

1 ENGROSSED SENATE AMENDMENT
TO
2 ENGROSSED HOUSE
JOINT

3 RESOLUTION NO. 1024

By: Hickman of the House

4 and

5 Mazzei of the Senate

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A Joint Resolution directing the Secretary of State to refer to the people for their approval or rejection a proposed amendment to Section 6B of Article X of the Constitution of the State of Oklahoma; modifying provisions for exempt treatment of manufacturing facilities; authorizing board of county commissioners to approve exemption; specifying maximum duration of exemption; authorizing maximum percentage of net assessed value exempt from tax; modifying provisions related to reimbursement of 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.

16

17 AMENDMENT NO. 1. Page 1, substitute the following for the title,
enacting clause and the entire body of the bill:

18

[Joint Resolution - exempt treatment of
manufacturing facilities - ballot title - filing]

19

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21 BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE
22 1ST SESSION OF THE 55TH 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 Oklahoma Constitution to read as follows:

3 Section 6B. A. ~~For~~ Except as otherwise provided by subsection
4 B of this section, for the purpose of inducing any manufacturing
5 concern to locate or expand manufacturing facilities within any
6 county of this state, a qualifying manufacturing concern shall be
7 exempt from the levy of any ad valorem taxes upon new, expanded or
8 acquired manufacturing facilities for a period of five (5) years
9 unless the exemption is disapproved by a unanimous vote of the board
10 of county commissioners of the county in which the manufacturing
11 facility is located or is to be located. The disapproval authorized
12 by this subsection shall be applicable to manufacturing facilities
13 for which the exemption is first requested on or after January 1,
14 2017, and shall not be authorized with respect to the exempt
15 treatment of any manufacturing facility prior to January 1, 2017, or
16 with respect to a continuation of any exemption first acquired prior
17 to January 1, 2017.

18 B. Notwithstanding any other provision of this section, for
19 real or personal property which becomes exempt for the first time
20 pursuant to the provisions of this section on or after January 1,
21 2017, during the period of exemption authorized by this section, the
22 owner of the qualifying manufacturing concern shall be required to
23 make payment to the applicable county treasurer of the amount of ad
24 valorem taxes imposed on the real or personal property or both such

1 real and personal property as applicable, which becomes exempt as a
2 result of the provisions of this section, for the last assessment
3 year prior to the year in which the qualifying manufacturing concern
4 acquires the real or personal property or both such types of
5 property or makes improvements to real property which becomes exempt
6 as authorized by this section. The payment of ad valorem taxes
7 required by this subsection shall continue during any period for
8 which the qualifying manufacturing concern is entitled to the
9 exemption authorized by this section. After the expiration of the
10 exemption authorized by this section, the amount of ad valorem taxes
11 imposed upon the real or personal property or both such real and
12 personal property shall be computed as provided by the provisions of
13 the Oklahoma Constitution and applicable law.

14 C. For purposes of this section, a "qualifying manufacturing
15 concern" means a concern that:

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

21 2. Is engaged in business in this state or has property subject
22 to ad valorem tax in this state and constructs a manufacturing
23 facility in this state at a different location from present
24 facilities and continues to operate all of its facilities or

1 acquires an existing facility that has been unoccupied for a period
2 of twelve (12) months prior to acquisition and continues to operate
3 all of its facilities.

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

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

17 ~~E.~~ F. The Legislature shall enact laws to carry out the
18 provisions of this section ~~and to provide for the reimbursement to~~
19 ~~common schools, county governments, cities and towns, emergency~~
20 ~~medical services districts, vocational-technical schools, junior~~
21 ~~colleges, county health departments and libraries for revenues lost~~
22 ~~to such entities as a result of the exemption provided by this~~
23 ~~section.~~ The Legislature shall enact laws that provide an adequate
24 period of time for the applicable board of county commissioners to

1 conduct a vote for disapproval of the exemption otherwise authorized
2 by this section. The provisions of this subsection with regard to
3 reimbursement to local taxing jurisdictions shall not be applicable
4 with respect to any manufacturing facility approved for exempt
5 treatment as provided by subsection A of this section on or after
6 January 1, 2017, but shall remain in force and effect with respect
7 to any qualifying manufacturing facility exempt pursuant to the
8 provisions of this section prior to January 1, 2017.

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

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

1 imposed by the county may be used for this purpose. The ad valorem
2 tax revenue derived from the levy imposed by any other taxing
3 jurisdiction shall be apportioned as otherwise required by law. The
4 provisions of this subsection shall be applicable to qualified
5 manufacturing concerns exempt prior to the adoption of the amendment
6 contained in this subsection and which become taxable, either by
7 expiration of the exemption period or for other reasons, on or after
8 the date as of which the provisions of this subsection become law
9 and to qualified manufacturing concerns which are exempt for the
10 first time on or after the date of the adoption of the amendment
11 contained in this subsection and which subsequently become taxable.

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

15 BALLOT TITLE

16 Legislative Referendum No. ____ State Question No. ____

17 THE GIST OF THE PROPOSITION IS AS FOLLOWS:

18 This measure amends the Oklahoma Constitution. It amends
19 Section 6B of Article 10. This section provides for a property
20 tax exemption for certain kinds of manufacturing facilities.
21 The amount of ad valorem taxes paid on either real or personal
22 property or both in the last year before an exemption was in
23 effect would continue to be paid. This measure would allow a
24 board of county commissioners to decide whether a manufacturing

1 facility would be exempt from property tax or not. If the board
2 voted unanimously to disallow the exemption, the facility would
3 not be exempt from property tax. The Legislature would be
4 required to enact laws for the time as of which the disapproval
5 vote would occur. The board of county commissioners could also
6 vote on exemptions for expansions of an existing facility. If
7 the board votes unanimously to disapprove the exemption, the
8 facility would not be exempt with regard to the expansion. The
9 Legislature would not reimburse local governments for property
10 tax revenues foregone because of the manufacturing exemptions.
11 These changes would only apply to exemptions authorized for the
12 first time on or after January 1, 2017.

13 SHALL THE PROPOSAL BE APPROVED?

14 FOR THE PROPOSAL - YES _____

15 AGAINST THE PROPOSAL - NO _____

16 SECTION 3. The President Pro Tempore of the Senate shall,
17 immediately after the passage of this resolution, prepare and file
18 one copy thereof, including the Ballot Title set forth in SECTION 2
19 hereof, with the Secretary of State and one copy with the Attorney
20 General.

1 ENGROSSED HOUSE
JOINT
2 RESOLUTION NO. 1024

By: Hickman of the House

3 and

4 Mazzei of the Senate
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8 A Joint Resolution directing the Secretary of State
to refer to the people for their approval or
9 rejection a proposed amendment to Section 6B of
Article X of the Constitution of the State of
10 Oklahoma; modifying provisions for exempt treatment
of manufacturing facilities; authorizing board of
11 county commissioners to approve exemption; specifying
maximum duration of exemption; authorizing maximum
12 percentage of net assessed value exempt from tax;
modifying provisions related to reimbursement of
13 certain ad valorem tax revenues to local taxing
jurisdictions; specifying applicability of certain
14 provisions; providing for applicability of provisions
based on specified date; providing ballot title; and
15 directing filing.
16
17

18 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES AND THE SENATE OF THE
19 1ST SESSION OF THE 55TH OKLAHOMA LEGISLATURE:

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

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~~ may
4 be exempt from the levy of ~~any~~ ad valorem taxes upon new, expanded
5 or acquired manufacturing facilities for a period ~~of~~ not to exceed
6 five (5) years if the exemption is approved by a simple majority
7 vote of the board of county commissioners of the county in which the
8 manufacturing facility is located or is to be located. The board of
9 county commissioners may provide that the period of the exemption
10 may be for at least one (1) year but no more than five (5) years.
11 The board of county commissioners may provide that any percentage of
12 the value of the manufacturing facility may be exempt during the
13 period of the exempt treatment not to exceed one hundred percent
14 (100%) of the value. The percentage of the value that may be exempt
15 during the period of exempt treatment may vary from one assessment
16 year to another assessment year but shall not vary during a single
17 assessment year. The approval required by this subsection shall be
18 applicable to manufacturing facilities for which the exemption is
19 first requested on or after January 1, 2017, and shall not be
20 required with respect to the exempt treatment of any manufacturing
21 facility prior to January 1, 2017, or with respect to a continuation
22 of any exemption first acquired prior to January 1, 2017.

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

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

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

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

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

1 that qualifies for the ad valorem tax exemption provided by this
2 section, pursuant to the definition of "manufacturing facility" then
3 applicable, shall be eligible for the exemption without regard to
4 subsequent changes in the definition of the term "manufacturing
5 facility".

6 E. The Legislature shall enact laws to carry out the provisions
7 of this section ~~and to provide for the reimbursement to common~~
8 ~~schools, county governments, cities and towns, emergency medical~~
9 ~~services districts, vocational technical schools, junior colleges,~~
10 ~~county health departments and libraries for revenues lost to such~~
11 ~~entities as a result of the exemption provided by this section. The~~
12 provisions of this subsection with regard to reimbursement to local
13 taxing jurisdictions shall not be applicable with respect to any
14 manufacturing facility approved for exempt treatment as provided by
15 subsection A of this section on or after January 1, 2017, but shall
16 remain in force and effect with respect to any qualifying
17 manufacturing facility exempt pursuant to the provisions of this
18 section prior to January 1, 2017.

19 F. The assessed valuation of property exempt from taxation by
20 virtue of this section shall be added to the assessed valuation of
21 taxable property in computing the limit on indebtedness of political
22 subdivisions contained in Section 26 of this article. If the
23 property is not fully exempt from ad valorem taxation, the assessed
24 valuation of the property which is exempt shall be added to the

1 assessed valuation of taxable property in computing the limit on
2 indebtedness of political subdivisions contained in Section 26 of
3 this article.

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

1 first time on or after the date of the adoption of the amendment
2 contained in this subsection and which subsequently become taxable.

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

6 BALLOT TITLE

7 Legislative Referendum No. _____ State Question No. _____

8 THE GIST OF THE PROPOSITION IS AS FOLLOWS:

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

24

1 These changes would only apply to exemptions authorized for the
2 first time on or after January 1, 2017.

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.

11 Adopted by the House of Representatives the 11th day of March,
12 2015.

13
14 _____
15 Presiding Officer of the House
of Representatives

16 Adopted by the Senate the ___ day of _____, 2015.

17
18 _____
19 Presiding Officer of the Senate