

LEGISLATIVE LEADERS AGREE ON PROPERTY TAX PACT

From Oklahoma Legislature

■(OKLAHOMA CITY) The leaders of the Oklahoma House and Senate have announced a final agreement on property tax reform legislation, saying the resulting package will provide Oklahoma homeowners with an additional layer of protection against "unfair and excessive property tax increases."

The legislation will be voted on this week, either Wednesday or Thursday.

"Our citizens have expressed concerns about our property tax system and this package will address those concerns," said Senator Stratton Taylor, President Pro Tempore of the Oklahoma Senate. "Major fluctuations in property taxes will become a thing of the past under this legislation."

"This reform package injects some much-needed common sense into Oklahoma's property tax system," said House Speaker Glen D. Johnson. "Every Oklahoma homeowner — especially our senior citizens on a fixed income — wins with this bill."

The Speaker also expressed his gratitude to the members of the Citizens' Advisory Task Force on Property Taxation, the panel appointed by legislative leaders and the Governor last year to study the ad valorem system.

"Their hard work gave us a starting point," he related. "This bill is proof that citizens and elected officials, from both political parties, can work together to develop workable solutions to the complex problems facing our state."

Today's announcement is the culmination of several weeks of discussion by a joint, bipartisan committee on property taxes. The panel members agreed to adopt four of six recommendations from the Citizens' Task Force. The four proposals include:

- ✓ Cap property tax growth at 5 percent per year on locally assessed real property;
- ✓ Freeze assessment ratios at 1995 levels;
- ✓ Freeze valuations on properties of senior citizens earning less than \$25,000 per year; and
- ✓ Provide that a statement of how property tax dollars are spent be attached to all tax notices.

The legislative committee went above and beyond the citizens' task force recommendations in regard to the elderly and low-

income homeowners. It adopted a provision to raise the income level to \$20,000 to qualify for a double homestead exemption. That change will greatly reduce and in some cases, eliminate the property tax burden on working families and the elderly.

"We wanted to provide additional relief to the people who need it most, the working families and the elderly who are struggling to make ends meet," said Senator Penny Williams, a member of the legislative committee.

"I think we've managed to draft a package that will address everyone's concerns, from senior citizens to school patrons," said Representative Dwayne Steidley, also a committee member.

Even though the latest agreement represents more than a year of work by the citizens' task force and legislators, lawmakers say they will continue to closely monitor developments in the property tax system.

"We're going to keep a close eye on our property tax foundation, especially in respect to education," said Senator Williams. "We do not want to do anything that will hurt our public schools."

One of the task force proposals rejected by the legislative committee would have given county voters the option of removing the caps on millage.

Committee members did recommend that the millage proposal be part of a later examination of overall budget and finance options. They said that before any new funding mechanisms are adopted, the future needs of education and county governments must be examined.

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Rep. Dwayne Steidley

PERMANENT MIDTERM FIX
TO BE ENACTED

From Oklahoma Legislature

■(OKLAHOMA CITY) After months of hard work and sometimes contentious debate, a permanent solution for the annual midterm funding problems has been found. Governor Keating will officially sign HB2055 Wednesday.

"Basically, we've done away with an annual headache that's plagued both our growing schools and state lawmakers," said Senator Don Williams, one of the chief architects of HB2055. "We've created a system that will get our schools the money when they need it, making it easier for them to budget and meet the needs of their students."

"I think it's especially significant that this Legislature was able to solve a school funding problem that has haunted Oklahoma for years," noted Representative Jack Begley, House author of the legislation. "We were able to bring all the competing parties to the table and hammer out a compromise. It wasn't easy, but judging from the final product, it certainly was worth the effort."

In addition to enacting a permanent solution to the midterm problem, Senator Williams and Representative Begley were also instrumental in forging a budget agreement that delivered three years worth of midterm funding — a total of \$42 million — to growing districts.

"Growing schools are going to be fairly compensated for their new students and the additional expenses they entail," said Representative Begley.

"Everyone is paid up in full. Every district has gotten every penny it deserves," said Senator Williams.

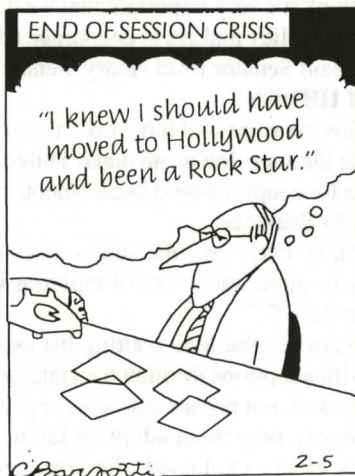
To cover a portion of the midterm costs for the two previous school years, the constitutional reserve fund was tapped for approximately \$13 million. Under the permanent solution, all future midterm adjustments will come from the general revenue fund.



Sen. Don Williams



Rep. Jack Begley



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