

1 STATE OF OKLAHOMA

2 2nd Session of the 54th Legislature (2014)

3 HOUSE JOINT
4 RESOLUTION 1101

By: Martin (Scott) and Sears of
the House

5 and

6 Jolley and Justice of the
7 Senate

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

21 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES AND THE SENATE OF THE
22 2ND SESSION OF THE 54TH OKLAHOMA LEGISLATURE:

23 SECTION 1. The Secretary of State shall refer to the people for
24 their approval or rejection, as and in the manner provided by law,

1 the following proposed amendment to Section 6B of Article X of the
2 Constitution of the State of Oklahoma to read as follows:

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

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

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

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

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

23 D. The Legislature shall define the term "manufacturing
24 facility" for purposes of the ad valorem tax exemption provided by

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

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

21 F. The assessed valuation of property exempt from taxation by
22 virtue of this section shall be added to the assessed valuation of
23 taxable property in computing the limit on indebtedness of political
24 subdivisions contained in Section 26 of this article.

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

24

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

4 BALLOT TITLE

5 Legislative Referendum No. _____ State Question No. _____

6 THE GIST OF THE PROPOSITION IS AS FOLLOWS:

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

24 SHALL THE PROPOSAL BE APPROVED?

1 FOR THE PROPOSAL - YES _____

2 AGAINST THE PROPOSAL - NO _____

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

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