

1 STATE OF OKLAHOMA

2 1st Session of the 54th Legislature (2013)

3 HOUSE JOINT
4 RESOLUTION 1021

By: Blackwell

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6 AS INTRODUCED

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8 A Joint Resolution directing the Secretary of State
9 to refer to the people for their approval or
10 rejection a proposed amendment to Section 6B of
11 Article X of the Constitution of the State of
12 Oklahoma; modifying provisions related to eligibility
13 for exemption from ad valorem taxation; requiring
14 approval by majority of board of county
15 commissioners; providing for continuation of certain
16 exempt treatment based upon specified date; modifying
17 provisions related to reimbursement of certain
18 revenues to local government taxing jurisdictions;
19 providing for continuation of reimbursement based
20 upon specific date; providing ballot title; and
21 directing filing.

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24 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES AND THE SENATE OF THE
1ST SESSION OF THE 54TH OKLAHOMA LEGISLATURE:

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 6B of Article X of the
Constitution of the State of Oklahoma to read as follows:

Section 6B. A. For the purpose of inducing any manufacturing
concern to locate or expand manufacturing facilities within any

1 county of this state, a qualifying manufacturing concern shall be
2 exempt from the levy of any ad valorem taxes upon new, expanded or
3 acquired manufacturing facilities for a period of five (5) years if
4 a majority of the board of county commissioners of the county in
5 which the facility is located approves such exemption. The approval
6 required by this subsection shall be applicable to manufacturing
7 facilities for which the exemption is first requested on or after
8 January 1, 2015, and shall not be required with respect to the
9 exempt treatment of any manufacturing facility prior to January 1,
10 2015.

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

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

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

1 C. The exemption allowed by this section shall apply to
2 expansions of existing facilities. Provided, however that any
3 exemption shall be limited to the increase in ad valorem taxes
4 directly attributable to the expansion.

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

14 E. The Legislature shall enact laws to carry out the provisions
15 of this section ~~and to provide for the reimbursement to common~~
16 ~~schools, county governments, cities and towns, emergency medical~~
17 ~~services districts, vocational-technical schools, junior colleges,~~
18 ~~county health departments and libraries for revenues lost to such~~
19 ~~entities as a result of the exemption provided by this section. The~~
20 provisions of this subsection with regard to reimbursement to local
21 taxing jurisdictions shall not be applicable with respect to any
22 manufacturing facility approved for exempt treatment as provided by
23 subsection A of this section on or after January 1, 2015, but shall
24 remain in force and effect with respect to any qualifying

1 manufacturing facility exempt pursuant to the provisions of this
2 section prior to January 1, 2015.

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

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

1 expiration of the exemption period or for other reasons, on or after
2 the date as of which the provisions of this subsection become law
3 and to qualified manufacturing concerns which are exempt for the
4 first time on or after the date of the adoption of the amendment
5 contained in this subsection and which subsequently become taxable.

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

9 BALLOT TITLE

10 Legislative Referendum No. _____ State Question No. _____

11 THE GIST OF THE PROPOSITION IS AS FOLLOWS:

12 This measure amends the Oklahoma Constitution. It amends
13 Section 6B of Article 10. Certain types of manufacturing
14 facilities can be exempt from property tax. This measure would
15 require a majority vote of the board of county commissioners to
16 approve the exemption. The approval by the board of county
17 commissioners would be required beginning January 1, 2015.
18 Manufacturing facilities exempt prior to that date would not
19 require the approval of the board of county commissioners. The
20 Legislature provides reimbursement to local government to make
21 up for tax money lost because of the exemption. Effective
22 January 1, 2015, the Legislature would not provide that
23 reimbursement to the local governments any longer. The
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1 reimbursement would continue for manufacturing facilities that
2 were already exempt prior to January 1, 2015.

3 SHALL THE PROPOSAL BE APPROVED?

4 FOR THE PROPOSAL - YES _____

5 AGAINST THE PROPOSAL - NO _____

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

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