

1 STATE OF OKLAHOMA

2 1st Session of the 52nd Legislature (2009)

3 COMMITTEE SUBSTITUTE
4 FOR
5 HOUSE JOINT
6 RESOLUTION NO. 1016

By: Jackson

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8 COMMITTEE SUBSTITUTE

9 A Joint Resolution directing the Secretary of State to refer to the people for their
10 approval or rejection a proposed amendment to Section 8B of Article X of the
11 Constitution of the State of Oklahoma; modifying provisions related to valuation
12 increases for purposes of ad valorem taxation; modifying maximum increase
13 authorized for homestead property; prescribing procedures for determination of
14 maximum fair cash value for commercial or income producing properties;
15 providing for determination of market value based upon increase in value
16 subsequent to decrease in value; prescribing procedures applicable to maximum
17 market value determinations for commercial or income producing property
18 following certain increase in valuation; providing ballot title; and directing
19 filing.

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22 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES AND THE SENATE OF THE 1ST
23 SESSION OF THE 52ND OKLAHOMA LEGISLATURE:

24 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. ~~Despite A.~~ Except as otherwise provided by this section, despite any provision to
the contrary, the taxable fair cash value of any parcel of locally assessed real property shall not
increase by more than five percent (5%) in any taxable year.

1 B. The taxable fair cash value for locally assessed real property which has qualified for the
2 homestead exemption shall not increase by more than three percent (3%) in any taxable year.

3 C. If for any reason the actual fair cash value of a commercial property or any income producing
4 property decreases below its capped taxable fair cash value in a given taxable year, that actual fair cash
5 value shall become its taxable fair cash value. If within a period of three (3) subsequent taxable years
6 the actual fair cash value for any such property increases above the capped value which existed prior to
7 its decrease in value, then that prior capped value shall become its new capped, taxable fair cash value.
8 Any subsequent increases in taxable fair cash value for such commercial properties or income
9 producing property shall remain subject to the five percent (5%) cap.

10 D. The provisions of this section shall not apply in any year when title to the property is
11 transferred, changed, or conveyed to another person or when improvements have been made to the
12 property. If title to the property is transferred, changed, or conveyed to another person, the property
13 shall be assessed for that year based on the actual fair cash value as set forth in Section 8 of Article X
14 of this Constitution.

15 E. If any improvements are made to the property, the increased value to the property as a result
16 of the improvement shall be assessed for that year based on the fair cash value as set forth in Section 8
17 of Article X of this Constitution.

18 F. The provisions of this section shall be effective January 1, 1997, and thereafter for counties
19 which are in compliance with the applicable law or administrative regulations governing valuation of
20 locally assessed real property as of such date. For counties which are not in compliance with such law
21 or regulations as of January 1, 1997, the provisions of this section shall be effective January 1 of the
22 year following the date the county is deemed to be in compliance with such laws or regulations as
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1 provided by law. The provisions of this section shall not apply to any personal property which may be
2 taxed ad valorem or any property which may be valued or assessed by the State Board of Equalization.

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

4 SECTION 2. The Ballot Title for the proposed Constitutional amendment as set forth in
5 SECTION 1 of this resolution shall be in the following form:

6 **BALLOT TITLE**

7 Legislative Referendum No. _____ State Question No. _____

8 **THE GIST OF THE PROPOSITION IS AS FOLLOWS:**

9 This measure amends the Oklahoma Constitution. It amends Section 8B of Article 10. This
10 section relates to property taxes. This section prevents the fair cash value of certain types of
11 property from being increased. The fair market value of a homestead cannot increase more than
12 five percent (5%) each year. This measure would change this limit to three percent (3%) per
13 year. The measure would make other changes for valuing business or income producing
14 property. If the value of business or income producing property decreased, there would be a
15 special rule. If the new lower value is less than the value which can be used for property tax
16 purposes, the new lower value would become the taxable value of the property. Within three (3)
17 years after a decrease, if the value of business or income producing property became higher than
18 the value before the decrease, the property would then have the same value before the decrease
19 occurred. After that, the limit on increases in value would return to five percent (5%) for
20 business or income producing property.

21 **SHALL THE PROPOSAL BE APPROVED?**

22 **FOR THE PROPOSAL — YES** _____

23 **AGAINST THE PROPOSAL — NO** _____

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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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