

1 STATE OF OKLAHOMA

2 1st Session of the 54th Legislature (2013)

3 HOUSE BILL 1876

By: McCall

4  
5 AS INTRODUCED

6 An Act relating to severance tax; authorizing county  
7 to impose tax upon severance of rock, gravel, sand  
8 and gypsum; requiring voter approval before levying  
9 of tax; specifying time period before subsequent  
10 special election can be called under certain  
11 circumstances; providing effective date for tax levy  
12 or change in tax rate; requiring designation of  
13 purpose for tax and specifying purposes; specifying  
14 disposition of funds; providing for duration of tax;  
15 requiring Oklahoma Tax Commission to provide certain  
16 notice; modifying effective date of rate change under  
17 specified circumstances; authorizing certain contract  
18 between county and Tax Commission and providing  
19 contract criteria; authorizing Tax Commission to  
20 charge specified fee; requiring initiative petitions  
21 be in compliance with specified statutes; mandating  
22 specified procedures; setting time period during  
23 which election shall be held; providing for taxable  
24 or exempt treatment based on sales tax treatment;  
providing for codification; and providing an  
effective date.

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

SECTION 1. NEW LAW A new section of law to be codified  
in the Oklahoma Statutes as Section 1001.5 of Title 68, unless there  
is created a duplication in numbering, reads as follows:

A. Any county of this state is hereby authorized to levy a tax  
upon the severance of rock, gravel, sand, gypsum or any other

1 natural materials mined for purposes of producing aggregate within  
2 the territorial limits of the county, in an amount specified in the  
3 special election called as provided herein. Before a severance tax  
4 may be levied by the county, the imposition of the tax shall first  
5 be approved by a majority of the registered voters of the county  
6 voting thereon at a special election called by the board of county  
7 commissioners or by an initiative petition signed by not less than  
8 five percent (5%) of the registered voters of the county who were  
9 registered at the time of the last general election. However, if a  
10 majority of the registered voters of a county voting fail to approve  
11 such a tax, the board of county commissioners shall not call another  
12 special election for such purpose for six (6) months.

13 B. Any tax levied or any change in the rate of a tax levied  
14 pursuant to the provisions of this section shall become effective on  
15 the first day of the calendar quarter following approval by the  
16 voters of the county unless another effective date, which shall also  
17 be on the first day of a calendar quarter, is specified in the  
18 ordinance or resolution levying the tax or changing the rate of the  
19 tax. The county may approve up to seven percent (7%) severance tax  
20 on the gross value of the production of rock, gravel, sand and  
21 gypsum.

22 C. Any severance tax which may be levied by a county shall be  
23 designated for a specific or general purpose by a majority vote of  
24 the board of county commissioners or as stated by initiative

1 petition. The county shall identify the purpose of the severance  
2 tax when it is presented to the voters pursuant to the provisions of  
3 subsection A of this section. The proceeds of any severance tax  
4 levied by a county shall be deposited in the highway fund of the  
5 county and shall be used for any infrastructure purposes, including  
6 but not limited to, roads, bridges, water systems, waste water  
7 systems and emergency service equipment, such as fire trucks and  
8 ambulances.

9 D. The life of a tax levied pursuant to the provisions of this  
10 section may be limited or unlimited in duration. The county shall  
11 identify the duration of the tax when it is presented to the voters  
12 pursuant to the provisions of subsection A of this section.

13 E. The Oklahoma Tax Commission shall give notice to all  
14 relevant taxpayers of a rate change at least sixty (60) days prior  
15 to the effective date of the rate change. Failure to give notice as  
16 required by this section shall delay the effective date of the rate  
17 change to the first day of the next calendar quarter. The board of  
18 county commissioners of a county levying a tax pursuant to the  
19 provisions of this section and the Tax Commission are authorized to  
20 enter into a contract whereby the Tax Commission shall have  
21 authority to assess, collect and enforce the tax and any penalties  
22 or interest thereon levied by the county and to remit the same to  
23 the county. Such authority shall apply to any tax levied pursuant  
24 to this section and penalty or interest liability existing at the

1 time of contracting. Upon contracting, the Tax Commission shall  
2 have the power of enforcement of the tax, penalties or interest that  
3 is vested in the county. The contract shall provide for the  
4 assessment, collection and enforcement of the tax, penalties or  
5 interest in the same manner as the administration, collection or  
6 enforcement of the state gross production tax by the Tax Commission.  
7 For providing such assistance, the Tax Commission shall charge the  
8 county a fee of one percent (1%) of the gross collection proceeds.

9 F. Initiative petitions calling for a special election  
10 concerning county severance tax proposals shall be in accordance  
11 with Sections 2, 3, 3.1, 6, 18 and 24 of Title 34 of the Oklahoma  
12 Statutes. Petitions shall be submitted to the office of the county  
13 clerk for approval as to form prior to circulation. Following  
14 approval, the petitioner shall have ninety (90) days to secure the  
15 required signatures. After securing the requisite number of  
16 signatures, the petitioner shall submit the petition and signatures  
17 to the county clerk. Following the verification of signatures, the  
18 county clerk shall present the petition to the board of county  
19 commissioners. The special election shall be held within sixty (60)  
20 days of the board of county commissioners receiving the petition  
21 from the county clerk.

22 SECTION 2. NEW LAW A new section of law to be codified  
23 in the Oklahoma Statutes as Section 1001.6 of Title 68, unless there  
24 is created a duplication in numbering, reads as follows:

1       A. All materials sold within the geographical county boundaries  
2 of its origin and where appropriate sales tax was charged and  
3 collected shall be exempt from the severance tax.

4       B. All materials sold to a tax exempt entity where no sales tax  
5 is collected shall be subject to the severance tax.

6       SECTION 3. This act shall become effective November 1, 2013.

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