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AS AMENDED

By: Standridge

[revenue and taxation - vote of the people to
redirect or reduce funds - effective date]

SECTION 1. AMENDATORY 68 O.S. 2011, Section 2701, is amended to read as follows:

1. Taxes shall be uniform upon the same class subjects, and any tax, charge, or fee levied upon or measured by income or receipts from the sale of products or services shall be uniform upon all classes of taxpayers;

2. Motor vehicles may be taxed by the city or town only when such vehicles are primarily used or located in such city or town for a period of time longer than six (6) months of a taxable year;

1 3. The provisions of this section shall not be construed to
2 authorize imposition of any tax upon persons, firms, or corporations
3 exempted from other taxation under the provisions of Sections 348.1,
4 624 and 321 of Title 36 of the Oklahoma Statutes, by reason of
5 payment of taxes imposed under such sections;

6 4. Cooperatives and communications companies are hereby
7 authorized to pass on to their subscribers in the incorporated city
8 or town involved, the amount of any special municipal fee, charge or
9 tax hereafter assessed or levied on or collected from such
10 cooperatives or communications companies;

11 5. No earnings, payroll or income taxes may be levied on
12 nonresidents of the cities or towns levying such tax;

13 6. The governing body of any city or town shall be prohibited
14 from proposing taxing ordinances more often than three times in any
15 calendar year, or twice in any six-month period; and

16 7. Any revenues derived from a tax authorized by this
17 subsection not dedicated to a limited purpose shall be deposited in
18 the municipal general fund.

19 B. A sales tax authorized in subsection A of this section may
20 be levied for limited purposes specified in the ordinance levying
21 the tax. Such ordinance shall be submitted to the voters for
22 approval as provided in Section 2705 of this title. Any sales tax
23 levied or any change in the rate of a sales tax levied pursuant to
24 the provisions of this section shall become effective on the first

1 day of the calendar quarter following approval by the voters of the
2 city or town unless another effective date, which shall also be on
3 the first day of a calendar quarter, is specified in the ordinance
4 levying the sales tax or changing the rate of sales tax. Such
5 ordinance shall describe with specificity the projects or
6 expenditures for which the limited-purpose tax levy would be made.
7 The municipal governing body shall create a limited-purpose fund and
8 deposit therein any revenue generated by any tax levied pursuant to
9 this subsection. Money in the fund shall be accumulated from year
10 to year. The fund shall be placed in an insured interest-bearing
11 account and the interest which accrues on the fund shall be retained
12 in the fund. The fund shall be nonfiscal and shall not be
13 considered in computing any levy when the municipality makes its
14 estimate to the excise board for needed appropriations. Money in
15 the limited-purpose tax fund shall be expended only as accumulated
16 and only for the purposes specifically described in the taxing
17 ordinance as approved by the voters.

18 C. The Oklahoma Tax Commission shall give notice to all vendors
19 of a rate change at least sixty (60) days prior to the effective
20 date of the rate change. Provided, for purchases from printed
21 catalogs wherein the purchaser computed the tax based upon local tax
22 rates published in the catalog, the rate change shall not be
23 effective until the first day of a calendar quarter after a minimum
24 of ~~one hundred twenty (120)~~ one hundred twenty-days' notice to

1 vendors. Failure to give notice as required by this section shall
2 delay the effective date of the rate change to the first day of the
3 next calendar quarter.

4 D. The change in the boundary of a municipality shall be
5 effective, for sales and use tax purposes only, on the first day of
6 a calendar quarter after a minimum of sixty (60) days' notice to
7 vendors.

8 E. If the proceeds of any sales tax levied by a municipality
9 pursuant to subsection B of this section are being used by the
10 municipality for the purpose of retiring indebtedness incurred by
11 the municipality or by a public trust of which the municipality is a
12 beneficiary for the specific purpose for which the sales tax was
13 imposed, the sales tax shall not be repealed until such time as the
14 indebtedness is retired. However, in no event shall the life of the
15 tax be extended beyond the duration approved by the voters of the
16 municipality. The provisions of this subsection shall apply to all
17 sales tax levies imposed by a municipality and being used by the
18 municipality for the purposes set forth in this subsection prior to
19 or after July 1, 1995.

20 F. The sale of an article of clothing or footwear designed to
21 be worn on or about the human body shall be exempt from the sales
22 tax imposed by any incorporated city or town, in accordance with and
23 to the extent set forth in Section ~~3 of this act~~ 1357.10 of this
24 title.

1 G. Any municipality that levies a tax pursuant to a vote of the
2 people for the purpose of funding public safety shall not redirect
3 the funds for another purpose or reduce the funds devoted to public
4 safety from the levy without a vote of the people.

5 SECTION 2. This act shall become effective November 1, 2021.

6 COMMITTEE REPORT BY: COMMITTEE ON GENERAL GOVERNMENT
7 February 11, 2021 - DO PASS AS AMENDED
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