

1 STATE OF OKLAHOMA

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

3 HOUSE BILL 1146

By: Humphrey

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5  
6 AS INTRODUCED

7 An Act relating to revenue and taxation; authorizing  
8 county to call an election for taxing certain  
9 materials upon severance; providing exceptions;  
10 stating persons who may call election; requiring  
11 voter approval of tax; requiring county to identify  
12 purpose of tax; providing for subsequent election  
13 within certain time period if question fails;  
14 providing effective date of approved levy or change  
15 in tax rate; providing maximum tax rate that may be  
16 approved; providing apportionment of tax to specific  
17 funds; requiring certain notice by Oklahoma Tax  
18 Commission; authorizing certain contract for  
19 specified purposes; providing certain contractual  
20 powers of Tax Commission; providing certain terms of  
21 contract; providing procedures for initiative  
22 petition for severance tax; providing certain tax  
23 credit; prohibiting certain penalty by county for  
24 specified privilege; providing for codification; and  
providing an effective date.

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

SECTION 1. NEW LAW A new section of law to be codified  
in the Oklahoma Statutes as Section 1001.5 of Title 68, unless there  
is created a duplication in numbering, reads as follows:

A. Any county of this state is hereby authorized to levy a tax  
upon the severance of all materials which are surface mined, not

1 including coal, for purposes of producing aggregate within the  
2 territorial limits of the county by any lawfully recognized for-  
3 profit business entity in an amount specified in the special  
4 election called as provided herein.

5 B. No severance tax shall be applicable to:

6 1. Materials extracted by an individual person or persons from  
7 real property owned by such person or persons and not sold for  
8 profit; or

9 2. Limestone extracted for agricultural purposes.

10 C. Sales of sand for use in hydraulic fracturing operations and  
11 sales of materials to be used by individuals for the production of  
12 goods within this state shall be exempt from any severance tax  
13 levied pursuant to this section. In order to administer the  
14 exemptions for sales provided in this subsection, there shall be  
15 made a severance tax refund for severance taxes paid. Refunds shall  
16 be made in a manner prescribed by the county which levies the tax.

17 D. Before a severance 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 the board of county commissioners or by an initiative  
21 petition signed by not less than five percent (5%) of the registered  
22 voters of the county who were registered at the time of the last  
23 general election. The question submitted shall be limited to the  
24 purposes described by subsection F of this section and shall be

1 stated on the initiative petition. The county shall identify the  
2 purpose of the severance tax when it is presented to the voters  
3 pursuant to the provisions of this section. However, if a majority  
4 of the registered voters of a county voting fail to approve such a  
5 tax, the board of county commissioners shall not call another  
6 special election for such purpose for one (1) year.

7 E. Any tax levied or any change in the rate of a tax levied  
8 pursuant to the provisions of this section shall become effective on  
9 the first day of the calendar quarter following approval by the  
10 voters of the county unless another effective date, which shall also  
11 be on the first day of a calendar quarter, is specified in the  
12 ordinance or resolution levying the tax or changing the rate of the  
13 tax. The county may approve a severance tax up to ten cents (\$0.10)  
14 per ton on the production of all materials which are surface mined,  
15 not including coal.

16 F. The revenues collected by the county from the severance tax  
17 which may be levied shall be apportioned as follows:

18 1. Fifty percent (50%) shall be deposited in the county general  
19 fund and shall be designated for construction and improvement of  
20 county and municipal roads and bridges; and

21 2. Fifty percent (50%) shall be apportioned to the general  
22 revenue fund of municipalities within the county on a proportional  
23 basis of their population according to the most recent Federal  
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1 Decennial Census. Revenues apportioned to the general revenue fund  
2 of a municipality shall be designated for infrastructure projects.

3 G. The life of a tax levied pursuant to the provisions of this  
4 section may be limited or unlimited in duration. The county shall  
5 identify the duration of the tax when it is presented to the voters  
6 pursuant to the provisions of this section.

7 H. The Oklahoma Tax Commission shall give notice to all  
8 relevant taxpayers of a rate change at least sixty (60) days prior  
9 to the effective date of the rate change. Failure to give notice as  
10 required by this section shall delay the effective date of the rate  
11 change to the first day of the next calendar quarter. The board of  
12 county commissioners of a county levying a tax pursuant to the  
13 provisions of this section and the Tax Commission are authorized to  
14 enter into a contract whereby the Tax Commission shall have  
15 authority to assess, collect, and enforce the tax and any penalties  
16 or interest thereon levied by the county and to remit the same to  
17 the county. Such authority shall apply to any tax levied pursuant  
18 to this section and penalty or interest liability existing at the  
19 time of contracting. Upon contracting, the Tax Commission shall  
20 have the power of enforcement of the tax, penalties, or interest  
21 that is vested in the county. The contract shall provide for the  
22 assessment, collection, and enforcement of the tax, penalties, or  
23 interest in the same manner as the administration, collection, or  
24 enforcement of the state gross production tax by the Tax Commission.

1 For providing such assistance, the Tax Commission shall charge the  
2 county a fee of one-half of one percent (1/2 of 1%) of the gross  
3 collection proceeds.

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

17 SECTION 2. NEW LAW A new section of law to be codified  
18 in the Oklahoma Statutes as Section 1001.6 of Title 68, unless there  
19 is created a duplication in numbering, reads as follows:

20 A. All materials sold where an appropriate county sales tax was  
21 charged, collected, and remitted to the county where the materials  
22 were severed shall receive a credit against the severance tax in the  
23 same amount of the sales tax portion that was remitted to the county  
24 of origin.

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B. No county that receives revenue from a severance tax levy on materials as authorized by this act shall impose any fee, charge, assessment, or other cost for the privilege of engaging in the mining or extraction of materials.

SECTION 3. This act shall become effective November 1, 2025.

60-1-10095      AO      12/31/24