ENROLLED HOUSE BILL 1198

ENACTED BY THE FIRST REGULAR SESSION OF THE

48TH LEGISLATURE OF THE STATE OF OKLAHOMA

NUMBERED BY THE SECRETARY OF STATE

STATE QUESTION NUMBER 693

LEGISLATIVE REFERENDUM NUMBER 321

RECEIVED: April 11, 2001

An Act

ENROLLED HOUSE
BILL NO. 1198

By: Ervin, Deutschendorf, Covey, Walker, Nations and Miller (Ray) of the House

and

Fisher of the Senate

An Act directing the Secretary of State to refer to the people for their approval or rejection a proposed amendment to Section 35 of Article X of the Constitution of the State of Oklahoma; modifying authorized purposes for certain bonds to be issued by units of local government; authorizing levy of sales tax; imposing maximum rate; authorizing apportionment of certain revenues in accordance with provisions of Section 6C of Article X of the Oklahoma Constitution; prohibiting revocation of tax levies or apportionments; authorizing suspension of levy or apportionment under certain circumstances; authorizing creation of regional economic development districts; providing for authorized purposes of certain bond proceeds; providing for applicability of certain election procedures; providing ballot title; 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 35 of Article X of the Constitution of the State of Oklahoma to read as follows:

Section 35. (a) Any incorporated town and any county may issue, by and with the consent of the majority of the registered voters of said municipality or county voting on the question at an election held for the purpose, bonds in sums provided by such majority at such election for ~~the purpose of securing and developing industry~~ economic development or community development purposes, as may be defined by law, within or near the said municipality or county holding the election.

(b) Such bonds shall bear interest at a rate as set by law and shall be sold in a manner prescribed by law.

(c) To provide for the payment of all such bonds outstanding, principal, and interest as they mature, the municipality or county may:

(1) levy a special tax, payable annually, in a total amount not to exceed five (5) mills on the dollar, in addition to the legal

rate permitted, on the real and personal taxable property therein; ~~provided, however, the municipality or county may, from time to time, suspend the collection of such annual levy when not required for the payment of its bonds; and~~ provided ~~further~~, however, that in no event shall the real and personal taxable property in any city or town be subject to a special tax in excess of five (5) mills for bonds issued hereunder;

(2) levy a special sales tax, payable as may be prescribed by law, in a total amount not to exceed one cent ($0.01) on the dollar, in addition to the legal rate permitted, upon the sale of tangible personal property and services, not otherwise exempted by law;

(3) apportion revenues pursuant to Section 6C of Article X of the Constitution, in a manner prescribed by law; or

(4) implement any combination of paragraphs (1) through (3) of this subsection.

Provided, however, that the source or sources of revenue and the irrevocable pledge thereof shall be set forth in the ballot.

(d) Such bonds shall be issued under terms prescribed by law.

(e) (1) The governing body of the municipality or the county commissioners of the county shall exercise jurisdiction over the sale or exchange of any such bonds voted by the electors at an election held for that purpose and shall expend economically the funds so provided.

(2) In the expenditure and use of proceeds from the sale of said bonds, the said governing body is hereby authorized and directed to coordinate its industrial development plans and projects insofar as practicable with similar plans and projects of local industrial development agencies and the Oklahoma Industrial Finance Authority, as set forth in Section 34 of Article X of the Constitution, so as to supplement funds to be derived from these and other sources, including federal aid available to economically depressed areas, if any; and to the extent that federal requirements shall require subordination of liens securing loans from the Oklahoma Industrial Finance Authority or from other sources, as a condition to the obtaining of such federal aid, the same is hereby approved and authorized.

(f) The election on the issuance of such bonds shall be held at such time as the governing body of the municipality may designate by ordinance, or as the county commissioners of the county may designate by order, which ordinance or order shall state the sum total of issue, the dates of maturities thereof, and shall fix the date of election so that it shall not occur earlier than thirty (30) days after the passage of the said ordinance or the granting of said order. All elections called pursuant to this section shall be conducted by the appropriate county election board or boards pursuant to the general election laws of the state. The said election shall be held and conducted, the vote thereof canvassed, and the result thereof declared under the law and in the manner now or hereafter provided for municipal elections when the election is held by a municipality, and in the manner now or hereafter provided for county elections when the election is held by a county, so far as the same may be applicable, except as herein otherwise provided.

Notice of the election shall be given by the mayor of the municipality or by the county commissioners of the county by advertisement weekly for at least four times in some newspaper having a bona fide circulation in the said municipality or county, with the last publication to be not less than ten (10) days prior to the date of the said election. Only registered voters of the said municipality or county shall have a right to vote at the said election. The result of the said election shall be proclaimed by the mayor of the municipality or by the county commissioners of the county, and the result as proclaimed shall be conclusive, unless attacked in the courts within thirty (30) days after the date of such proclamation.

(g) The tax levies or revenue apportionment associated with bonds issued pursuant to this section and the pledge thereof, may not be revoked during the term of such bonds; provided, however, the municipality or county may, from time to time, suspend the collection of such levy or apportioned revenues when not required for the payment of its bonds.

(h) The Legislature may provide by law for the creation of regional economic development districts, comprised of two or more municipalities or counties, or a combination of one or more municipalities and counties, and may specify the terms and conditions under which the bonds authorized in this section may be issued by municipalities and counties located within such districts. The provisions of paragraph (f) of this section shall not apply to any bonds issued in accordance with this paragraph unless such provisions are made expressly applicable by law.

SECTION 2. 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 35 of Article 10. This section allows local governments to issue bonds. The bonds are for economic development. If this measure passes, economic development purposes could be defined by law. This measure would allow local governments to levy a special sales tax. The tax rate could not be more than one cent ($0.01). This measure would allow local governments to use tax money in special ways for economic development. If a special tax is approved to repay bonds, the special tax could not be repealed until the bonds were repaid. If taxes were being used in other ways to repay bonds, the bonds would have to be repaid before changing the way the taxes were being spent. This measure would allow regional economic development districts to be created. The districts could be created by laws that the Legislature could write. After a district was created, the district could issue bonds. The bonds would be for economic development or community development. There are procedures for having an election to issue economic development bonds. The procedures used for regional economic development district bonds could be different.

SHALL THIS AMENDMENT BE APPROVED BY THE PEOPLE?

☐ YES, FOR THE AMENDMENT

☐ NO, FOR THE AMENDMENT

SECTION 3. 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 Title set forth in SECTION 2 hereof, with the Secretary of State and one copy with the Attorney General.

Passed the House of Representatives the 7th day of March, 2001.

Presiding Officer of the House of Representatives

Passed the Senate the 10th day of April, 2001.

Presiding Officer of the Senate

OFFICE OF THE SECRETARY OF STATE

Received by the Secretary of State this 11th

day of April **20**01,

at 2:25, **o'clock** P. **M.**

By: Mike Hunter

OFFICE OF ATTORNEY GENERAL
STATE OF OKLAHOMA

April 18, 2001

FILED
APR 24 2001
OKLAHOMA SECRETARY OF STATE

Mr. Mike Hunter, Secretary of State
Office of the Secretary of State
101 State Capitol Building
Oklahoma City, OK 73105-4897

Re: Ballot Title for State Question No. 693

Dear Secretary Hunter:

This office has made a review of the above-referenced Suggested Ballot Title as required by 34 O.S. Supp. 2000, § 9(C)(1).

After reviewing this Suggested Ballot Title, we find that it is not in harmony with the law because it does not use the statutory language required by 26 O.S. Supp. 2000, § 6-113.

Accordingly, we cannot approve the Suggested Ballot Title. Thus, in accordance with 34 O.S. Supp. 2000, § 9(C)(1), we will prepare and file with your office a Ballot Title that is in harmony with the law.

Sincerely,

W. A. DREW EDMONDSON
ATTORNEY GENERAL

RECEIVED
APR 24 2001
OKLAHOMA SECRETARY OF STATE

WAE:DFP:mkb

cc: The Honorable Larry Adair
The Honorable Stratton Taylor

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OFFICE OF ATTORNEY GENERAL
STATE OF OKLAHOMA

May 2, 2001

FILED
MAY 3 2001
OKLAHOMA SECRETARY OF STATE

Mr. Mike Hunter, Secretary of State
Office of the Secretary of State
101 State Capitol Building
Oklahoma City, OK 73105

The Honorable Stratton Taylor
President Pro Tempore
422 State Capitol Building
Oklahoma City, OK 73105

The Honorable Larry Adair
Speaker of the House of Representatives
401 State Capitol Building
Oklahoma City, OK 73105

Re: Ballot Title for State Question 693 Legislative Referendum No. 321

Gentlemen:

We have, in accordance with 34 O.S. Supp 2000, § 9(C), reviewed the Ballot Title for the above-referenced State Question and conclude that the Ballot Title does not comply with the requirements of 34 O.S. Supp. 2000, § 9. Accordingly, we have, as required, prepared a Substitute Ballot Title. 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 changes in law. The Substitute Ballot Title reads as follows:

Substitute Ballot Title

> This measure amends the Oklahoma Constitution. It amends Section 35 of Article 10. The amendment allows local governments to issue bonds for economic or community development. Voter approval would be required to issue bonds. Local governments could pass a special sales tax to repay the bonds. The tax rate could not be more than one cent ($0.01).

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The tax could not be repealed until the bonds were repaid. When not needed for bond repayment the tax could be suspended.

This measure would also allow regional economic development districts to be created by laws. The districts could issue bonds. The procedures by which regional economic development district bonds could be issued may be specified by the Legislature.

SHALL THE PROPOSAL BE APPROVED?

FOR THE PROPOSAL _____ YES

AGAINST THE PROPOSAL _____ NO

Respectfully submitted,

W. A. DREW EDMONDSON
ATTORNEY GENERAL

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