

OK-SAFE, Inc. – 2012 State Questions – Recommendations

OK-SAFE, Inc. – Fall 2012

There will be six state questions on Oklahoma’s crowded November 6, 2012 ballot. Below is the Ballot Title, the Ballot Language, and OK-SAFE’s recommended vote and assessment. SQ 758 and SQ 766 deal with ad valorem (property) taxes. Because both questions may be perceived as a tax reduction, there may be puzzlement about our recommendation of a NO vote on both questions. The question before us was, does either question result in an *actual* tax cut, i.e. does the measure provide tax relief for everyone and effect reduced government spending? The answer was no. Standing on this first principle, OK-SAFE could not support either question. Transferring the tax burden from one group of people to another is neither conservative nor a tax cut – it is legislative sleight of hand.

State Question	Ballot Language	Recommended Vote
<p>SQ No. 758</p> <p>Ad Valorem Taxation Limitation on Valuation Increases</p>	<p>This measure amends the State Constitution. It amends Section 8B of Article 10. The measure deals with real property taxes also called ad valorem taxes. These taxes are based on several factors. One factor is the fair cash value of the property. The measure changes the limits on increases in fair cash value. Now, increases are limited to 5% of fair cash value in any taxable year. The measure changes the cap on increases to 3% for some property. The 3% cap would apply to homestead exempted property. The cap would also apply to agricultural land. The measure also removes obsolete language.</p>	<p style="text-align: center;">NO –</p> <p>This measure if approved, will reduce a County Assessor’s ability to rightfully adjust the fair cash value of undervalued property as compared to other property. Owners of undervalued property pay less Ad Valorem Tax than they should transferring it to the other property tax payers to pick up the difference in the resulting higher millage rates.</p> <p>The lower 3% adjustment rate lengthens the time to correct the inequitable tax transfer cases. Because this measure does not prohibit the Excise Board from increasing millage rates to offset the imposed limitation on fair cash value assessments, a cap on the fair cash value alone does not control the tax burden of the citizen.</p>
<p>SQ No. 759</p> <p>Affirmative Action</p>	<p>Prohibits certain preferential treatment or discrimination. The measure deals with three areas of government action. These areas are employment, education and contracting. In these areas, the measure does not allow affirmative action programs. Affirmative action programs give preferred treatment based on race, color or gender. They also give preferred treatment based on ethnicity or national origin. Discrimination on these bases is also not permitted. The measure permits affirmative action in three instances. 1. When gender is a bonafide qualification, it is allowed. 2. Existing court orders and consent decrees that require preferred treatment will continue and can be followed. 3. Affirmative action is allowed when needed to keep or obtain federal funds.</p> <hr/> <p>[NOTE: If passed, this measure will add the following provision to the Oklahoma Constitution: Section 36 A. The state shall not grant preferential treatment to, or discriminate against, any individual or group on the basis of race, color, sex, ethnicity or national origin in the operation of public employment, public education or public contracting unless it is prohibiting action that must be taken to establish or maintain eligibility for any federal program, where ineligibility would result in the loss of federal funds to the state.]</p>	<p style="text-align: center;">NO –</p> <p>This measure is a principle without principle and does not rise to the caliber of a Constitutional Amendment.</p> <p>It establishes and codifies the idea “money trumps principle” and gives up Oklahoma prerogative over preferential treatment to the Federal Government when accepting their money.</p> <p>This measure increases federal power and ultimately does nothing to protect the interests of Oklahoma Citizens.</p>
<p>SQ No. 762</p> <p>Removes Gov. from Pardon and Parole Board</p>	<p>Modifies the power and authority of the Governor and Pardon and Parole Board in the parole process for nonviolent offenders. It changes current law, decreasing the power and authority of the Governor by removing the Governor from the parole process for persons convicted of certain offenses defined as nonviolent offenses. It enlarges the power and authority of the Pardon and Parole Board by authorizing that Board, in place of the Governor, to grant parole to persons convicted of certain offenses defined as nonviolent offenses.</p> <p>The Legislature defines what offenses are nonviolent offenses and the Legislature may change that definition.</p> <p>The measure authorizes the Pardon and Parole Board to recommend to the Governor, but not to itself grant, parole for persons convicted of certain offenses, specifically those offenses identified by law as crimes for which persons are required to serve not less than eighty-five percent of their sentence prior to being considered for parole and those designated by the Legislature as exceptions to nonviolent offenses. For those offenses for which persons are required to serve a minimum mandatory period of confinement prior to being eligible to be considered for parole, the Pardon and Parole Board may not recommend parole until that period of confinement has been served.</p>	<p style="text-align: center;">NO –</p> <p>Although the idea was to speed up the parole process, if passed, SQ 762 will transfer accountability from the Governor to an unelected Pardon and Parole Board, depriving the people of the ability to hold the decision maker directly accountable.</p>
		NO –

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<p>SQ No. 764</p> <p>Creates the Water Infrastructure Credit Enhancement Reserve Fund; allows the OWRB to issue bonds</p>	<p>This measure amends the Oklahoma Constitution. It adds a new Section 39A to Article 10. It would allow the Oklahoma Water Resources Board to issue bonds. Any bonds issued would be used to provide a reserve fund for the Board. The fund would be a reserve fund for certain water resource and sewage treatment funding programs. The fund could only be used to pay other bonds and obligations for the funding programs. The bonds could only be issued after other monies and sources are used for repayment. The bonds would be general obligation bonds. Not more than Three Hundred Million Dollars worth of bonds could be issued. The Legislature would provide the monies to pay for the bonds. The Legislature would provide for methods for issuing the bonds. The Legislature would provide for how the fund is administered.</p>	<p>This measure would provide the funding to implement the highly controversial Water for 2060 Act, (HB 3055), one of the most dangerous bills ever passed by the Republican-led Oklahoma Legislature.</p> <p>HB 3055 reads <i>“the public policy of this state is to establish and work toward a goal of consuming no more fresh water in the year 2060 than is consumed statewide in the year 2012”</i>. If passed, SQ 764 would provide the funds to make this dangerous and costly bill a reality in OK, leading to the rationing of freshwater, regardless of its abundance.</p>
<p>SQ No. 765</p> <p>Repeals sect. of the const. relating to the Department of Public Welfare & grants the Legislature the authority to create a new department.</p>	<p>The measure amends the Oklahoma Constitution. It abolishes the Oklahoma Department of Human Services, the Oklahoma Commission of Human Services and the position of Director of the Oklahoma Department of Human Services. These entities were created under different names by Sections 2, 3 and 4 of Article 25 of the Oklahoma Constitution and given duties and responsibilities related to the care of the aged and needy.</p> <p>The measure repeals these sections of the Constitution and consequently, removes the power of the Commission of Human Services to establish policy and adopt rules and regulations. Under the measure, the Legislature and the people by initiative petition retain the power to adopt legislation for these purposes.</p> <p>The measure adds a provision to the Constitution authorizing the Legislature to create a department or departments to administer and carry out laws to provide for the care of the aged and the needy. The measure also authorizes the Legislature to enact laws requiring the newly created department or departments to perform other duties.</p>	<p style="text-align: center;">YES – With Reservations</p> <p>SQ 765 is like asking, “Which do you prefer – Frankenstein I or Frankenstein II?” Added to the OK Constitution in 1936, the Public Welfare department was a New Deal era creation, introducing the “nanny state” concept into the role of government. Without doubt, the current Public Welfare/Dept. of Human Services is too complex and wasteful, under the direction of one of those unaccountable ABCs (agencies, boards, & commissions). However, removing power from the Commission and placing the Legislature in it’s stead provides some measure of accountability to an institution that shouldn’t exist in the first place. It is almost guaranteed the OK Legislature, who has busily implemented federally dictated health care reform (“Obama Care”) in this state, will most likely adopt further technologically based solutions once they gain control of this entity.</p>
<p>SQ No. 766</p> <p>Exempts all intangible personal property from ad valorem taxation</p>	<p>This measure amends Section 6A of Article 10 of the Oklahoma Constitution. At present that section exempts some intangible personal property from ad valorem property taxation. This measure would exempt all intangible personal property from ad valorem property taxation.</p> <p>Intangible Personal Property which is still currently taxed but would not be taxed if the measure is adopted, includes items such as:</p> <ul style="list-style-type: none"> • patents, inventions, formulas, designs, and trade secrets; • licenses, franchise, and contracts; • land leases, mineral interests, and insurance policies; • custom computer software; and • trademarks, trade names and brand names. <p>If adopted, the measure would apply to property taxation starting with the tax year that begins on January 1,2013</p> <hr/> <p>(Continued from the right): What the proponents of this measure claim as “intangible personal property” includes not only customer lists, it includes data and databases, as well as intellectual property, i.e., trademarks and trade names, patents, copyright, trade secrets. This creates a potential taxation problem - as we complete the transition to a “knowledge-based economy,”* corporations will be holding more and more wealth in intangibles and intellectual property. If everything in this category of property is declared exempt from taxation, the ad valorem tax burden falls on those remaining individuals left holding real and tangible personal property.</p> <p>*Transitioning from an industrialized economy, to an economy based on “bits and bytes”, or data and information.</p>	<p style="text-align: center;">NO -</p> <p>SQ 766 is in reality a tax transfer, not a tax cut, therefore should not be passed.</p> <p>This question mostly involves those entities whose property is centrally assessed by the State Board of Equalization, i.e. public service corporations. Currently, Article 10, §6A of the Oklahoma Constitution makes certain intangible personal property exempt from ad valorem or any other tax. The Constitution sites 8 categories of items as intangible. Certain corporations want to change this to exempt “all intangible personal property.” However, intangible personal property is not defined. What is considered intangible is highly subjective in nature and its definition is not static.</p> <p>If SQ 766 passes, the OK Tax Commission estimates there will be a \$50 M tax shortfall statewide; this tax shortfall will be apportioned across the state and local counties will be required to make up the shortfall. That, of course, means the Counties will have no choice but to increase the Ad Valorem tax for all their county property owners. (Continued to the left).</p>