

1 ENGROSSED HOUSE  
2 BILL NO. 2900

By: Morrisette of the House

3 and

4 Wyrick of the Senate

5  
6  
7 [ cedar trees - moving administration and support  
8 of the Eastern Red Cedar Registry Board -  
9 creating Oklahoma Resource Reclamation Act -  
10 effective date -

11 emergency ]  
12  
13

14 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

15 SECTION 1. AMENDATORY 2 O.S. 2011, Section 18-403, is  
16 amended to read as follows:

17 Section 18-403. A. There is hereby created the Eastern Red  
18 Cedar Registry Board. The Board shall be under the authority of the  
19 ~~State Board of Agriculture~~ Oklahoma Department of Commerce. The  
20 Board shall consist of the following members:

21 1. The Governor shall appoint three members as follows:

- 22 a. one member representing a property owner in the state,  
23 b. one member engaged in the business of harvesting  
24 Eastern Red Cedar trees in the state, and

1           c.     one member engaged in the business of manufacturing  
2                 products from Eastern Red Cedar trees;

3         2.     The Speaker of the House of Representatives shall appoint  
4 two members as follows:

5           a.     one member with a background or experience in  
6                 marketing agricultural products, and

7           b.     one member with a background or experience in  
8                 renewable energy;

9         3.     The President Pro Tempore of the State Senate shall appoint  
10 two members as follows:

11          a.     one member from a higher education institution in The  
12                 Oklahoma State System of Higher Education who  
13                 specializes in agricultural production, and

14          b.     one member from a higher education institution in The  
15                 Oklahoma State System of Higher Education who  
16                 specializes in forestry and forest management;

17         4.     The Director of the Oklahoma Department of Commerce;

18         5.     The Commissioner of Agriculture, or a designee;

19         ~~5.~~ 6.   The Executive Director of the Oklahoma Conservation  
20 Commission;

21         ~~6.~~ 7.   The Executive Director of the Department of Environmental  
22 Quality, or designee;

23         ~~7.~~ 8.   A member of the Corporation Commission, or designee; and  
24

1       ~~8.~~ 9. A member appointed by and representing the Natural  
2 Resources Conservation Service of the United States Department of  
3 Agriculture.

4       B. The initial appointment for each member appointed by the  
5 Governor shall be for progressive terms of one (1) through three (3)  
6 years. The initial appointment for each member appointed by the  
7 Speaker of the House of Representatives shall be for progressive  
8 terms of one (1) and two (2) years. The initial appointment for  
9 each member appointed by the President Pro Tempore of the State  
10 Senate shall be for progressive terms of one (1) and two (2) years.  
11 Subsequent appointments shall be for three-year terms. Members  
12 shall continue to serve until their successors are appointed. Any  
13 vacancy shall be filled in the same manner as the original  
14 appointment. No member shall serve more than two consecutive terms.

15       C. The members of the Board appointed pursuant to paragraphs 1,  
16 2 and 3 of subsection A of this section may nominate up to sixteen  
17 persons who are residents of the state to serve on a citizens'  
18 auxiliary group. The nominations shall be approved by a majority  
19 vote of the Board. Members of the citizens' auxiliary group shall  
20 not have voting rights and privileges on the Board and shall serve  
21 three-year terms. The citizens' auxiliary group will provide  
22 information and feedback to the Board on issues related to the  
23 Eastern Red Cedar tree and shall assist the Board in achieving its  
24 duties as set forth in the Eastern Red Cedar Registry Board Act.

1       SECTION 2.       AMENDATORY       2 O.S. 2011, Section 18-405, is  
2 amended to read as follows:

3       Section 18-405. Contingent upon the availability of funding and  
4 agency resources, the Oklahoma Department of ~~Agriculture, Food, and~~  
5 ~~Forestry~~ Commerce shall provide support, resources, supplies and  
6 information as required by the Eastern Red Cedar Registry Board to  
7 implement the provisions of the Eastern Red Cedar Registry Board  
8 Act, including but not limited to support in marketing development  
9 and promotion, identification of financial resources and grants, and  
10 grant application submission.

11       SECTION 3.       AMENDATORY       2 O.S. 2011, Section 18-407, as  
12 amended by Section 19, Chapter 304, O.S.L. 2012 (2 O.S. Supp. 2013,  
13 Section 18-407), is amended to read as follows:

14       Section 18-407. There is hereby created in the State Treasury a  
15 revolving fund for the Eastern Red Cedar Registry Board to be  
16 designated the "Eastern Red Cedar Revolving Fund". The fund shall  
17 be a continuing fund, not subject to fiscal year limitations, and  
18 shall consist of all monies received by the ~~State Board of~~  
19 ~~Agriculture~~ Oklahoma Department of Commerce for the Eastern Red  
20 Cedar Registry Board from the state income tax checkoff as provided  
21 for in Section 18-408 of this title, the special license plate  
22 issued pursuant to Section 1135.5 of Title 47 of the Oklahoma  
23 Statutes, any state-appropriated funds, federal funds, donations,  
24 grants, contributions, and gifts from any public or private source.

1 All monies accruing to the credit of said fund are hereby  
2 appropriated and may be budgeted and expended by the ~~State Board of~~  
3 ~~Agriculture~~ Oklahoma Department of Commerce as directed by the  
4 Eastern Red Cedar Registry Board for the purposes set forth in the  
5 Eastern Red Cedar Registry Board Act. Expenditures from said fund  
6 shall be made upon warrants issued by the State Treasurer against  
7 claims filed as prescribed by law with the Director of the Office of  
8 Management and Enterprise Services for approval and payment.

9 SECTION 4. NEW LAW A new section of law not to be  
10 codified in the Oklahoma Statutes reads as follows:

11 Sections 5 through 9 of this act shall be known and may be cited  
12 as the "Oklahoma Resource Reclamation Act".

13 SECTION 5. NEW LAW A new section of law to be codified  
14 in the Oklahoma Statutes as Section 5059.9 of Title 74, unless there  
15 is created a duplication in numbering, reads as follows:

16 It is in the public interest that private unoccupied lands  
17 within the state be managed to:

- 18 1. Discourage the proliferation of wildfires;
- 19 2. Reduce and control the infestation of Eastern Red Cedar  
20 trees on lands; and
- 21 3. Modify the growth of Eastern Red Cedar trees from areas  
22 within one hundred (100) feet of homes or other structures, so as to  
23 reduce the threat and severity of wildfires in accordance with the  
24

1 Firewise Program guidelines adopted by the National Fire Protection  
2 Association.

3 SECTION 6. NEW LAW A new section of law to be codified  
4 in the Oklahoma Statutes as Section 5059.10 of Title 74, unless  
5 there is created a duplication in numbering, reads as follows:

6 Insurers duly licensed in the state writing property insurance  
7 are hereby encouraged to provide incentives to policyholders who  
8 implement and conform to Firewise Program guidelines adopted by the  
9 National Fire Protection Association, including creating a fuel-free  
10 defensible zone around homes and other structures.

11 SECTION 7. NEW LAW A new section of law to be codified  
12 in the Oklahoma Statutes as Section 2902.5 of Title 68, unless there  
13 is created a duplication in numbering, reads as follows:

14 A. As used in this section, "qualifying Eastern Red Cedar  
15 property" means property:

16 1. Either:

17 a. classified as cropland, improved pasture, native  
18 pasture or timber waste which does not have  
19 improvements such as a homestead exemption filed on  
20 the property and is infested with red cedar  
21 encroachment of more than fifty trees per acre which  
22 are at least five (5) feet tall, or  
23  
24

1           b.     classified as nonagricultural and which is infested  
2                 with red cedar encroachment of more than fifty trees  
3                 per acre which are at least five (5) feet tall;

4           2.   Registered pursuant to the Eastern Red Cedar Registry Board  
5   Act; and

6           3.   On which the owner is actively engaged in the removal of red  
7   cedar.

8           B.   An owner of qualifying Eastern Red Cedar property may apply  
9   to the county assessor for the county in which the property is  
10   located to have the property reclassified to timber waste or the  
11   lowest classification category allowed in the county. If the county  
12   assessor verifies that the property is qualifying Eastern Red Cedar  
13   property, the county assessor shall reclassify the property outside  
14   of the regular interval of reassessment, with or without visual  
15   inspection. The qualifying Eastern Red Cedar property shall remain  
16   at the reclassified category until the owner has removed the  
17   infestation of Eastern Red Cedar, at which time the county assessor  
18   may reassess the property and assign a different classification and  
19   the property owner may apply for the in lieu tax treatment pursuant  
20   to this section.

21          C.   An owner of qualifying Eastern Red Cedar property who has  
22   removed the infestation may apply for the in lieu tax treatment for  
23   a single tax year pursuant to this section.

1 D. Upon application by a property owner for the in lieu tax  
2 treatment, the county assessor for the county in which the property  
3 is located shall verify that the applicant satisfies the provisions  
4 of subsection A of this section for the applicable tax year and has  
5 removed the infestation. The county assessor may request such  
6 additional information as may be necessary in order to complete the  
7 verification required by this subsection. If approved, the county  
8 assessor shall provide the approval to qualifying property owners in  
9 writing specifying the tax year for which the property qualifies  
10 pursuant to this section.

11 E. A total of not more than three hundred thousand (300,000)  
12 acres of qualifying Eastern Red Cedar property statewide shall be  
13 approved during any one (1) tax year for the in lieu tax treatment,  
14 which number represents approximately one-third (1/3) of the total  
15 number of acres of property in the state which are classified by  
16 county assessors as timber waste. Prior to approval of an  
17 application by an owner of qualifying Eastern Red Cedar property for  
18 the in lieu tax treatment, the county assessor shall report the  
19 number of acres seeking the in lieu tax treatment to the Oklahoma  
20 Tax Commission and verify with the Commission that the statewide cap  
21 of three hundred thousand (300,000) acres has not been met. The  
22 Oklahoma Tax Commission shall keep a record of the total number of  
23 acres approved statewide during each tax year.



1 F. Beginning January 1, 2014, an owner of qualifying Eastern  
2 Red Cedar property that has been approved pursuant to subsection D  
3 of this section who then files an election with the county assessor  
4 of the county in which the property is located to be subject to the  
5 in lieu tax payment requirements imposed by this section shall be  
6 subject to an in lieu tax which shall be levied at the rate of One  
7 Dollar (\$1.00) per acre of qualifying Eastern Red Cedar property for  
8 the applicable tax year. An election authorized by this subsection  
9 shall be filed not later than March 15 of the applicable tax year.  
10 Once the election to be subject to the in lieu tax treatment  
11 provided by this section has been filed, it shall be irrevocable and  
12 the in lieu tax treatment for the applicable tax year shall not be  
13 subject to modification.

14 G. The in lieu tax payment required by this section shall be  
15 paid to the county treasurer of the county or counties in which  
16 qualifying Eastern Red Cedar property is located not later than  
17 December 1 of the applicable tax year.

18 H. The revenue derived from the in lieu tax required by this  
19 section shall be apportioned by the county treasurer each year based  
20 upon the ratio that the millage levy of each local taxing  
21 jurisdiction in which the qualifying Eastern Red Cedar property is  
22 located bears to the total amount of all millage levies imposed by  
23 all local taxing jurisdictions in which the qualifying Eastern Red  
24 Cedar property is located. The provisions of this subsection shall

1 be applicable to general fund millage levies, building fund millage  
2 levies and sinking fund millage levies imposed each year.

3 I. The payment of the tax imposed pursuant to the provisions of  
4 this section shall be in lieu of any and all ad valorem taxes that  
5 would otherwise be imposed as a result of the millage levied against  
6 the taxable value of the qualifying Eastern Red Cedar property for  
7 the applicable tax year.

8 J. If qualifying Eastern Red Cedar property is subject to the  
9 in lieu tax payment required by the provisions of this section, the  
10 qualifying Eastern Red Cedar property owner shall not be eligible  
11 for the exemption for qualifying manufacturing concerns otherwise  
12 authorized pursuant to Section 2902 of Title 68 of the Oklahoma  
13 Statutes.

14 K. If the in lieu tax payment required by this section is not  
15 paid by December 31 of the applicable tax year, the principal amount  
16 of the in lieu tax payment shall bear interest at the rate of  
17 fifteen percent (15%) per annum and there shall be imposed an  
18 additional penalty of Five Hundred Dollars (\$500.00) for each month  
19 after December that the in lieu tax is not paid. The penalty shall  
20 accrue at the end of each month if the in lieu tax has not been paid  
21 as of that date. Interest and penalty shall be apportioned in the  
22 same manner as prescribed by this section for the principal amount  
23 of the in lieu tax payment.

1       SECTION 8.       AMENDATORY       68 O.S. 2011, Section 2805, is  
2 amended to read as follows:

3       Section 2805. The following fees or taxes levied by the  
4 provisions of the Oklahoma Statutes shall be in lieu of ad valorem  
5 tax, whether in lieu of real property tax, personal property tax, or  
6 both as provided by law:

7       1. The registration fees and taxes imposed upon aircraft by  
8 Section 251 et seq. of Title 3 of the Oklahoma Statutes;

9       2. Registration fees for motor vehicles as provided in Section  
10 1103 of Title 47 of the Oklahoma Statutes, except as otherwise  
11 specifically provided;

12       3. The fee imposed upon transfers of used vehicles in lieu of  
13 the ad valorem tax upon inventories of used motor vehicles by  
14 Section 1137.1 of Title 47 of the Oklahoma Statutes;

15       4. The registration and license fees imposed upon vessels and  
16 motors pursuant to the Oklahoma Vessel and Motor Registration Act,  
17 Section 4001 et seq. of Title 63 of the Oklahoma Statutes;

18       5. The taxes levied upon the gross production of substances  
19 pursuant to Section 1001 of this title;

20       6. The taxes levied upon the gross production of substances  
21 pursuant to Section 1020 of this title;

22       7. The tax imposed upon gross receipts pursuant to Section 1803  
23 of this title;

1        8. The tax imposed upon certain textile products pursuant to  
2 Section 2001 of this title;

3        9. The tax imposed upon certain freight cars pursuant to  
4 Section 2202 of this title;

5        10. The tax imposed on certain parts of the inventories, both  
6 new and used items, owned and/or possessed for sale by retailers of  
7 farm tractors and other equipment pursuant to Sections ~~4~~ 5401  
8 through ~~4~~ 5404 of this ~~act~~ title;

9        11. The tax imposed upon inventories of new vehicles and  
10 certain vessels pursuant to Section 5301 of this title; ~~and~~

11        12. The tax imposed on qualifying Eastern Red Cedar property  
12 pursuant to Section 7 of this act; and

13        13. Such other fees or taxes as may be expressly provided by  
14 law to be in lieu of ad valorem taxation.

15        SECTION 9.        AMENDATORY        74 O.S. 2011, Section 85.44D, as  
16 amended by Section 757, Chapter 304, O.S.L. 2012 (74 O.S. Supp.  
17 2013, Section 85.44D), is amended to read as follows:

18        Section 85.44D A. It is the intent of the Legislature that all  
19 state agencies procure and use products or materials made from or  
20 utilizing materials from trees harvested in Oklahoma when such  
21 products or materials are available.

22        B. By ~~July 1, 2011~~ November 1, 2014, the Purchasing Division of  
23 the Office of Management and Enterprise Services ~~when accepting bids~~  
24 ~~for state purchases of products and materials~~ shall give preference

1 ~~to the suppliers of wood products made from or products manufactured~~  
2 ~~utilizing materials from trees harvested in Oklahoma if the price~~  
3 ~~for the products and materials is not substantially higher than the~~  
4 ~~price for other wood products and materials and the quality and~~  
5 ~~grade requirements are otherwise comparable~~ register any  
6 manufacturer of products made from trees harvested in Oklahoma which  
7 is registered with the Eastern Red Cedar Registry Board pursuant to  
8 Section 5059.4 of Title 74 of the Oklahoma Statutes on the central  
9 purchasing vendor registration system for state agency purchasing,  
10 in the appropriate category or categories of commodities. The  
11 Department shall waive any registration fee for the manufacturer for  
12 the first year of registration.

13 C. By July 1, 2011, the Purchasing Division of the Office of  
14 Management and Enterprise Services shall promulgate rules and  
15 implement a program for extending state procurement specifications  
16 to products made from or manufactured utilizing materials from trees  
17 harvested in Oklahoma and identifying the products.

18 SECTION 10. RECODIFICATION 2 O.S. 2011, Sections 18-401  
19 and 18-402, shall be recodified as Sections 5059.1 and 5059.2 of  
20 Title 74 of the Oklahoma Statutes, unless there is created a  
21 duplication in numbering.

22 SECTION 11. RECODIFICATION 2 O.S. 2011, Section 18-403,  
23 as amended by Section 1 of this act, shall be recodified as Section  
24

1 5059.3 of Title 74 of the Oklahoma Statutes, unless there is created  
2 a duplication in numbering.

3 SECTION 12. RECODIFICATION 2 O.S. 2011, Section 18-404,  
4 shall be recodified as Section 5059.4 of Title 74 of the Oklahoma  
5 Statutes, unless there is created a duplication in numbering.

6 SECTION 13. RECODIFICATION 2 O.S. 2011, Section 18-405,  
7 as amended by Section 2 of this act, shall be recodified as Section  
8 5059.5 of Title 74 of the Oklahoma Statutes, unless there is created  
9 a duplication in numbering.

10 SECTION 14. RECODIFICATION 2 O.S. 2011, Section 18-406,  
11 shall be recodified as Section 5059.6 of Title 74 of the Oklahoma  
12 Statutes, unless there is created a duplication in numbering.

13 SECTION 15. RECODIFICATION 2 O.S. 2011, Section 18-407,  
14 as last amended by Section 3 of this act, shall be recodified as  
15 Section 5059.7 of Title 74 of the Oklahoma Statutes, unless there is  
16 created a duplication in numbering.

17 SECTION 16. RECODIFICATION 2 O.S. 2011, Section 18-408,  
18 shall be recodified as Section 5059.8 of Title 74 of the Oklahoma  
19 Statutes, unless there is created a duplication in numbering.

20 SECTION 17. This act shall become effective July 1, 2014.

21 SECTION 18. It being immediately necessary for the preservation  
22 of the public peace, health and safety, an emergency is hereby  
23 declared to exist, by reason whereof this act shall take effect and  
24 be in full force from and after its passage and approval.

1 Passed the House of Representatives the 13th day of March, 2014.

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3  
4 Presiding Officer of the House  
of Representatives

5 Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 2014.

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8 Presiding Officer of the Senate