

1 STATE OF OKLAHOMA

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

3 SENATE BILL 1121

By: Deever

6 AS INTRODUCED

7 An Act relating to taxation; creating the Joint
8 Interim Committee on the Elimination of Ad Valorem
9 Taxes; designating membership; designating co-chairs;
10 authorizing meeting to convene; prescribing duties
11 and powers of committee; requiring state agencies and
12 political subdivisions to provide certain information
13 and assistance; requiring submission of report;
14 abolishing committee after certain period; providing
15 for noncodification; providing an effective date; and
16 providing conditional effective date.

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

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

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

23 1. Five members of the Senate designated by the President Pro
24 Tempore of the Senate; and

25 2. Five members of the House of Representatives designated by
26 the Speaker of the House of Representatives.

1 The President Pro Tempore of the Senate and the Speaker of the
2 House of Representatives shall each designate a co-chair from the
3 members of the committee.

4 B. The committee shall convene upon the joint call of the
5 chairs.

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

11 D. For each alternative method of taxation considered, the
12 committee shall:

13 1. Consider whether political subdivisions that currently
14 impose ad valorem taxes would have the authority to impose the
15 proposed alternative tax;

16 2. Determine the average tax rate for the proposed alternative
17 tax imposed by each type of political subdivision that would be
18 necessary to generate the same amount of tax revenue as the amount
19 of tax revenue lost as a result of the elimination of ad valorem
20 taxes;

21 3. Determine, if appropriate, the effect that broadening the
22 application of the proposed alternative tax at the local level would
23 have on the tax rates identified pursuant to paragraph 2 of this
24 subsection;

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

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

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

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

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

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

18 SECTION 3. The provisions of this act shall not become
19 effective as law unless Enrolled Senate Joint Resolution No. 12 of
20 the 1st Session of the 60th Oklahoma Legislature becomes effective
21 as law.

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