

1 **SENATE FLOOR VERSION**

2 April 7, 2015

3 **AS AMENDED**

4 ENGROSSED HOUSE
5 BILL NO. 1400

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

9 and

10 Sykes of the Senate

11
12 **[revenue and taxation - sales tax - codification -
13 effective date]**

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

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

18 After January 1, 2015, every sales tax levy submitted to county
19 voters for approval shall embrace but one subject, which shall be
20 clearly expressed on the ballot. **For purposes of this section, "one
21 subject" shall mean a ballot with only one sales tax levy for a
22 specified purpose but may include multiple projects for that
23 purpose.**

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

1 Section 1370. A. ~~Any~~ In accordance with the provisions of
2 Section 1 of this act, any county of this state may levy a sales tax
3 of not to exceed two percent (2%) upon the gross proceeds or gross
4 receipts derived from all sales or services in the county upon which
5 a consumer's sales tax is levied by this state. Before a sales tax
6 may be levied by the county, the imposition of the tax shall first
7 be approved by a majority of the registered voters of the county
8 voting thereon at a special election called by the board of county
9 commissioners or by initiative petition signed by not less than five
10 percent (5%) of the registered voters of the county who were
11 registered at the time of the last general election. However, if a
12 majority of the registered voters of a county voting fail to approve
13 such a tax, the board of county commissioners shall not call another
14 special election for such purpose for six (6) months. Any sales tax
15 approved by the registered voters of a county shall be applicable
16 only when the point of sale is within the territorial limits of such
17 county. Any sales tax levied or any change in the rate of a sales
18 tax levied pursuant to the provisions of this section shall become
19 effective on the first day of the calendar quarter following
20 approval by the voters of the county unless another effective date,
21 which shall also be on the first day of a calendar quarter, is
22 specified in the ordinance or resolution levying the sales tax or
23 changing the rate of sales tax.

24

1 B. The Oklahoma Tax Commission shall give notice to all vendors
2 of a rate change at least sixty (60) days prior to the effective
3 date of the rate change. Provided, for purchases from printed
4 catalogs wherein the purchaser computed the tax based upon local tax
5 rates published in the catalog, the rate change shall not be
6 effective until the first day of a calendar quarter after a minimum
7 of one hundred twenty (120) days' notice to vendors. Failure to
8 give notice as required by this section shall delay the effective
9 date of the rate change to the first day of the next calendar
10 quarter.

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

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

4 E. Any sales tax which may be levied by a county shall be
5 designated for a particular purpose. Such purposes may include, but
6 are not limited to, projects owned by the state, any agency or
7 instrumentality thereof, the county and/or any political subdivision
8 located in whole or in part within such county, regional
9 development, economic development, common education, general
10 operations, capital improvements, county roads, weather modification
11 or any other purpose deemed, by a majority vote of the county
12 commissioners or as stated by initiative petition, to be necessary
13 to promote safety, security and the general well-being of the
14 people, including any authorized purpose pursuant to the Oklahoma
15 Community Economic Development Pooled Finance Act. The county shall
16 identify the purpose of the sales tax when it is presented to the
17 voters pursuant to the provisions of subsection A of this section.
18 Except as otherwise provided in this section and except as required
19 by the Oklahoma Community Economic Development Pooled Finance Act,
20 the proceeds of any sales tax levied by a county shall be deposited
21 in the general revenue or sales tax revolving fund of the county and
22 shall be used only for the purpose for which such sales tax was
23 designated. If the proceeds of any sales tax levied by a county
24 pursuant to this section are pledged for the purpose of retiring

1 indebtedness incurred for the specific purpose for which the sales
2 tax is imposed, the sales tax shall not be repealed until such time
3 as the indebtedness is retired. However, in no event shall the life
4 of the tax be extended beyond the duration approved by the voters of
5 the county.

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

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

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

1 H. The life of the tax could be limited or unlimited in
2 duration. The county shall identify the duration of the tax when it
3 is presented to the voters pursuant to the provisions of subsections
4 A and C of this section. The maximum duration of a levy imposed
5 pursuant to Section ~~14~~ 891.14 of ~~this act~~ Title 62 of the Oklahoma
6 Statutes shall be no longer than allowed pursuant to the Oklahoma
7 Community Economic Development Pooled Finance Act.

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

21 J. In the case of a levy submitted for voter approval pursuant
22 to Section ~~14~~ 891.14 of ~~this act~~ Title 62 of the Oklahoma Statutes,
23 taxes levied by a county shall not become valid until the ordinance
24 or resolution setting the rate of the levy shall have been approved

1 by a majority vote of the registered voters of each such county
2 voting on such question at a special election. Elections conducted
3 pursuant to questions submitted pursuant to Section ~~14~~ 891.14 of
4 ~~this act~~ Title 62 of the Oklahoma Statutes shall be conducted on the
5 same date or in a sequence that provides that the last vote required
6 for approval by all participating counties or municipalities occurs
7 not later than thirty (30) days after the date upon which the first
8 vote occurs.

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

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

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

23 2. Before a sales tax may be levied by the county, the
24 imposition of the tax shall first be approved by a majority of the

1 registered voters of the county voting thereon at a special election
2 called by resolution of the board of county commissioners;

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

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

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

9 Section 1370.2 Notwithstanding the provisions of Section 1370
10 of this title and in accordance with the provisions of Section 1 of
11 this act, any county of this state with a population of more than
12 three hundred thousand (300,000) according to the latest Federal
13 Decennial Census may levy a sales tax of not to exceed one percent
14 (1%) upon the gross proceeds or gross receipts derived from all
15 sales or services in the county upon which a consumer's sales tax is
16 levied by the state, except as provided in ~~subsection (F)~~ paragraph
17 8 of Section 1357 of this title, subject to the following
18 conditions:

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

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

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

23 3. The monies collected pursuant to the provisions of this
24 section shall only be expended by the board of county commissioners

1 to finance an amount not to exceed twenty-five percent (25%) of the
2 total cost of construction of the qualified aircraft maintenance or
3 manufacturing facility and any necessary infrastructure changes or
4 airport improvements directly related to such facility; and

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

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

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

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

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

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

1 total cost related to the acquisition and construction of the
2 qualified manufacturing facility, related machinery and equipment
3 and any necessary infrastructure changes or improvements directly
4 related to such facility; and

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

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

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

20 1. The proceeds of such sales tax and the interest thereon
21 shall be used solely for the purpose of development of facilities
22 for lease or conveyance to the government of the United States and
23 any necessary infrastructure changes or improvements directly
24 related to such facilities located within the county. The board of

1 county commissioners of any county that has approved the imposition
2 of a sales tax pursuant to this section may not commence the
3 collection of any such sales tax until an agreement to locate such
4 facility within the county is reached;

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

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

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

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

1 county upon which a consumer's sales tax is levied by the state,
2 except as provided in paragraph ~~6~~ 8 of Section 1357 of ~~Title 68 of~~
3 ~~the Oklahoma Statutes~~ this title, subject to the following
4 conditions:

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

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

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

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

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

24

1 C. As used in this section, "economic development project"
2 means any project which the board of county commissioners determines
3 will promote, enhance or improve economic conditions within the
4 county.

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

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

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

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

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

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

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

11 C. As used in this section:

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

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

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

23 Section 1370.8 A. ~~Any~~ In accordance with the provisions of
24 Section 1 of this act, any combination of cities, towns and

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

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

1 majority of the registered voters of an authority voting fail to
2 approve such a tax, the governing boards of such cities, towns and
3 counties shall not jointly call another special election for such
4 purpose for at least six (6) months. Any sales tax approved by the
5 registered voters of an authority shall be applicable only when the
6 point of sale is within the boundaries or limits of the authority.

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

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

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

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

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

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

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

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

23 I. If the revenue collected from any taxes levied by the
24 authority exceeds the amount necessary for payment of any and all

1 expenses incurred by the authority in the planning, financing and
2 constructing of hospitals or related medical facilities, the excess
3 funds shall be apportioned to the general funds of the cities, towns
4 and counties comprising the authority in proportion to the
5 population of each city, town and county.

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

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

15 COMMITTEE REPORT BY: COMMITTEE ON FINANCE
16 April 7, 2015 - DO PASS AS AMENDED

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