

THE HOUSE OF REPRESENTATIVES  
Monday, March 2, 2009

Committee Substitute for  
House Joint  
Resolution No. 1016

COMMITTEE SUBSTITUTE FOR HOUSE JOINT RESOLUTION NO. 1016 - By:  
JACKSON of the House and REYNOLDS of the Senate.

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

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

1 SECTION 1. The Secretary of State shall refer to the people for their approval or  
2 rejection, as and in the manner provided by law, the following proposed amendment to  
3 Section 8B of Article X of the Constitution of the State of Oklahoma to read as follows:  
4 Section 8B. ~~Despite A.~~ Except as otherwise provided by this section, despite any  
5 provision to the contrary, the taxable fair cash value of any parcel of locally assessed real  
6 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  
2 for the homestead exemption shall not increase by more than three percent (3%) in any  
3 taxable year.

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

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

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

20        F. The provisions of this section shall be effective January 1, 1997, and thereafter  
21 for counties which are in compliance with the applicable law or administrative  
22 regulations governing valuation of locally assessed real property as of such date. For

1 counties which are not in compliance with such law or regulations as of January 1, 1997,  
2 the provisions of this section shall be effective January 1 of the year following the date  
3 the county is deemed to be in compliance with such laws or regulations as provided by  
4 law. The provisions of this section shall not apply to any personal property which may be  
5 taxed ad valorem or any property which may be valued or assessed by the State Board of  
6 Equalization.

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

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

11 **BALLOT TITLE**

12 Legislative Referendum No. \_\_\_\_\_ State Question No. \_\_\_\_\_

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

14 This measure amends the Oklahoma Constitution. It amends Section 8B of Article  
15 10. This section relates to property taxes. This section prevents the fair cash value  
16 of certain types of property from being increased. The fair market value of a  
17 homestead cannot increase more than five percent (5%) each year. This measure  
18 would change this limit to three percent (3%) per year. The measure would make  
19 other changes for valuing business or income producing property. If the value of  
20 business or income producing property decreased, there would be a special rule. If  
21 the new lower value is less than the value which can be used for property tax  
22 purposes, the new lower value would become the taxable value of the property.

