

COMMITTEE AMENDMENT
HOUSE OF REPRESENTATIVES
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HJR1051 _____
Of the printed Bill
Page _____ Section _____ Lines _____
Of the Engrossed Bill

By striking the Title, the Resolving Clause, the entire measure, and by inserting in lieu thereof the following language:

AMEND TITLE TO CONFORM TO AMENDMENTS

Adopted: _____

Amendment submitted by: David Derby

Reading Clerk

1 STATE OF OKLAHOMA

2 2nd Session of the 55th Legislature (2016)

3 PROPOSED COMMITTEE SUBSTITUTE
4 FOR
5 HOUSE JOINT
6 RESOLUTION NO. 1051

By: Derby

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8 PROPOSED COMMITTEE SUBSTITUTE

9
10 A Joint Resolution directing the Secretary of State
11 to refer to the people for their approval or
12 rejection proposed amendments to Section 9 and
13 Section 6B of Article X of the Constitution of the
14 State of Oklahoma; authorizing additional millage for
15 cities and towns; requiring majority voter approval;
16 specifying maximum additional millage; providing for
17 revenues to be used for the general fund; modifying
18 provisions related to reimbursements based on certain
19 exempt property; providing ballot title; and
20 directing filing.

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23 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES AND THE SENATE OF THE
24 2ND 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 amendments to Section 9 and Section 6B of
Article X of the Constitution of the State of Oklahoma to read as
follows:

1 Section 9. (a) (1) Except as herein otherwise provided, the
2 total taxes for all purposes on an ad valorem basis shall not
3 exceed, in any taxable year, fifteen (15) mills on the dollar, no
4 less than five (5) mills of which is hereby apportioned for school
5 district purposes, the remainder to be apportioned between county,
6 city, town and school district, by the County Excise Board, until
7 such time as a regular apportionment thereof is otherwise provided
8 for by the Legislature.

9 (2) In addition to any other millage authorized by the
10 provisions of the Oklahoma Constitution, a city or town may, with
11 the approval of a majority of the voters of the municipality, levy a
12 millage for the general fund not to exceed four (4) mills.

13 No ad valorem tax shall be levied for State purposes, nor shall
14 any part of the proceeds of any ad valorem tax levy upon any kind of
15 property in this State be used for State purposes.

16 (b) A tax of four (4) mills on the dollar valuation of all
17 taxable property in the county shall be levied annually in each
18 county of the State for school purposes and, until otherwise
19 provided by law, the proceeds thereof shall be apportioned to the
20 school districts of the county by the County Treasurer on the basis
21 of the legal average daily attendance for the preceding school year
22 as certified by the State Board of Education. Provided that in case
23 a school district lies in more than one county, such district shall
24 be deemed a school district of the county having the greater part of

1 the area comprising such district, unless otherwise provided by law,
2 and shall be entitled to participate in the proceeds of such tax on
3 the same basis as districts lying wholly within such county but
4 revenue from such tax on the assessed valuation of the district in
5 other counties shall, when collected, be transmitted to the County
6 Treasurer of such county having the greater part of the area
7 comprising the district, unless otherwise provided by law, and be
8 apportioned as hereinbefore provided for the proceeds of such tax on
9 the assessed valuation of such county. Not to exceed seventy-five
10 per centum (75%) of the amount received by a school district from
11 the proceeds of such county levy in any year shall be required to
12 finance the State guaranteed program of such district.

13 (c) Upon certification of a need therefor by the board of
14 education of any school district an additional tax of not to exceed
15 fifteen (15) mills on the dollar valuation of all taxable property
16 in the district shall be levied for the benefit of the schools of
17 such district.

18 (d) In addition to the levies hereinbefore authorized, any
19 school district may make an emergency levy for the benefit of the
20 schools of such district, in an amount not to exceed five (5) mills
21 on the dollar valuation of the taxable property in such district
22 when approved by a majority of the electors of the district voting
23 on the question at an election called for such purpose. This
24 emergency levy shall provide only sufficient additional revenue to

1 meet the needs of the district each fiscal year as determined by the
2 board of such district and must be approved by a majority of the
3 electors voting on said question at such an election for each fiscal
4 year.

5 (d-1) In addition to the levies hereinbefore authorized, any
6 school district may make a local support levy for the benefit of the
7 schools of such district, in an amount not to exceed ten (10) mills
8 on the dollar valuation of the taxable property in such district,
9 when approved by a majority of the ad valorem taxpaying voters
10 voting on said question at an election for each fiscal year called
11 for such purposes. This local support levy shall provide only
12 sufficient additional revenue to meet the needs of the district for
13 each such fiscal year as determined by the board of such district;
14 provided, an elector desiring to vote upon such local support levy
15 must present an ad valorem tax receipt for the year immediately
16 preceding before being issued a ballot, or sign a sworn affidavit
17 certifying the fact of such payment.

18 (d-2) A school district may upon approval by a majority of the
19 electors of the district voting on the question make the ad valorem
20 levy for emergency levy and local support levy under (d) and (d-1)
21 of this section permanent. If the question is approved, the levies,
22 in the amount approved as required by this section, shall be made
23 each fiscal year thereafter until such time as a majority of the
24 electors of the district voting on the question rescind the making

1 of the levy permanent. An election on such question shall be held
2 at such time as a petition is signed by ten percent (10%) of the
3 school district electors or a recommendation by the board of
4 education of the school district is made asking that the levies be
5 made each fiscal year.

6 (e) The amount of revenue from school district ad valorem taxes
7 levied under (a) and (c) of this Section which any school district
8 may be required to use to finance its State guaranteed program shall
9 not be in excess of its share, based upon its relative taxpaying
10 ability as may be defined by law, of an amount equivalent to the net
11 proceeds from a fifteen (15) mill tax levy on the aggregate net
12 assessed valuation of the State; but until such relative taxpaying
13 ability is defined by the Legislature, the amount of revenue from
14 such taxes which any school district may be required to use to
15 finance its State guaranteed program shall not be in excess of the
16 net proceeds from an ad valorem tax levy of fifteen (15) mills on
17 the dollar net assessed valuation of the district. No part of the
18 proceeds from any ad valorem levy for emergency levy and local
19 support levy under (d) and (d-1) of this Section shall be required
20 to finance the State guaranteed program of such district.

21 Nothing in the amendments to the Constitution incorporated
22 herein shall be construed to amend, alter or supersede the present
23 application of Article XII-A, Sections 1 and 2 of the Oklahoma
24 Constitution.

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 be
4 exempt from the levy of any ad valorem taxes upon new, expanded or
5 acquired manufacturing facilities for a period of five (5) years.

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

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

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

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

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

10 E. The Legislature shall enact laws to carry out the provisions
11 of this section and, except for revenues derived from millage levied
12 by cities and towns for a municipal general fund as authorized by
13 Section 9 of Article X of the Oklahoma Constitution, to provide for
14 the reimbursement to common schools, county governments, cities and
15 towns, but only with respect to sinking fund millage rates levied by
16 such cities and towns, emergency medical services districts,
17 vocational-technical schools, junior colleges, county health
18 departments and libraries for revenues lost to such entities as a
19 result of the exemption provided by this section.

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

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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.

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1 SECTION 2. The Ballot Title for the proposed Constitutional
2 amendments 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 9 of Article 10 and also Section 6B of Article 10. The
9 measure would authorize cities or towns to levy an additional
10 millage. The maximum additional millage could not exceed four
11 (4) mills. The millage would require approval by a majority of
12 the voters of the city or town. A mill is equal to One Dollar
13 (\$1.00) in tax for each One Thousand Dollars (\$1,000.00) of
14 taxable value. The revenue from this millage would be placed
15 into the general fund of the city or town. The state currently
16 makes payments to local taxing jurisdictions that levy ad
17 valorem taxes. The payments are based on an exemption which is
18 provided to certain types of manufacturing businesses. If a
19 city or town levied millage for its general fund based on voter
20 approval, the state would not be required to make payments to
21 those cities and towns for any property tax revenues derived
22 from the general fund millage rate. The state would continue to
23 make payment to cities and towns based on millage levied for
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1 payment of debt such as general obligation bonds issued by the
2 city or town.

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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