

1                   **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2                                   STATE OF OKLAHOMA

3                                   2nd Session of the 53rd Legislature (2012)

4 HOUSE JOINT  
5 RESOLUTION 1087

By: Dank of the House

and

Mazzei of the Senate

6  
7  
8  
9                                   AS INTRODUCED

10                   A Joint Resolution directing the Secretary of State  
11                   to refer to the people for their approval or  
12                   rejection a proposed amendment to Section 6B of  
13                   Article X of the Constitution of the State of  
14                   Oklahoma; modifying provisions related to  
15                   reimbursement of revenues to certain local taxing  
16                   jurisdictions; specifying reimbursement exclusive of  
17                   certain revenues related to value of land or  
18                   improvements during period of exempt treatment;  
19                   providing ballot title; and directing filing.

20 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES AND THE SENATE OF THE  
21 2ND SESSION OF THE 53RD OKLAHOMA LEGISLATURE:

22                   SECTION 1. The Secretary of State shall refer to the people for  
23                   their approval or rejection, as and in the manner provided by law,  
24                   the following proposed amendment to Section 6B of Article X of the  
25                   Constitution of the State of Oklahoma to read as follows:

1 Section 6B. A. For the purpose of inducing any manufacturing  
2 concern to locate or expand manufacturing facilities within any  
3 county of this state, a qualifying manufacturing concern shall be  
4 exempt from the levy of any ad valorem taxes upon new, expanded or  
5 acquired manufacturing facilities for a period of five (5) years.

6 B. For purposes of this section, a "qualifying manufacturing  
7 concern" means a concern that:

8 1. Is not engaged in business in this state or does not have  
9 property subject to ad valorem tax in this state and constructs a  
10 manufacturing facility in this state or acquires an existing  
11 facility that has been unoccupied for a period of twelve (12) months  
12 prior to acquisition; or

13 2. Is engaged in business in this state or has property subject  
14 to ad valorem tax in this state and constructs a manufacturing  
15 facility in this state at a different location from present  
16 facilities and continues to operate all of its facilities or  
17 acquires an existing facility that has been unoccupied for a period  
18 of twelve (12) months prior to acquisition and continues to operate  
19 all of its facilities.

20 C. The exemption allowed by this section shall apply to  
21 expansions of existing facilities. Provided, however that any  
22 exemption shall be limited to the increase in ad valorem taxes  
23 directly attributable to the expansion.

1 D. The Legislature shall define the term "manufacturing  
2 facility" for purposes of the ad valorem tax exemption provided by  
3 this section in order to promote full employment of labor resources  
4 within the state; provided, however, that a manufacturing facility  
5 that qualifies for the ad valorem tax exemption provided by this  
6 section, pursuant to the definition of "manufacturing facility" then  
7 applicable, shall be eligible for the exemption without regard to  
8 subsequent changes in the definition of the term "manufacturing  
9 facility".

10 E. The Legislature shall enact laws to carry out the provisions  
11 of this section and to provide for the reimbursement to common  
12 schools, county governments, cities and towns, emergency medical  
13 services districts, vocational-technical schools, junior colleges,  
14 county health departments and libraries for the amount of revenues  
15 ~~lost to such~~ received by such entities ~~as a result of the exemption~~  
16 ~~provided by this section~~ based upon the net assessed value of the  
17 land, and any improvements located upon the land, for the last  
18 assessment year prior to the year during which the property becomes  
19 exempt from ad valorem taxation pursuant to the provisions of this  
20 section. Reimbursement to the local taxing jurisdictions as  
21 described by this subsection shall not include revenue derived from  
22 the increased value of the land or from the increased value  
23 attributable to improvements during the period of time the exemption

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

1 for the qualifying manufacturing concern is in effect, but shall be  
2 limited to the revenue derived from the net assessed value of the  
3 land and improvements, if applicable, for the last assessment year  
4 prior to the year during which the property becomes exempt from ad  
5 valorem taxation pursuant to the provisions of this section.

6 F. The assessed valuation of property exempt from taxation by  
7 virtue of this section shall be added to the assessed valuation of  
8 taxable property in computing the limit on indebtedness of political  
9 subdivisions contained in Section 26 of this article.

10 G. Pursuant to an affirmative vote of a majority of the  
11 eligible voters of the county at an election for such purpose which  
12 may be called by the county commissioners of each county, after the  
13 expiration of the period prescribed by this section for the  
14 exemption, a county may retain not to exceed twenty-five percent  
15 (25%) of the increased ad valorem taxes derived from the levy  
16 imposed by the county upon the taxable value of property previously  
17 exempt pursuant to this section. The revenue retained by the county  
18 pursuant to this subsection may be used by the county as an economic  
19 development incentive to attract additional investment which will  
20 result in additional employment in the county. Only ad valorem tax  
21 revenue derived from ten (10) mills of the total ad valorem tax levy  
22 imposed by the county may be used for this purpose. The ad valorem  
23 tax revenue derived from the levy imposed by any other taxing

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1 jurisdiction shall be apportioned as otherwise required by law. The  
2 provisions of this subsection shall be applicable to qualified  
3 manufacturing concerns exempt prior to the adoption of the amendment  
4 contained in this subsection and which become taxable, either by  
5 expiration of the exemption period or for other reasons, on or after  
6 the date as of which the provisions of this subsection become law  
7 and to qualified manufacturing concerns which are exempt for the  
8 first time on or after the date of the adoption of the amendment  
9 contained in this subsection and which subsequently become taxable.

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

13 BALLLOT TITLE  
14 Legislative Referendum No. \_\_\_\_\_ State Question No. \_\_\_\_\_

15 THE GIST OF THE PROPOSITION IS AS FOLLOWS:

16 This measure amends the Oklahoma Constitution. It amends Section  
17 6B of Article 10. This section provides a property tax  
18 exemption for certain property owned by a qualifying  
19 manufacturing concern. The Legislature provides money to local  
20 governments because of this exemption. The money takes the  
21 place of the local taxes that the local governments do not  
22 receive because of the exemption. This measure would change  
23 the amount of money the local governments receive. The local

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1 governments would receive the amount of money they received  
2 during the last tax year before the land and any improvements  
3 became exempt. The local governments would not receive money  
4 based on the increased value of the land or any improvements  
5 after a qualifying manufacturing concern begins its operations.

6 SHALL THE PROPOSAL BE APPROVED?

7 FOR THE PROPOSAL - YES \_\_\_\_\_

8 AGAINST THE PROPOSAL - NO \_\_\_\_\_

9 SECTION 3. The Chief Clerk of the House of Representatives,  
10 immediately after the passage of this resolution, shall prepare and  
11 file one copy thereof, including the Ballot Title set forth in  
12 SECTION 2 hereof, with the Secretary of State and one copy with the  
13 Attorney General.

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15 COMMITTEE REPORT BY: COMMITTEE ON RULES, dated 02/22/2012 - DO PASS,  
16 As Coauthored.  
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