority. The authority shall
14 identify the purpose of the sales tax when it is presented to the
15 voters pursuant to the provisions of this section. The proceeds of
16 any sales tax levied by an authority shall be used only for the
17 purposes for which the sales tax was designated.

18 E. The authority shall identify the duration of the tax when it
19 is presented to the voters pursuant to the provisions of this
20 section.

21 F. An authority created pursuant to the provisions of
22 subsection A of this section may utilize the provisions of the Local
23 Development Act as it relates to the financing of such hospitals or
24 related medical facilities.

1 G. An authority created pursuant to the provisions of
2 subsection A of this section shall be dissolved:

3 1. At such time as the planning, financing and constructing of
4 the hospitals or related medical facilities within the boundaries of
5 the authority is completed; and

6 2. At such time as the revenue collected from any taxes levied
7 by the authority is sufficient for payment of any and all expenses
8 incurred by the authority in the planning, financing and
9 constructing of a hospital or related medical facility.

10 H. If the proceeds of any tax levied by an authority pursuant
11 to this section are pledged for the purpose of retiring indebtedness
12 incurred for the specific purpose for which the tax is imposed, the
13 tax shall not be repealed until such time as the indebtedness is
14 retired. Notwithstanding any other provisions of law, any county or
15 hospital authority that has approved a sales tax for the support and
16 operation of a county hospital may continue to collect such tax if
17 such hospital is subsequently sold. Such collection shall only
18 continue if the county or hospital authority remains indebted for
19 the support and operation of such hospital and only until the debt
20 is repaid or for the stated term of the tax, whichever period is
21 shorter. In no event shall the life of the tax be extended beyond
22 the duration approved by the voters of the authority.

23 I. If the revenue collected from any taxes levied by the
24 authority exceeds the amount necessary for payment of any and all

1 expenses incurred by the authority in the planning, financing and
2 constructing of hospitals or related medical facilities, the excess
3 funds shall be apportioned to the general funds of the cities, towns
4 and counties comprising the authority in proportion to the
5 population of each city, town and county.

6 J. If the construction, support, or operation of a hospital is
7 funded through the levy of a sales tax by a county or hospital
8 authority pursuant to this section and such hospital is subsequently
9 sold, the county or hospital authority levying the tax may dissolve
10 the governing board of such hospital at the time of the sale. When
11 the sale of the hospital and dissolution of any governing board is
12 final, the county or hospital authority is thereby relieved of any
13 liability for the operation of such hospital.

14 SECTION 12. AMENDATORY 68 O.S. 2001, Section 2701, as
15 last amended by Section 6, Chapter 136, O.S.L. 2007 (68 O.S. Supp.
16 2007, Section 2701), is amended to read as follows:

17 Section 2701. A. Any incorporated city or town in this state
18 is hereby authorized to assess, levy, and collect taxes for general
19 and special purposes of municipal government as the Legislature may
20 levy and collect for purposes of state government, subject to the
21 provisions of subsection F of this section, except ad valorem
22 property taxes and except as provided in subsection B of Section 2
23 of this act. Provided:

24

1 1. Taxes shall be uniform upon the same class subjects, and any
2 tax, charge, or fee levied upon or measured by income or receipts
3 from the sale of products or services shall be uniform upon all
4 classes of taxpayers;

5 2. Motor vehicles may be taxed by the city or town only when
6 such vehicles are primarily used or located in such city or town for
7 a period of time longer than six (6) months of a taxable year;

8 3. The provisions of this section shall not be construed to
9 authorize imposition of any tax upon persons, firms, or corporations
10 exempted from other taxation under the provisions of Sections 348.1,
11 624 and 321 of Title 36 of the Oklahoma Statutes, by reason of
12 payment of taxes imposed under such sections;

13 4. Cooperatives and communications companies are hereby
14 authorized to pass on to their subscribers in the incorporated city
15 or town involved, the amount of any special municipal fee, charge or
16 tax hereafter assessed or levied on or collected from such
17 cooperatives or communications companies;

18 5. No earnings, payroll or income taxes may be levied on
19 nonresidents of the cities or towns levying such tax;

20 6. The governing body of any city or town shall be prohibited
21 from proposing taxing ordinances more often than three times in any
22 calendar year, or twice in any six-month period; and
23
24

1 7. Any revenues derived from a tax authorized by this
2 subsection not dedicated to a limited purpose shall be deposited in
3 the municipal general fund.

4 B. A sales tax authorized in subsection A of this section may
5 be levied for limited purposes specified in the ordinance levying
6 the tax. Such ordinance shall be submitted to the voters for
7 approval as provided in Section 2705 of this title. Any sales tax
8 levied or any change in the rate of a sales tax levied pursuant to
9 the provisions of this section shall become effective on the first
10 day of the calendar quarter following approval by the voters of the
11 city or town unless another effective date, which shall also be on
12 the first day of a calendar quarter, is specified in the ordinance
13 levying the sales tax or changing the rate of sales tax. Such
14 ordinance shall describe with specificity the projects or
15 expenditures for which the limited-purpose tax levy would be made.
16 The municipal governing body shall create a limited-purpose fund and
17 deposit therein any revenue generated by any tax levied pursuant to
18 this subsection. Money in the fund shall be accumulated from year
19 to year. The fund shall be placed in an insured interest-bearing
20 account and the interest which accrues on the fund shall be retained
21 in the fund. The fund shall be nonfiscal and shall not be
22 considered in computing any levy when the municipality makes its
23 estimate to the excise board for needed appropriations. Money in
24 the limited-purpose tax fund shall be expended only as accumulated

1 and only for the purposes specifically described in the taxing
2 ordinance as approved by the voters.

3 C. The Oklahoma Tax Commission shall give notice to all vendors
4 of a rate change at least sixty (60) days prior to the effective
5 date of the rate change. Provided, for purchases from printed
6 catalogs wherein the purchaser computed the tax based upon local tax
7 rates published in the catalog, the rate change shall not be
8 effective until the first day of a calendar quarter after a minimum
9 of one hundred twenty (120) days' notice to vendors. Failure to
10 give notice as required by this section shall delay the effective
11 date of the rate change to the first day of the next calendar
12 quarter.

13 D. The change in the boundary of a municipality shall be
14 effective, for sales and use tax purposes only, on the first day of
15 a calendar quarter after a minimum of sixty (60) days' notice to
16 vendors.

17 E. If the proceeds of any sales tax levied by a municipality
18 pursuant to subsection B of this section are being used by the
19 municipality for the purpose of retiring indebtedness incurred by
20 the municipality or by a public trust of which the municipality is a
21 beneficiary for the specific purpose for which the sales tax was
22 imposed, the sales tax shall not be repealed until such time as the
23 indebtedness is retired. However, in no event shall the life of the
24 tax be extended beyond the duration approved by the voters of the

1 municipality. The provisions of this subsection shall apply to all
2 sales tax levies imposed by a municipality and being used by the
3 municipality for the purposes set forth in this subsection prior to
4 or after July 1, 1995.

5 F. The sale of an article of clothing or footwear designed to
6 be worn on or about the human body shall be exempt from the sales
7 tax imposed by any incorporated city or town, in accordance with and
8 to the extent set forth in Section ~~3~~ 1357.10 of this ~~act~~ title.

9 SECTION 13. This act shall become effective July 1, 2008.

10 SECTION 14. It being immediately necessary for the preservation
11 of the public peace, health and safety, an emergency is hereby
12 declared to exist, by reason whereof this act shall take effect and
13 be in full force from and after its passage and approval.

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