

1 **SENATE FLOOR VERSION**

2 February 17, 2025

3 **AS AMENDED**

4 SENATE BILL NO. 1121

5 By: Deever, Jett, and Hamilton

6 [ taxation - committee - information and assistance -  
7 report - noncodification - effective date -  
8 conditional effective date ]  
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10 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

11 SECTION 1. NEW LAW A new section of law not to be  
12 codified in the Oklahoma Statutes reads as follows:

13 A. Upon the effective date of this act, there is hereby created  
14 the Joint Interim Committee on the Elimination of Ad Valorem Taxes.  
15 The committee shall be composed of ten (10) members as follows:

16 1. Five members of the Senate designated by the President Pro  
17 Tempore of the Senate; and

18 2. Five members of the House of Representatives designated by  
19 the Speaker of the House of Representatives.

20 The President Pro Tempore of the Senate and the Speaker of the  
21 House of Representatives shall each designate a co-chair from the  
22 members of the committee.

23 B. The committee shall convene upon the joint call of the  
24 chairs.

1 C. The committee shall conduct a comprehensive study of  
2 alternative methods of taxation to replace local tax revenue from  
3 the elimination of ad valorem tax pursuant to the passage of the  
4 state question proposed by Enrolled Senate Joint Resolution No. 12  
5 of the 1st Session of the 60th Oklahoma Legislature.

6 D. For each alternative method of taxation considered, the  
7 committee shall:

8 1. Consider whether political subdivisions that currently  
9 impose ad valorem taxes would have the authority to impose the  
10 proposed alternative tax;

11 2. Determine the average tax rate for the proposed alternative  
12 tax imposed by each type of political subdivision that would be  
13 necessary to generate the same amount of tax revenue as the amount  
14 of tax revenue lost as a result of the elimination of ad valorem  
15 taxes;

16 3. Determine, if appropriate, the effect that broadening the  
17 application of the proposed alternative tax at the local level would  
18 have on the tax rates identified pursuant to paragraph 2 of this  
19 subsection;

20 4. Identify whether tax revenue generated by the alternative  
21 method of taxation would require redistribution to offset  
22 disparities in available local tax revenue as a result of the  
23 elimination of ad valorem taxes and, if so, evaluate the different  
24 mechanisms of redistribution available; and

1           5. Identify and examine any other issue required to be  
2 addressed to implement the elimination of ad valorem taxes.

3           E. Upon a request of the committee, a state agency or political  
4 subdivision of this state shall provide information for and  
5 assistance in conducting the study under this section.

6           F. Not later than July 1, 2028, the committee shall prepare and  
7 electronically submit to the Legislature a written report containing  
8 the results of the study and any recommendations for legislative or  
9 other action.

10          G. The committee created pursuant to this act shall be  
11 abolished January 1, 2030.

12          SECTION 2. This act shall become effective November 1, 2025.

13          SECTION 3. The provisions of this act shall not become  
14 effective as law unless Enrolled Senate Joint Resolution No. 12 of  
15 the 1st Session of the 60th Oklahoma Legislature becomes effective  
16 as law.

17 COMMITTEE REPORT BY: COMMITTEE ON REVENUE AND TAXATION  
18 February 17, 2025 - DO PASS AS AMENDED

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