

1 STATE OF OKLAHOMA

2 1st Session of the 60th Legislature (2025)

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL NO. 1114

By: Woods

6 COMMITTEE SUBSTITUTE

7 An Act relating to ad valorem tax; directing the
8 Secretary of State to refer to the people for their
9 approval or rejection a proposed amendment to Section
10 8C of Article X of the Oklahoma Constitution;
11 providing credit for owners of property that qualify
12 for certain limitation on the growth of fair cash
13 value; stipulating credit amount; prescribing
14 procedures to claim credit; requiring assessor to
15 deduct credit amount from certain ad valorem tax
16 liability; prohibiting refundability of credit;
17 updating references; providing ballot title; and
18 directing filing.

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

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

24 Section 8C. A. Despite any provision to the contrary,
beginning January 1, 2005, 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 an amount as provided in subsection B of this

1 section, and which individual head of household is sixty-five (65)
2 years of age or older, shall not exceed the fair cash value placed
3 upon the property during the first year in which the individual head
4 of household was sixty-five (65) years of age or older and had gross
5 household income from all sources which did not exceed an amount as
6 provided in subsection B of this section. Subject to the
7 limitations of this section, the fair cash value shall not exceed
8 such amount as long as the individual head of household who is
9 sixty-five (65) years of age or older owns and occupies the property
10 and as long as the gross household income from all sources does not
11 exceed an amount as provided in subsection B of this section. If
12 any improvements are made to the property, the fair cash value of
13 the improvements shall be assessed in accordance with law by the
14 county assessor and added to the assessed value of the property.
15 Once the fair cash value of the improvements has been added to the
16 fair cash value of the property, the total fair cash value shall not
17 exceed the revised valuation of the property so long as the
18 individual head of household who is sixty-five (65) years of age or
19 older owns and occupies the property and so long as the gross
20 household income from all sources does not exceed an amount as
21 provided in subsection B of this section. For any individual head
22 of household who is sixty-five (65) years of age or older prior to
23 January 1, 1997, and has gross household income from all sources of
24 Twenty-five Thousand Dollars (\$25,000.00) or less in calendar year

1 1996, the fair cash value of the real property shall be the fair
2 cash value placed upon the property on January 1, 1997. If the
3 individual head of household ceases to own and occupy the property
4 or if the gross household income from all sources exceeds an amount
5 as provided in subsection B of this section, the fair cash value of
6 the property shall be determined as if the provisions of Section 8
7 of ~~Article X~~ this article of the Oklahoma Constitution ~~of the State~~
8 ~~of Oklahoma~~ or any other provisions relating to a limitation on the
9 fair cash value of locally assessed real property had been in effect
10 during the time the property was valued pursuant to the provisions
11 of this section.

12 B. The income threshold for the gross household income from all
13 sources for an individual head of household under subsection A of
14 this section shall not exceed the amount determined by the United
15 States Department of Housing and Urban Development to be the
16 estimated median income for the preceding year for the county or
17 metropolitan statistical area which includes such county. The
18 Oklahoma Tax Commission shall provide such information to each
19 county assessor each year as soon as such information becomes
20 available.

21 C. For tax years 2026 and subsequent tax years, there shall be
22 allowed a credit against the ad valorem tax levied pursuant to this
23 article of the Oklahoma Constitution for owners of a homestead that
24 qualify for the limitation on the increase of fair cash value

1 pursuant to subsection A of this section in an amount equal to the
2 difference between the ad valorem tax liability of the property
3 owner for the homestead property of the prior tax year and the ad
4 valorem tax liability for the homestead property in the tax year in
5 which the property owner first qualified for the limitation on the
6 increase of fair cash value pursuant to subsection A of this
7 section. Provided, if the ad valorem tax liability of the property
8 owner for the homestead property in the tax year in which the
9 property owner first qualified for the limitation on the increase of
10 fair cash value pursuant to subsection A of this section exceeds the
11 ad valorem tax liability of the property for the homestead property
12 in the prior tax year, there shall be no credit allowed.

13 D. The credit authorized pursuant to subsection C of this
14 section shall be claimed on a form prescribed by the county assessor
15 for the county in which the homestead is located no later than
16 October 1 of each tax year. The county assessor shall deduct
17 qualifying claims for credit from the tax liability of the property
18 owner.

19 E. The credit claimed pursuant to subsection C of this section
20 shall not be used to reduce the ad valorem tax liability of the
21 property owner to less than zero (0).

22 SECTION 2. The Ballot Title for the proposed Constitutional
23 amendment as set forth in SECTION 1 of this act shall be in the
24 following form:

BALLOT TITLE

Legislative Referendum No. _____ State Question No. _____

THE GIST OF THE PROPOSITION IS AS FOLLOWS:

This measure amends Section 8C of Article 10 of the Oklahoma Constitution. The measure provides a property tax credit on the homestead of an individual head of household who is at least sixty-five years of age and qualifies for the limitation on the growth of fair cash value. The property tax credit would be equal to the difference between the property owner's current property tax liability for the homestead and the property tax liability of the homestead the year in which the homestead first qualified for the limitation on fair cash value. This ensures that the property tax liability does not increase on the homestead so long as the homestead qualifies.

SHALL THE PROPOSAL BE APPROVED?

FOR THE PROPOSAL - YES _____

AGAINST THE PROPOSAL - NO _____

SECTION 3. The President Pro Tempore of the Senate shall, immediately after the passage of this act, 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.

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