

1 STATE OF OKLAHOMA

2 1st Session of the 53rd Legislature (2011)

3 SENATE BILL 832

By: Brecheen

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5
6 AS INTRODUCED

7 An Act relating to severance tax; providing
8 legislative findings and declaring intent;
9 authorizing county to impose tax upon severance of
10 rock, gravel, sand and gypsum; requiring voter
11 approval before levying of tax; specifying time
12 period before subsequent special election can be
13 called under certain circumstances; providing
14 effective date for tax levy or change in tax rate;
15 requiring designation of purpose for tax and
16 specifying purposes; specifying disposition of funds;
17 providing for duration of tax; requiring Oklahoma Tax
18 Commission to provide certain notice; modifying
19 effective date of rate change under specified
20 circumstances; authorizing certain contract between
21 county and Tax Commission and providing contract
22 criteria; authorizing Tax Commission to charge
23 specified fee; requiring initiative petitions be in
24 compliance with specified statutes; mandating
specified procedures; setting time period during
which election shall be held; providing for
codification; and providing an effective date.

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 1001.5 of Title 68, unless there
is created a duplication in numbering, reads as follows:

1 A. It is the finding of the Legislature that counties may be in
2 a position superior to the state of determining the most efficient
3 and cost-effective means of funding the operations of county
4 government. Counties in this state do not share equally in the
5 state's natural resources or in revenue generated from those
6 resources. Therefore, counties need greater access to place all
7 available options before the people for funding necessary government
8 operations. Further, encouraging greater local control of taxation
9 and revenue sources has the potential to allow counties to reduce
10 reliance on resources such as ad valorem tax. It is, therefore, the
11 intent of this act to authorize the registered voters of a county,
12 without interference from the state, to determine if rock, gravel,
13 sand and gypsum should be subject to a severance tax and to allow
14 duly elected county officials to determine if such revenue may
15 reduce reliance on other revenue sources.

16 B. Any county of this state which received less than one-
17 quarter of one percent ($1/4$ of 1%) of all gross production tax
18 revenue apportioned pursuant to subparagraph f of paragraph 5 of
19 Section 1004 of Title 68 of the Oklahoma Statutes for fiscal year
20 2010 is hereby authorized to levy a tax upon the severance of rock,
21 gravel, sand and gypsum, within the territorial limits of the
22 county, in an amount specified in the special election call as
23 provided herein. Before a severance tax may be levied by the
24 county, the imposition of the tax shall first be approved by a

1 majority of the registered voters of the county voting thereon at a
2 special election called by the board of county commissioners or by
3 initiative petition signed by not less than five percent (5%) of the
4 registered voters of the county who were registered at the time of
5 the last general election. However, if a majority of the registered
6 voters of a county voting fail to approve such a tax, the board of
7 county commissioners shall not call another special election for
8 such purpose for six (6) months.

9 C. Any tax levied or any change in the rate of a tax levied
10 pursuant to the provisions of this section shall become effective on
11 the first day of the calendar quarter following approval by the
12 voters of the county unless another effective date, which shall also
13 be on the first day of a calendar quarter, is specified in the
14 ordinance or resolution levying the tax or changing the rate of the
15 tax.

16 D. Any severance tax which may be levied by a county shall be
17 designated for a specific or general purpose by a majority vote of
18 the county commissioners or as stated by initiative petition. The
19 county shall identify the purpose of the severance tax when it is
20 presented to the voters pursuant to the provisions of subsection A
21 of this section. The proceeds of any severance tax levied by a
22 county shall be deposited in the general revenue fund of the county
23 and shall be used only for the designated purposes.

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1 E. The life of a tax levied pursuant to the provisions of this
2 section may be limited or unlimited in duration. The county shall
3 identify the duration of the tax when it is presented to the voters
4 pursuant to the provisions of subsection A of this section.

5 F. The Oklahoma Tax Commission shall give notice to all
6 relevant taxpayers of a rate change at least sixty (60) days prior
7 to the effective date of the rate change. Failure to give notice as
8 required by this section shall delay the effective date of the rate
9 change to the first day of the next calendar quarter. The board of
10 county commissioners of a county levying a tax pursuant to the
11 provisions of this section and the Tax Commission are authorized to
12 enter into a contract whereby the Tax Commission shall have
13 authority to assess, collect and enforce the tax and any penalties
14 or interest thereon levied by the county and to remit the same to
15 the county. Such authority shall apply to any tax levied pursuant
16 to this section and penalty or interest liability existing at the
17 time of contracting. Upon contracting, the Tax Commission shall
18 have the power of enforcement of the tax, penalties or interest that
19 is vested in the county. The contract shall provide for the
20 assessment, collection and enforcement of the tax, penalties or
21 interest in the same manner as the administration, collection or
22 enforcement of the state gross production tax by the Tax Commission.
23 For providing such assistance, the Tax Commission shall charge the
24 county a fee of one percent (1%) of the gross collection proceeds.

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

14 SECTION 2. This act shall become effective November 1, 2011.

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