ENROLLED HOUSE BILL 2198

ENACTED BY THE SECOND REGULAR SESSION OF THE

45TH LEGISLATURE OF THE STATE OF OKLAHOMA

NUMBERED BY THE SECRETARY OF STATE

STATE QUESTION NUMBER 675

LEGISLATIVE REFERENDUM NUMBER 305

AND

STATE QUESTION NUMBER 676

LEGISLATIVE REFERENDUM NUMBER 306

AND

STATE QUESTION NUMBER 677

LEGISLATIVE REFERENDUM NUMBER 307

Received: May 24, 1996

An Act

ENROLLED HOUSE
BILL NO. 2198

By: Steidley, Tyler, Paulk, Ervin, Leist, Hefner, Perry, Adair, Adkins, Blackburn, Boyd (Betty), Boyd (Laura), Coleman, Deutschendorf, Dunlap, Fields, Glover, Greenwood, Hastings, Hiett, Hilliard, Kirby, Maddux, Mass, Matlock, Peltier, Plunk, Reese, Roach, Seikel, Settle, Thomas, Thornbrugh, Vaughn and Wells of the House

and

Williams (Don), Williams (Penny), Campbell, Roberts and Martin of the Senate

An Act relating to revenue and taxation; directing the Secretary of State to refer to the people for their approval or rejection the proposed amendments to Article X of the Constitution of the State of Oklahoma; amending Section 8 of Article X of the Constitution of the State of Oklahoma, which relates to valuation of property for taxation; modifying assessment percentages for certain property; providing for a maximum and minimum amount for assessment percentages on certain personal and real property; providing for assessment of certain property to be at certain percentage; providing for vote of the people for certain increases; providing limitations; directing Secretary of State to refer to the people for their approval or rejection a proposed amendment to Article X of the Constitution of the State of Oklahoma by adding a new section to be designated as Section 8B; providing for a maximum percentage amount for which certain real property can increase; providing for certain exceptions and qualifications; providing effective date for provisions of section; providing effective date for certain counties in compliance with certain laws governing valuations; providing exceptions; permitting the Legislature to enact certain laws; directing the Secretary of State to refer to the people for their approval or rejection a proposed amendment to Article X of the Constitution of the State of Oklahoma by adding a new section to be designated as 8C; prohibiting fair cash value of certain homesteads for exceeding certain amount; providing qualifications and restrictions; providing for fair cash value to increase under certain circumstances; providing effective date for provisions of section; providing for certain valuation assessment provisions to apply under certain circumstances; providing ballot titles; and directing filing.

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

SECTION 1. The Secretary of State shall refer to the people for their approval or rejection, as and in the manner provided by law, the following proposed amendment to Section 8 of Article X of the Constitution of the State of Oklahoma to read as follows:

Section 8. ~~All~~ A. Except as otherwise provided in Article X of this Constitution, beginning January 1, 1997, all property which may be taxed ad valorem shall be assessed for taxation ~~at its fair cash value, estimated at the price it would bring at a fair voluntary sale, except real property and tangible~~ as follows:

1. Tangible personal property shall not be assessed for taxation at less than ten percent (10%) nor more than ~~thirty-five percent (35%)~~ fifteen percent (15%) of its fair cash value, estimated at the price it would bring at a fair voluntary sale~~. Provided, however, that no real~~;

2. Real property shall not be assessed for ad valorem taxation at a value less than eleven percent (11%) nor greater than ~~thirty-five percent (35%)~~ thirteen and one-half percent (13.5%) of its fair cash value for the highest and best use for which such property was actually used, or was previously classified for use, during the calendar year next preceding the first day of January on which the assessment is made. ~~Provided, further, that the~~ The transfer of property without a change in its use classification shall not require a reassessment based exclusively upon the sale value of such property. In connection with the foregoing, the Legislature shall be empowered to enact laws defining classifications of use for the purpose of applying standards to facilitate uniform assessment procedures in this state; and

3. All other property which is assessed by the State Board of Equalization shall be assessed for ad valorem taxation at the percentage of its fair cash value, estimated at the price it would bring at a fair voluntary sale, at which it was assessed on January 1, 1996.

B. Beginning January 1, 1997, the percentage at which real or tangible personal property is assessed within a county shall not be increased except upon approval by a majority of the registered voters of the county, voting at an election called for that purpose by a majority of the county commissioners, or upon a petition initiated by not less than ten percent (10%) of the registered voters of the county based on the total number of votes cast at the last general election for the county office receiving the highest number of votes at the election. In no event shall the percentage be increased by more than one percentage point per year or increase in excess of the limitations set forth in paragraphs 1 and 2 of subsection A of this section. The percentage at which real or tangible personal property is assessed within a county may be decreased, within the limitations set forth in paragraphs 1 and 2 of subsection A of this section, without approval of the voters of the county.

C. Any officer or other person authorized to assess values or subjects for taxation, who shall commit any wilful error in the performance of ~~his duty~~ the duties of the office, shall be deemed guilty of malfeasance, and upon conviction thereof shall forfeit ~~his~~ the office and be otherwise punished as may be provided by law.

SECTION 2. The Secretary of State shall refer to the people for their approval or rejection, as and in the manner provided by law, the following proposed amendment to Article X of the Constitution of the State of Oklahoma by adding a new Section 8B to read as follows:

Section 8B. Despite any provision to the contrary, the fair cash value of any parcel of locally assessed real property shall not increase by more than five percent (5%) in any taxable year. The provisions of this section shall not apply in any year when title to the property is transferred, changed, or conveyed to another person or when improvements have been made to the property. If title to the property is transferred, changed, or conveyed to another person, the property shall be assessed for that year based on the fair cash value as set forth in Section 8 of Article X of this Constitution. If any improvements are made to the property, the increased value to the property as a result of the improvement shall be assessed for that year based on the fair cash value as set forth in Section 8 of Article X of this Constitution. The provisions of this section shall be effective January 1, 1997, and thereafter for counties which are in compliance with the applicable law or administrative regulations governing valuation of locally assessed real property as of such date. For counties which are not in compliance with such law or regulations as of January 1, 1997, the provisions of this section shall be effective January 1 of the year following the date the county is deemed to be in compliance with such laws or regulations as provided by law. The provisions of this section shall not apply to any personal property which may be taxed ad valorem or any property which may be valued or assessed by the State Board of Equalization.

The Legislature shall enact any laws necessary to implement the provisions of this section.

SECTION 3. The Secretary of State shall refer to the people for their approval or rejection, as and in the manner provided by law, the following proposed amendment to Article X of the Constitution of the State of Oklahoma by adding a new Section 8C to read as follows:

Section 8C. Despite any provision to the contrary, beginning January 1, 1997, the fair cash value, as determined by law, on each homestead of an individual head of household whose gross household income from all sources for the preceding calendar year did not exceed Twenty-five Thousand Dollars ($25,000.00), and which individual head of household is sixty-five (65) years of age or older, shall not exceed the fair cash value placed upon the property during the first year in which the individual head of household was sixty-five (65) years of age or older and had gross household income from all sources of Twenty-five Thousand Dollars ($25,000.00) or less. Subject to the limitations of this section, the fair cash value shall not exceed such amount as long as the individual head of household who is sixty-five (65) years of age or older owns and occupies the property and as long as the gross household income from all sources does not exceed Twenty-five Thousand Dollars ($25,000.00) in any calendar year. If any improvements are made to the property, the fair cash value of the improvements shall be assessed in accordance with law by the county assessor and added to the assessed value of the property. Once the fair cash value of the improvements has been added to the fair cash value of the property, the total fair cash value shall not exceed the revised valuation of the property so long as the individual head of household who is sixty-five (65) years of age or older owns and occupies the property and so long as the gross household income from all sources does not exceed Twenty-five Thousand Dollars ($25,000.00) in a calendar year. For any individual head of household who is sixty-five (65) years of age or older prior to January 1, 1997, and has gross household income from all sources of Twenty-five Thousand Dollars ($25,000.00) or less in calendar year 1996, the fair cash value of the real property shall be the fair cash value placed upon the property on January 1, 1997. If the individual head of household ceases to own and occupy the property or if the gross household income from all sources exceeds Twenty-five Thousand Dollars ($25,000.00) in a calendar year, the fair cash value of the property shall be determined as if the provisions of Section 8 of Article X of the Constitution of the State of Oklahoma or any other provisions relating to a limitation on the fair cash value of locally

assessed real property had been in effect during the time the property was valued pursuant to the provisions of this section.

SECTION 4. The Ballot Title for the proposed Constitutional amendment as set forth in SECTION 1 of this act shall be in the following form:

BALLOT TITLE

Legislative Referendum No. ____ State Question No. ____

THE GIST OF THE PROPOSITION IS AS FOLLOWS:

This measure amends the Oklahoma Constitution. It amends Section 8 of Article 10. It changes the way property is assessed for tax purposes. It would modify the percentage used to assess property. This measure would limit the percentage of fair cash value at which property may be assessed. The percentage for land would not be more than 13.5% nor less than 11%. The percentage for personal property would not be more than 15% nor less than 10%. The people may vote to increase the percentage. These limits would apply only to locally assessed property. These limits would not apply to all property. Property assessed by the State Board of Equalization would use a different percentage. The percentage used by the State Board to make assessments would be the percentage used on January 1, 1996.

SHALL THIS AMENDMENT BE APPROVED BY THE PEOPLE?

/___/ YES, FOR THE AMENDMENT

/___/ NO, AGAINST THE AMENDMENT

SECTION 5. The Ballot Title for the proposed Constitutional amendment as set forth in SECTION 2 of this act shall be in the following form:

BALLOT TITLE

Legislative Referendum No. ____ State Question No. ____

THE GIST OF THE PROPOSITION IS AS FOLLOWS:

This measure amends Article 10 of the Oklahoma Constitution. It adds a new Section 8B. This measure would limit the fair cash value of real property. The fair cash value would not increase by more than 5% in any taxable year. This limit would only apply to real property which is locally assessed. If the property is transferred, changed, or conveyed the limitation would not apply for that year. The limitation does not apply if improvements have been made to the property. If improvements have been made to the property, the increased value to the property will be assessed for that year. Any county which is not in compliance with laws or regulations governing valuation of property would not be allowed to apply the 5% limitation. This measure does not apply to personal property. This measure does not apply to property valued or assessed by the State Board of Equalization. The Legislature would be allowed to enact laws to implement this section. This measure would take effect on January 1, 1997.

SHALL THIS AMENDMENT BE APPROVED BY THE PEOPLE?

☐ YES, FOR THE AMENDMENT

☐ NO, AGAINST THE AMENDMENT

SECTION 6. The Ballot Title for the proposed Constitutional amendment as set forth in SECTION 3 of this act shall be in the following form:

BALLOT TITLE

Legislative Referendum No. ____ State Question No. ____

THE GIST OF THE PROPOSITION IS AS FOLLOWS:

This measure amends the Oklahoma Constitution. This measure would add a new section to Article 10 to be designated Section 8C. It would limit the fair cash value on a homestead. The homestead must be owned by a person who is 65 years of age or older, and have a gross household income of $25,000.00 or less. The fair cash value would not exceed the fair cash value placed on the homestead the first year the individual reached the age of 65 years and had a gross household income of $25,000.00 or less. Improvements to the property would be assessed and added to the assessed value of the property. This measure would become effective on January 1, 1997. If the individual ceases to own and occupy the property, the fair cash value would be determined as all other real property. If the gross household income exceeds $25,000.00, the fair cash value would be determined as all other real property according to law.

SHALL THIS AMENDMENT BE APPROVED BY THE PEOPLE?

☐ YES, FOR THE AMENDMENT

☐ NO, AGAINST THE AMENDMENT

SECTION 7. The Chief Clerk of the House of Representatives, immediately after the passage of this act, shall prepare and file one copy thereof, including the Ballot Titles set forth in SECTIONS 4, 5 and 6 hereof, with the Secretary of State and one copy with the Attorney General.

Passed the House of Representatives the 23rd day of May, 1996.

Jim R. Glover
Speaker PRO TEMPORE of the House of Representatives

Passed the Senate the 23rd day of May, 1996.

Herb Rozell
ACTING President of the Senate

OFFICE OF THE SECRETARY OF STATE

Received by the Secretary of State this 24th day of May, 1996, at 4:25, o'clock P. M.

By: Pamela Wausen

DREW EDMONDSON
ATTORNEY GENERAL OF OKLAHOMA

FILED
JUN 5 1996
OKLAHOMA SECRETARY OF STATE

June 5, 1996

Mr. Tom Cole, Secretary of State
Office of the Secretary of State
101 State Capitol Building
Oklahoma City, Oklahoma 73105

Re: Legislative Referendum 307, Enrolled House Bill 2198, Enacted by the Second Regular Session of the 45th Legislature of the State of Oklahoma, Ballot Title for State Question No. 677

Dear Secretary Cole:

Having found that the suggested Ballot Title for the above-referenced state question was not in harmony with the law, we have, in accordance with the provisions of 34 O.S.Supp.1995, § 9(C)(1), the following substitute Ballot Title for filing in your office. As a Title 34 Ballot Title Review, the following does not constitute an Attorney General's Opinion on the merits or constitutionality of the underlying proposed change in the law. The substitute Ballot Title reads as follows:

BALLOT TITLE

This measure amends the Oklahoma Constitution. This measure would add a new section to Article 10 to be designated section 8C. It would limit the fair cash value on a homestead for property tax purposes. The homestead must be owned by a person who is 65 years of age or older, with a gross household income of $25,000.00 or less. The fair cash value would not exceed the value of the homestead the first year the individual reached the age of 65 years and had a gross household income of $25,000.00 or less. Improvements to the property would be added to the assessed value of the property. This measure would

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become effective on January 1, 1997. If the individual ceases to own and occupy the property, the fair cash value would be assessed as all other real property. If the gross household income exceeds $25,000.00, the fair cash value will be determined as all other real property according to law.

SHALL THE PROPOSED AMENDMENT BE APPROVED?

_____ **For the Amendment - YES**

_____ **Against the Amendment - NO**

Respectfully submitted,

W.A. DREW EDMONDSON
ATTORNEY GENERAL

WA:DFP:rs

doug/ballot/ballot.004/rs