

1 STATE OF OKLAHOMA

2 1st Session of the 55th Legislature (2015)

3 HOUSE JOINT  
4 RESOLUTION 1024

By: Hickman

5  
6 AS INTRODUCED

7  
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.  
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28 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES AND THE SENATE OF THE  
29 1ST SESSION OF THE 55TH OKLAHOMA LEGISLATURE:

30 SECTION 1. The Secretary of State shall refer to the people for  
31 their approval or rejection, as and in the manner provided by law,  
32 the following proposed amendment to Section 6B of Article X of the  
33 Constitution of the State of Oklahoma to read as follows:  
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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) but no more than five (5) years. The  
11 board of county commissioners may provide that any percentage of the  
12 value of the manufacturing facility may be exempt during the period  
13 of the exempt treatment not to exceed one hundred percent (100%) of  
14 the value. The percentage of the value that may be exempt during  
15 the period of exempt treatment may vary from one assessment year to  
16 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.  
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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.

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