

OKLAHOMA TAX COMMISSION

**FISCAL IMPACT STATEMENT AND/OR ADMINISTRATIVE IMPACT STATEMENT
FIRST REGULAR SESSION, FIFTY-FIFTH OKLAHOMA LEGISLATURE**

DATE OF IMPACT STATEMENT: March 24, 2015

BILL NUMBER: HJR 1024 **STATUS AND DATE OF BILL:** Engrossed 03/11/2015

AUTHORS: House Hickman Senate Mazzei

TAX TYPE (S): Ad Valorem **SUBJECT:** Other

PROPOSAL: Amendatory

The resolution proposes amendment to Section 6B of Article X of the Oklahoma Constitution making the manufacturing exemption for a qualifying facility permissive and subject to approval by the a majority vote of the board of county commissioners of the county where the facility is located or is to be located. The Board may provide a period of exemption from at least 1 year but not more than 5 years and also may provide that any percentage of the value of the facility may be exempted during the exemption period not to exceed 100%.¹ This proposed county procedure shall be applicable to manufacturing facilities requesting exemption for the first year on or after January 1, 2017 and shall not be required with respect to the exempt treatment of any facility prior to January 1, 2017 or with respect to a continuation of any exemption first acquired prior to January 1, 2017. Further, reimbursement by the state to local tax jurisdictions will no longer be required for losses attributable to facilities qualifying for first year exemptions on or after January 1, 2017. The local tax jurisdictions will remain eligible for reimbursement for facilities qualifying for exemption prior to January 1, 2017. The measure also provides that if the property is not fully exempt from ad valorem tax, the assessed valuation of the property which is exempt must be added to the assessed valuation of taxable property in computing the limit on indebtedness of political subdivisions.

EFFECTIVE DATE: Upon approval of voters-Operative date January 1, 2017.

REVENUE IMPACT:

Insert dollar amount (plus or minus) of the expected change in state revenues due to this proposed legislation.

FY 16: None

FY 17: None

FY 18: Reduction in claims against the Ad Valorem Reimbursement Fund

ADMINISTRATIVE IMPACT:

Insert the estimated cost or savings to the Tax Commission due to this proposed legislation.

FY 16: None

Mar. 24, 2015
DATE

Rich Miller
DIVISION DIRECTOR

cjc

3-26-15
DATE

Reece Womack
REECE WOMACK, ECONOMIST

3/24/15
DATE

[Signature]
FOR THE COMMISSION

¹ The proposal provides that the percentage of the value that may be exempt during the exemption period may vary from one assessment year to another assessment year, but shall not vary during a single assessment year.