

1 STATE OF OKLAHOMA

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

3 HOUSE JOINT
4 RESOLUTION 1032

By: Hickman

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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 for exempt treatment
13 of manufacturing facilities; authorizing board of
14 county commissioners to approve exemption; specifying
15 maximum duration of exemption; authorizing maximum
16 percentage of net assessed value exempt from tax;
17 modifying provisions related to reimbursement of
18 certain ad valorem tax revenues to local taxing
19 jurisdictions; specifying applicability of certain
20 provisions; providing for applicability of provisions
21 based on specified date; providing ballot title; and
22 directing filing.

23 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES AND THE SENATE OF THE
24 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~~ may
2 be exempt from the levy of ~~any~~ ad valorem taxes upon new, expanded
3 or acquired manufacturing facilities for a period of not to exceed
4 five (5) years if the exemption is approved by a simple majority
5 vote of the board of county commissioners of the county in which the
6 manufacturing facility is located or is to be located. The board of
7 county commissioners may provide that the period of the exemption
8 may be from one (1) through five (5) years. The board of county
9 commissioners may provide that any percentage of the value of the
10 manufacturing facility may be exempt during the period of the exempt
11 treatment not to exceed one hundred percent (100%) of the value.
12 The percentage of the value that may be exempt during the period of
13 exempt treatment may vary from one assessment year to another
14 assessment year, but shall not vary during a single assessment year.
15 The approval required by this subsection shall be applicable to
16 manufacturing facilities for which the exemption is first requested
17 on or after January 1, 2015, and shall not be required with respect
18 to the exempt treatment of any manufacturing facility prior to
19 January 1, 2015, or with respect to a continuation of any exemption
20 first acquired prior to January 1, 2015.

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

23 1. Is not engaged in business in this state or does not have
24 property subject to ad valorem tax in this state and constructs a

1 manufacturing facility in this state or acquires an existing
2 facility that has been unoccupied for a period of twelve (12) months
3 prior to acquisition; or

4 2. Is engaged in business in this state or has property subject
5 to ad valorem tax in this state and constructs a manufacturing
6 facility in this state at a different location from present
7 facilities and continues to operate all of its facilities or
8 acquires an existing facility that has been unoccupied for a period
9 of twelve (12) months prior to acquisition and continues to operate
10 all of its facilities.

11 C. The exemption allowed by this section shall apply to
12 expansions of existing facilities. ~~Provided, however that any~~
13 ~~exemption shall be limited to the increase in ad valorem taxes~~
14 ~~directly attributable to the expansion.~~ The board of county
15 commissioners shall have the same authority with respect to the
16 duration of the exemption and the percentage of the value of the
17 expansion that is exempt as provided in subsection A of this
18 section.

19 D. The Legislature shall define the term "manufacturing
20 facility" for purposes of the ad valorem tax exemption provided by
21 this section in order to promote full employment of labor resources
22 within the state; provided, however, that a manufacturing facility
23 that qualifies for the ad valorem tax exemption provided by this
24 section, pursuant to the definition of "manufacturing facility" then

1 applicable, shall be eligible for the exemption without regard to
2 subsequent changes in the definition of the term "manufacturing
3 facility".

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

17 F. The assessed valuation of property exempt from taxation by
18 virtue of this section shall be added to the assessed valuation of
19 taxable property in computing the limit on indebtedness of political
20 subdivisions contained in Section 26 of this article.

21 G. Pursuant to an affirmative vote of a majority of the
22 eligible voters of the county at an election for such purpose which
23 may be called by the county commissioners of each county, after the
24 expiration of the period prescribed by this section for the

1 exemption, a county may retain not to exceed twenty-five percent
2 (25%) of the increased ad valorem taxes derived from the levy
3 imposed by the county upon the taxable value of property previously
4 exempt pursuant to this section. The revenue retained by the county
5 pursuant to this subsection may be used by the county as an economic
6 development incentive to attract additional investment which will
7 result in additional employment in the county. Only ad valorem tax
8 revenue derived from ten (10) mills of the total ad valorem tax levy
9 imposed by the county may be used for this purpose. The ad valorem
10 tax revenue derived from the levy imposed by any other taxing
11 jurisdiction shall be apportioned as otherwise required by law. The
12 provisions of this subsection shall be applicable to qualified
13 manufacturing concerns exempt prior to the adoption of the amendment
14 contained in this subsection and which become taxable, either by
15 expiration of the exemption period or for other reasons, on or after
16 the date as of which the provisions of this subsection become law
17 and to qualified manufacturing concerns which are exempt for the
18 first time on or after the date of the adoption of the amendment
19 contained in this subsection and which subsequently become taxable.

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

23 BALLOT TITLE
24 Legislative Referendum No. _____ State Question No. _____

1 THE GIST OF THE PROPOSITION IS AS FOLLOWS:

2 This measure amends the Oklahoma Constitution. It amends
3 Section 6B of Article 10. This section provides for a property
4 tax exemption for certain kinds of manufacturing facilities.
5 This measure would change the way the exemption is provided.
6 This measure would allow a majority of the board of county
7 commissioners to decide whether a manufacturing facility would
8 be exempt from property tax or not. A majority of the board of
9 county commissioners would decide upon the period of time that
10 the facility would be exempt not to exceed five years. A
11 majority of the board of county commissioners would decide upon
12 the percentage of the value of the facility that would be exempt
13 not to exceed one hundred percent (100%). This same process
14 would apply to expansions of an existing facility. The
15 Legislature would not reimburse local governments for property
16 tax revenues foregone because of the manufacturing exemptions.
17 These changes would only apply to exemptions authorized for the
18 first time on or after January 1, 2015.

19 SHALL THE PROPOSAL BE APPROVED?

20 FOR THE PROPOSAL - YES _____

21 AGAINST THE PROPOSAL - NO _____

22 SECTION 3. The Chief Clerk of the House of Representatives,
23 immediately after the passage of this resolution, shall prepare and
24 file one copy thereof, including the Ballot Title set forth in

1 SECTION 2 hereof, with the Secretary of State and one copy with the
2 Attorney General.

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