

1 ENGROSSED HOUSE
2 BILL NO. 1400

By: Murphey, Ownbey, Faught,
Ritze and Strohm of the
House

3
4 and

5 Sykes of the Senate
6
7

8 An Act relating to revenue and taxation; amending 68
9 O.S. 2011, Sections 1370, 1370.1, 1370.2, 1370.2A,
10 1370.4, 1370.5, 1370.6 and 1370.8, which relate to
11 sales tax; limiting subjects per levy; providing for
12 codification; and providing an effective date.

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

14 SECTION 1. NEW LAW A new section of law to be codified
15 in the Oklahoma Statutes as Section 1354.36 of Title 68, unless
16 there is created a duplication in numbering, reads as follows:

17 After January 1, 2015, every sales tax levy submitted to county
18 voters for approval shall embrace but one subject, which shall be
19 clearly expressed on the ballot.

20 SECTION 2. AMENDATORY 68 O.S. 2011, Section 1370, is
21 amended to read as follows:

22 Section 1370. A. ~~Any~~ In accordance with the provisions of
23 Section 1 of this act, any county of this state may levy a sales tax
24 of not to exceed two percent (2%) upon the gross proceeds or gross

1 receipts derived from all sales or services in the county upon which
2 a consumer's sales tax is levied by this state. Before a sales tax
3 may be levied by the county, the imposition of the tax shall first
4 be approved by a majority of the registered voters of the county
5 voting thereon at a special election called by the board of county
6 commissioners or by initiative petition signed by not less than five
7 percent (5%) of the registered voters of the county who were
8 registered at the time of the last general election. However, if a
9 majority of the registered voters of a county voting fail to approve
10 such a tax, the board of county commissioners shall not call another
11 special election for such purpose for six (6) months. Any sales tax
12 approved by the registered voters of a county shall be applicable
13 only when the point of sale is within the territorial limits of such
14 county. Any sales tax levied or any change in the rate of a sales
15 tax levied pursuant to the provisions of this section shall become
16 effective on the first day of the calendar quarter following
17 approval by the voters of the county unless another effective date,
18 which shall also be on the first day of a calendar quarter, is
19 specified in the ordinance or resolution levying the sales tax or
20 changing the rate of sales tax.

21 B. The Oklahoma Tax Commission shall give notice to all vendors
22 of a rate change at least sixty (60) days prior to the effective
23 date of the rate change. Provided, for purchases from printed
24 catalogs wherein the purchaser computed the tax based upon local tax

1 rates published in the catalog, the rate change shall not be
2 effective until the first day of a calendar quarter after a minimum
3 of one hundred twenty (120) days' notice to vendors. Failure to
4 give notice as required by this section shall delay the effective
5 date of the rate change to the first day of the next calendar
6 quarter.

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

21 D. Subject to the provisions of Section 1357.10 of this title,
22 all items that are exempt from the state sales tax shall be exempt
23 from any sales tax levied by a county.

24

1 E. Any sales tax which may be levied by a county shall be
2 designated for a particular purpose. Such purposes may include, but
3 are not limited to, projects owned by the state, any agency or
4 instrumentality thereof, the county and/or any political subdivision
5 located in whole or in part within such county, regional
6 development, economic development, common education, general
7 operations, capital improvements, county roads, weather modification
8 or any other purpose deemed, by a majority vote of the county
9 commissioners or as stated by initiative petition, to be necessary
10 to promote safety, security and the general well-being of the
11 people, including any authorized purpose pursuant to the Oklahoma
12 Community Economic Development Pooled Finance Act. The county shall
13 identify the purpose of the sales tax when it is presented to the
14 voters pursuant to the provisions of subsection A of this section.
15 Except as otherwise provided in this section and except as required
16 by the Oklahoma Community Economic Development Pooled Finance Act,
17 the proceeds of any sales tax levied by a county shall be deposited
18 in the general revenue or sales tax revolving fund of the county and
19 shall be used only for the purpose for which such sales tax was
20 designated. If the proceeds of any sales tax levied by a county
21 pursuant to this section are pledged for the purpose of retiring
22 indebtedness incurred for the specific purpose for which the sales
23 tax is imposed, the sales tax shall not be repealed until such time
24 as the indebtedness is retired. However, in no event shall the life

1 of the tax be extended beyond the duration approved by the voters of
2 the county.

3 F. 1. Notwithstanding any other provisions of law, any county
4 that has approved a sales tax for the construction, support or
5 operation of a county hospital may continue to collect such tax if
6 such hospital is subsequently sold. Such collection shall only
7 continue if the county remains indebted for the past construction,
8 support or operation of such hospital. The collection may continue
9 only until the debt is repaid or for the stated term of the sales
10 tax, whichever period is shorter.

11 2. If the construction, support or operation of a hospital is
12 funded through the levy of a county sales tax pursuant to this
13 section and such hospital is subsequently sold, the county levying
14 the tax may dissolve the governing board of such hospital following
15 the sale. Upon the sale of the hospital and dissolution of any
16 governing board, the county is relieved of any future liability for
17 the operation of such hospital.

18 G. Proceeds from any sales tax levied that is designated to be
19 used solely by the sheriff for the operation of the office of
20 sheriff shall be placed in the special revenue account of the
21 sheriff.

22 H. The life of the tax could be limited or unlimited in
23 duration. The county shall identify the duration of the tax when it
24 is presented to the voters pursuant to the provisions of subsections

1 A and C of this section. The maximum duration of a levy imposed
2 pursuant to Section ~~14~~ 891.14 of ~~this act~~ Title 62 of the Oklahoma
3 Statutes shall be no longer than allowed pursuant to the Oklahoma
4 Community Economic Development Pooled Finance Act.

5 I. Except for the levies imposed pursuant to Section ~~14~~ 891.14
6 of ~~this act~~ Title 62 of the Oklahoma Statutes, there are hereby
7 created one or more county sales tax revolving funds in each county
8 which levies a sales tax under this section if any or all of the
9 proceeds of such tax are not to be deposited in the general revenue
10 fund of the county or comply with the provisions of subsection G of
11 this section. Each such revolving fund shall be designated for a
12 particular purpose and shall consist of all monies generated by such
13 sales tax which are designated for such purpose. Monies in such
14 funds shall only be expended for the purposes specifically
15 designated as required by this section. A county sales tax
16 revolving fund shall be a continuing fund not subject to fiscal year
17 limitations.

18 J. In the case of a levy submitted for voter approval pursuant
19 to Section ~~14~~ 891.14 of ~~this act~~ Title 62 of the Oklahoma Statutes,
20 taxes levied by a county shall not become valid until the ordinance
21 or resolution setting the rate of the levy shall have been approved
22 by a majority vote of the registered voters of each such county
23 voting on such question at a special election. Elections conducted
24 pursuant to questions submitted pursuant to Section ~~14~~ 891.14 of

1 ~~this act~~ Title 62 of the Oklahoma Statutes shall be conducted on the
2 same date or in a sequence that provides that the last vote required
3 for approval by all participating counties or municipalities occurs
4 not later than thirty (30) days after the date upon which the first
5 vote occurs.

6 SECTION 3. AMENDATORY 68 O.S. 2011, Section 1370.1, is
7 amended to read as follows:

8 Section 1370.1 Notwithstanding the provisions of Section 1370
9 of this title and in accordance with the provisions of Section 1 of
10 this act, any county of this state with a population of more than
11 three hundred thousand (300,000) according to the latest Federal
12 Decennial Census may levy a sales tax of not to exceed one-half of
13 one percent (1/2 of 1%) upon the gross proceeds or gross receipts
14 derived from all sales or services in the county upon which a
15 consumer's sales tax is levied by the state subject to the following
16 conditions:

17 1. The proceeds of such sales tax shall be used solely for the
18 purpose of constructing and equipping county jail facilities or
19 capital improvements for jail facilities only;

20 2. Before a sales tax may be levied by the county, the
21 imposition of the tax shall first be approved by a majority of the
22 registered voters of the county voting thereon at a special election
23 called by resolution of the board of county commissioners;

24

1 3. Such sales tax can only be imposed for a period not to
2 exceed three (3) years; and

3 4. Any special election called pursuant to this section must be
4 held no later than January 1, 1992.

5 SECTION 4. AMENDATORY 68 O.S. 2011, Section 1370.2, is
6 amended to read as follows:

7 Section 1370.2 Notwithstanding the provisions of Section 1370
8 of this title and in accordance with the provisions of Section 1 of
9 this act, any county of this state with a population of more than
10 three hundred thousand (300,000) according to the latest Federal
11 Decennial Census may levy a sales tax of not to exceed one percent
12 (1%) upon the gross proceeds or gross receipts derived from all
13 sales or services in the county upon which a consumer's sales tax is
14 levied by the state, except as provided in ~~subsection (F)~~ paragraph
15 8 of Section 1357 of this title, subject to the following
16 conditions:

17 1. The proceeds of such sales tax and the interest thereon
18 shall be used solely for the purpose of development of qualified
19 aircraft maintenance or manufacturing facilities and any necessary
20 infrastructure changes or airport improvements directly related to
21 such facilities located within the county to be owned by the county,
22 any municipality within the county or a public trust in which the
23 county or municipality is a beneficiary. However, such municipality
24 or public trust shall hold such title for the use and benefit of the

1 residents of the entire county in which the tax is levied and
2 collected. The acceptance by the municipality or public trust of
3 any title or tax proceeds shall be deemed an acceptance of this
4 requirement. The board of county commissioners of any county that
5 has approved the imposition of a sales tax pursuant to this section
6 may not commence the collection of any such sales tax until a
7 qualified aircraft maintenance or manufacturing facility has signed
8 an agreement to locate such facility within the county. As used in
9 this paragraph, "qualified aircraft maintenance or manufacturing
10 facility" means a new or expanding facility primarily engaged in
11 aircraft repair, building or rebuilding, whether or not on a factory
12 basis, whose total cost of construction exceeds the sum of One
13 Hundred Fifty Million Dollars (\$150,000,000.00) and which employs at
14 least one thousand (1,000) new full-time-equivalent employees, as
15 certified by the Employment Security Commission upon completion of
16 the facility;

17 2. Before a sales tax may be levied by the county, the
18 imposition of the tax shall first be approved by a majority of the
19 registered voters of the county voting thereon at a special election
20 called by resolution of the board of county commissioners;

21 3. The monies collected pursuant to the provisions of this
22 section shall only be expended by the board of county commissioners
23 to finance an amount not to exceed twenty-five percent (25%) of the
24 total cost of construction of the qualified aircraft maintenance or

1 manufacturing facility and any necessary infrastructure changes or
2 airport improvements directly related to such facility; and

3 4. Such sales tax can only be imposed for a period not to
4 exceed three (3) years.

5 SECTION 5. AMENDATORY 68 O.S. 2011, Section 1370.2A, is
6 amended to read as follows:

7 Section 1370.2A Notwithstanding the provisions of Section 1370
8 of this title and in accordance with the provisions of Section 1 of
9 this act, any county of this state with a population of more than
10 three hundred thousand (300,000) according to the latest Federal
11 Decennial Census may levy a sales tax of not to exceed one percent
12 (1%) upon the gross proceeds or gross receipts derived from all
13 sales or services in the county upon which a consumer's sales tax is
14 levied by the state subject to the following conditions:

15 1. The proceeds of such sales tax and the interest thereon
16 shall be used solely for the purpose of acquisition and development
17 of qualified manufacturing facilities, related machinery and
18 equipment and any necessary infrastructure changes or improvements
19 related to such facilities located within the county to be owned by
20 the county, any municipality within the county or a public trust in
21 which the county or municipality is a beneficiary. However, such
22 municipality or public trust shall hold such title for the use and
23 benefit of the residents of the entire county in which the tax is
24 levied and collected. The acceptance by the municipality or public

1 trust of any title or tax proceeds shall be deemed an acceptance of
2 this requirement. The board of county commissioners of any county
3 that has approved the imposition of a sales tax pursuant to this
4 section may not commence the collection of any such sales tax until
5 a qualified manufacturing facility has signed an agreement to locate
6 such facility within the county. As used in this paragraph,
7 "qualified manufacturing facility" means a new or expanding facility
8 primarily engaged in manufacturing, production and/or assembly of
9 consumer or other products, whether or not on a factory basis, whose
10 total cost of acquisition and construction exceeds the sum of
11 Fifteen Million Dollars (\$15,000,000.00) and which will employ at
12 least one thousand (1,000) new full-time-equivalent employees, as
13 certified by the Employment Security Commission within three (3)
14 years after the completion of the facility;

15 2. Before a sales tax may be levied by the county, the
16 imposition of the tax shall first be approved by a majority of the
17 registered voters of the county voting thereon at a special election
18 called by resolution of the board of county commissioners in the
19 manner provided by law for county elections;

20 3. The monies collected pursuant to the provisions of this
21 section shall only be expended by the board of county commissioners
22 to finance an amount not to exceed twenty-five percent (25%) of the
23 total cost related to the acquisition and construction of the
24 qualified manufacturing facility, related machinery and equipment

1 and any necessary infrastructure changes or improvements directly
2 related to such facility; and

3 4. Such sales tax can only be imposed for a period not to
4 exceed three (3) years.

5 SECTION 6. AMENDATORY 68 O.S. 2011, Section 1370.4, is
6 amended to read as follows:

7 Section 1370.4 Notwithstanding the provisions of Section 1370
8 of ~~Title 68 of the Oklahoma Statutes~~ this title and in accordance
9 with the provisions of Section 1 of this act, any county of this
10 state with a population of more than three hundred thousand
11 (300,000) according to the latest Federal Decennial Census may levy
12 a sales tax of not to exceed one percent (1%) upon the gross
13 proceeds or gross receipts derived from all sales or services in the
14 county upon which a consumer's sales tax is levied by the state,
15 except as provided in ~~subsection (F)~~ paragraph 8 of Section 1357 of
16 ~~Title 68 of the Oklahoma Statutes~~ this title, subject to the
17 following conditions:

18 1. The proceeds of such sales tax and the interest thereon
19 shall be used solely for the purpose of development of facilities
20 for lease or conveyance to the government of the United States and
21 any necessary infrastructure changes or improvements directly
22 related to such facilities located within the county. The board of
23 county commissioners of any county that has approved the imposition
24 of a sales tax pursuant to this section may not commence the

1 collection of any such sales tax until an agreement to locate such
2 facility within the county is reached;

3 2. Before a sales tax may be levied by the county, the
4 imposition of the tax shall first be approved by a majority of the
5 registered voters of the county voting thereon at a special election
6 called by resolution of the board of county commissioners;

7 3. The monies collected pursuant to the provisions of this
8 section shall only be expended by the board of county commissioners
9 to finance the construction of the facility and any necessary
10 infrastructure changes or improvements directly related to such
11 facility; and

12 4. Such sales tax can only be imposed for a period not to
13 exceed three (3) years.

14 SECTION 7. AMENDATORY 68 O.S. 2011, Section 1370.5, is
15 amended to read as follows:

16 Section 1370.5 A. Notwithstanding the provisions of Section
17 1370 of ~~Title 68 of the Oklahoma Statutes~~ this title and in
18 accordance with the provisions of Section 1 of this act, any county
19 of this state with a population of more than three hundred thousand
20 (300,000) according to the latest Federal Decennial Census may levy
21 a sales tax of not to exceed one percent (1%) upon the gross
22 proceeds or gross receipts derived from all sales or services in the
23 county upon which a consumer's sales tax is levied by the state,
24 except as provided in paragraph ~~6~~ 8 of Section 1357 of ~~Title 68 of~~

1 ~~the Oklahoma Statutes~~ this title, subject to the following
2 conditions:

3 1. The proceeds of such sales tax shall be used solely for the
4 purpose of funding one or more economic development projects;

5 2. Before a sales tax may be levied by the county, the
6 imposition of the tax shall first be approved by a majority of the
7 registered voters of the county voting thereon at a special election
8 called by resolution of the board of county commissioners;

9 3. Such sales tax can only be imposed for a period of not to
10 exceed three (3) years; and

11 4. Any special election called pursuant to this section must be
12 held no later than March 1, 1994.

13 B. The board of county commissioners shall create a limited-
14 purpose fund and deposit therein any revenue generated by any sales
15 tax levied pursuant to the provisions of subsection A of this
16 section. The fund shall be placed in an insured or collateralized
17 interest-bearing account and the interest which accrues to the fund
18 shall be retained in the fund. Monies in the limited-purpose fund
19 shall be expended only as accumulated and only for the purpose
20 specifically described in paragraph 1 of subsection A of this
21 section.

22 C. As used in this section, "economic development project"
23 means any project which the board of county commissioners determines
24

1 will promote, enhance or improve economic conditions within the
2 county.

3 SECTION 8. AMENDATORY 68 O.S. 2011, Section 1370.6, is
4 amended to read as follows:

5 Section 1370.6 A. Notwithstanding the provisions of Section
6 1370 of ~~Title 68 of the Oklahoma Statutes~~ this title and in
7 accordance with Section 1 of this act, any county of this state with
8 a population of more than three hundred thousand (300,000) according
9 to the latest Federal Decennial Census may levy a sales tax of not
10 to exceed one percent (1%) upon the gross proceeds or gross receipts
11 derived from all sales or services in the county upon which a
12 consumer's sales tax is levied by the state, except as provided in
13 paragraph ~~6~~ 8 of Section 1357 of ~~Title 68 of the Oklahoma Statutes~~
14 this title, subject to the following conditions:

15 1. The proceeds of such sales tax shall be used solely for the
16 purpose of funding one or more projects for new public improvements;

17 2. Before a sales tax may be levied by the county, the
18 imposition of the tax shall first be approved by a majority of the
19 registered voters of the county voting thereon at a special election
20 called by resolution of the board of county commissioners;

21 3. Such sales tax can only be imposed for a period of not to
22 exceed three (3) years; and

23 4. Any special election called pursuant to this section must be
24 held no later than March 1, 1994.

1 B. The board of county commissioners shall create a limited-
2 purpose fund and deposit therein any revenue generated by any sales
3 tax levied pursuant to the provisions of subsection A of this
4 section. The fund shall be placed in an insured interest-bearing
5 account and the interest which accrues to the fund shall be retained
6 in the fund. Monies in the limited-purpose fund shall be expended
7 only as accumulated and only for the purpose specifically described
8 in paragraph 1 of subsection A of this section.

9 C. As used in this section:

10 1. "Projects for new public improvements" means any new and
11 beneficial change, addition, betterment or enhancement of or upon
12 any real property belonging to a public agency, intended to enhance
13 the value, beauty or utility of said property or to adapt it to new
14 or further purposes; and

15 2. "Public agency" means the State of Oklahoma and any county,
16 city, public trust or other public entity specifically created by
17 the statutes of the State of Oklahoma or as a result of statutory
18 authorization contained therein.

19 SECTION 9. AMENDATORY 68 O.S. 2011, Section 1370.8, is
20 amended to read as follows:

21 Section 1370.8 A. ~~Any~~ In accordance with the provisions of
22 Section 1 of this act, any combination of cities, towns and
23 counties, by resolution of their governing boards, may jointly
24 create a hospital authority pursuant to the provisions of Section

1 176 of Title 60 of the Oklahoma Statutes for the purpose of
2 planning, financing and constructing hospitals or related medical
3 facilities located within the boundaries of such cities, towns or
4 counties. An authority created pursuant to the provisions of this
5 subsection shall have the powers granted pursuant to the provisions
6 of Section 176 of Title 60 of the Oklahoma Statutes in addition to
7 the powers granted pursuant to the provisions of this section. The
8 combination of cities, towns and counties creating the authority
9 shall be designated the beneficiary of the authority. The
10 boundaries of the authority shall be coterminous with the boundaries
11 of the cities, towns or counties creating the authority.

12 B. Any hospital authority created pursuant to the provisions of
13 subsection A of this section may levy a sales tax of not to exceed
14 two percent (2%) upon the gross proceeds or gross receipts derived
15 from all sales or services in the cities, towns and counties
16 comprising the authority upon which a consumer's sales tax is levied
17 by this state. Before a sales tax may be levied by the authority,
18 the imposition of the tax shall first be approved by a majority of
19 the registered voters within the boundaries of each of the cities,
20 towns and counties comprising the authority voting thereon at a
21 special election jointly called by the governing boards of the
22 cities, towns and counties comprising the authority. Provided, if a
23 majority of the registered voters of an authority voting fail to
24 approve such a tax, the governing boards of such cities, towns and

1 counties shall not jointly call another special election for such
2 purpose for at least six (6) months. Any sales tax approved by the
3 registered voters of an authority shall be applicable only when the
4 point of sale is within the boundaries or limits of the authority.

5 C. All items that are exempt from the state sales tax shall be
6 exempt from any sales tax levied pursuant to the provisions of this
7 section.

8 D. Any sales tax which may be levied pursuant to the provisions
9 of this section shall be designated for the purposes of planning,
10 financing and constructing hospitals or related medical facilities
11 within the boundaries of the authority. The authority shall
12 identify the purpose of the sales tax when it is presented to the
13 voters pursuant to the provisions of this section. The proceeds of
14 any sales tax levied by an authority shall be used only for the
15 purposes for which the sales tax was designated.

16 E. The authority shall identify the duration of the tax when it
17 is presented to the voters pursuant to the provisions of this
18 section.

19 F. An authority created pursuant to the provisions of
20 subsection A of this section may utilize the provisions of the Local
21 Development Act as it relates to the financing of such hospitals or
22 related medical facilities.

23 G. An authority created pursuant to the provisions of
24 subsection A of this section shall be dissolved:

1 1. At such time as the planning, financing and constructing of
2 the hospitals or related medical facilities within the boundaries of
3 the authority is completed; and

4 2. At such time as the revenue collected from any taxes levied
5 by the authority is sufficient for payment of any and all expenses
6 incurred by the authority in the planning, financing and
7 constructing of a hospital or related medical facility.

8 H. If the proceeds of any tax levied by an authority pursuant
9 to this section are pledged for the purpose of retiring indebtedness
10 incurred for the specific purpose for which the tax is imposed, the
11 tax shall not be repealed until such time as the indebtedness is
12 retired. Notwithstanding any other provisions of law, any county or
13 hospital authority that has approved a sales tax for the support and
14 operation of a county hospital may continue to collect such tax if
15 such hospital is subsequently sold. Such collection shall only
16 continue if the county or hospital authority remains indebted for
17 the support and operation of such hospital and only until the debt
18 is repaid or for the stated term of the tax, whichever period is
19 shorter. In no event shall the life of the tax be extended beyond
20 the duration approved by the voters of the authority.

21 I. If the revenue collected from any taxes levied by the
22 authority exceeds the amount necessary for payment of any and all
23 expenses incurred by the authority in the planning, financing and
24 constructing of hospitals or related medical facilities, the excess

1 funds shall be apportioned to the general funds of the cities, towns
2 and counties comprising the authority in proportion to the
3 population of each city, town and county.

4 J. If the construction, support, or operation of a hospital is
5 funded through the levy of a sales tax by a county or hospital
6 authority pursuant to this section and such hospital is subsequently
7 sold, the county or hospital authority levying the tax may dissolve
8 the governing board of such hospital at the time of the sale. When
9 the sale of the hospital and dissolution of any governing board is
10 final, the county or hospital authority is thereby relieved of any
11 liability for the operation of such hospital.

12 SECTION 10. This act shall become effective November 1, 2015.

13 Passed the House of Representatives the 3rd day of March, 2015.

14

15

Presiding Officer of the House
of Representatives

16

17

Passed the Senate the ___ day of _____, 2015.

18

19

20

Presiding Officer of the Senate

21

22

23

24