ENGROSSED SENATE AMENDMENT
TO
ENGROSSED HOUSE
JOINT
RESOLUTION NO. 1024 By: Hickman of the House

and

Mazzei of the Senate

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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

BALLOT TITLE

Legislative Referendum No. ____ State Question No. ____

THE GIST OF THE PROPOSITION IS AS FOLLOWS:

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

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

SHALL THE PROPOSAL BE APPROVED?

FOR THE PROPOSAL — YES _____

AGAINST THE PROPOSAL — NO _____

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

Passed the Senate the 22nd day of April, 2015.

_____
Presiding Officer of the Senate

Passed the House of Representatives the ____ day of _____, 2015.

_____
Presiding Officer of the House
of Representatives