



Ad Valorem Taxes

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Definition of a Property Tax

Property taxes are authorized by the Oklahoma Constitution. Both the use of a property tax and the number of mills levied are listed in Article 10 of the Oklahoma Constitution as an ad valorem tax. Thus, the terms property tax and ad valorem tax are used interchangeably in Oklahoma.

Ad valorem means "according to value." This simply means the tax is levied as a certain percent of the property's value. Real and personal property are taxed ad valorem. Real property is land and buildings. Personal property includes such items as household property, business equipment, inventories and improvements on leased property.

From the information provided in the above paragraphs a definition for a property tax in Oklahoma is developed as follows:

Definition of property tax:

A tax authorized by the Oklahoma Constitution under the term ad valorem tax; its tax rate is given in number of mills; and it is levied as a percentage of the taxable value of real and personal property.

Review of the Property Taxation Process

Property taxation is carried out in three steps. First, the fair cash value of the property is determined. Oklahoma bases its property tax on how the property is used; therefore the fair cash value is the market value of the property in its current use. In this context, fair cash value and use value are synonymous.

Secondly, the property's assessed value is found. Oklahoma is a fractional assessment state which means the assessed value is less than 100 percent of the property's fair cash value. The assessed value is found by multiplying the property's fair market value times an assessment rate. Effective January 1, 1997, the Oklahoma Constitution limits the assessment rate on real property to a range of 11.0 percent to 13.5 percent and the assessment rate on personal property to a range of 10 percent to 15 percent. Unless changed by a vote of the people, each county's assessment rate is that rate in effect during 1996. All 1996 assessment rates on locally assessed real and personal property are within the ranges specified above. (Public service properties are different and are assessed at 22.85 percent.)

If the property owner is entitled to an exemption, then the dollar amount of the exemption is subtracted from the property's assessed value to come up with a net assessed value. The net assessed value becomes the property's taxable

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value. If a property owner is not entitled to an exemption, then the assessed value is the property's taxable value.

Lastly, the property tax bill is calculated by multiplying the property's taxable value times a property tax rate. The tax rate is levied as a percentage of the property's taxable value. The tax rate is given in number of mills. One mill equals one one-thousandth of a dollar. For example, a tax rate equal to 80 mills is the same as 8 cents per dollar of taxable value ($80 \text{ mills} / 1,000 = \0.08). If the taxable value were \$5,000, then the tax bill would be found by multiplying \$5,000 times \$.08 per dollar of taxable value. The result is a \$400 property tax bill ($\$5,000 \times \$0.08 = \400.00).

Sometimes it is easier to think of the tax rate as \$1 dollar of tax for every \$1,000 of taxable value. In the above example, every 1,000 units of taxable value would be multiplied by 80 mills. For example, \$5,000 would result in 5 units of taxable value ($\$5,000 \div 1,000$). The five units of taxable value times the tax rate of 80 mills would produce a tax bill equal to \$400 (5 units of taxable value \times 80 mills = \$400). A \$400 dollar tax bill results from either method.

Purpose of Property Taxation

Ad valorem taxation generates revenues to support public services and projects, which are provided by the various units of local government. The amount of revenue generated from ad valorem taxation is based on the local government's taxable valuation and the number of mills levied for its use. Total net assessed valuation is the taxable valuation of all the property subject to ad valorem taxation within a taxing jurisdiction. For a political subdivision, one mill would generate one dollar in revenue for every 1,000 dollars of total net assessed valuation.

The operations and services carried out by county government are financed by a county-wide ad valorem tax. These are referred to as general county government activities. The county road and bridge programs are not considered general county government activities and are mainly supported by motor fuel taxes, which are collected by the state and distributed to the counties.

There are several ad valorem tax levies which generate revenues for a common school district's operating budget. A common school district is the local school district which is either classified as an independent school district if it offers grades kindergarten through twelfth grade, or a dependent school district if it only has grades kindergarten through eighth grade. Area vocational technical school districts and emergency

medical service districts are other providers of local services which operate with revenues derived from ad valorem taxes.

Public indebtedness is incurred when counties, cities, towns and school districts finance the construction of new buildings, the renovation of existing buildings, and special projects by selling municipal bonds either as general obligation bonds or revenue bonds. Each year, revenue must be generated by the political subdivision to service the debt through annual deposits into a sinking fund to accumulate revenue to retire the bonds. These annual deposits must be sufficient to pay the semi-annual and annual interest and principal payments.

General obligation bonds differ from revenue bonds by how income is generated to service the debt.

Definition: General Obligation Bond

The interest and principal on the bond are paid through an ad valorem tax levy or a special assessment.

Definition: Revenue Bond

The interest and principal on the bond are paid by the revenue earned from the project. An example is a public utility like a municipal water system. Water sold to customers pays for the cost of building the system. Another example is a county sales tax that is earmarked to pay for a new county jail or courthouse. The sales tax revenue services the bond payments.

General obligation bonds (GO) are backed by the full ad valorem taxing power of the political subdivision. An annual ad valorem tax is levied to service the debt on a GO bond. Both the capital improvement project and the amount of the bond must be approved at an election by the voters residing in the area impacted. A "super-majority" (60 percent) is required. Each year the county excise board determines the number of mills which are levied. Revenues from an annual levy are used to meet the annual interest payments and the required deposit into a sinking fund. Both the annual interest payment and sinking fund deposit along with the total net assessed valuation of the taxing jurisdiction are the factors which are considered by the county excise board when setting the annual levy. The sinking fund is given the same name as the capital improvement project.

An ad valorem tax can also be levied to service a general obligation limited tax bond or GOLTB. A GOLTB is similar to a general obligation bond, since it is backed by the taxing ability of the political subdivision. The difference is revenues from the project wherefore the bond was issued are also used to service the debt. An ad valorem tax need not be levied if sufficient revenue is available from the project. General obligation limited tax bonds can be issued by counties and cities to support industrial development.

By constitutional law, public indebtedness is tied to a political subdivision's net assessed valuation. For a political subdivision, total indebtedness is limited as follows:

1. **Counties.** Five percent of the total net assessed valuation of the whole county.
2. **Cities.** Five percent of the total net assessed valuation for the whole city, or up to 10 percent if approved by 3/5 of the voters, or greater than 10 percent if for constructing or purchasing public utilities.
3. **School Districts.** Five percent of the total net assessed valuation of the whole school district, or 10 percent if approved by 3/5 of the voters.

Ad Valorem Tax Levies

For all ad valorem taxes, the county excise board sets the levies within the levels authorized by law. For a sinking fund the levy cannot exceed the level needed for servicing the debt. The levies are set in number of mills and certified to the county assessor who computes the property taxes and prepares a tax roll. The tax roll shows the amount of taxes owed by each owner of real and personal property. The tax bills are prepared and sent by the county treasurer to the owners of taxable property. The county treasurer also collects the property taxes.

An overview is provided on the ad valorem taxes that are permitted in Oklahoma in the following table. The maximum number of mills that can be levied are itemized by use. The table is organized by county government, city government, school districts, and service districts.

County Government Levies

County General Fund

Up to 15 mills is guaranteed without a vote of the people. No less than 5 mills from the amount levied must be allocated to the common school districts within the county. The remainder is apportioned to the county by the county excise board. Cities and towns within the county may also receive a portion of the 10 mills available to the county although this seldom occurs. In practice, all 15 mills are usually levied. Ten mills of the total 15 mills are apportioned to the county general fund to support the services provided by county government.

Statutory law either allows or requires the county excise board to appropriate a portion of the 10 mills for the county general fund to various services and programs. Thus, some items are listed as mandatory and others as optional. Optional implies the appropriation is made at the discretion of the county excise board. The various services and programs are as follows:

1. County Audit — 1/10 mill, mandatory.
2. County Officers' Accounts — levels necessary to operate the offices.
3. County Extension Office Account—adequate funding, mandatory.
4. Free Fair Budget Account — up to 1/2 mill if the county population is more than 15,000, optional; up to 1 mill if the county population is less than 15,000, optional; 1/4 mill if the county population was greater than 55,000 in 1940, mandatory (excluding Oklahoma County and Tulsa County which receive money from the State for the state fairs).
5. Free Fair Improvement Budget Account — up to 1 mill, optional.
6. Free Fair Additional Improvement Budget Account — up to 1 mill, optional.
7. Highway Levy Budget Account — recommended by board of county commissioners, optional.
8. Library Budget Account — up to 1/2 mill, optional.
9. Public Health Budget Account — up to 1 mill, optional.
10. Tick Eradication Budget Account—recommended by the board of county commissioners, optional.
11. Bovine T. B. Budget Account — within limit of 5,000 dollars, optional.

Up to one-half (1/2) mill may be appropriated to cities and towns to finance urban renewal or redevelopment. The 1/2 mill or less may be appropriated up to 30 years. The county excise board determines the amount of revenue apportioned from the 10 mill levy for urban renewal within the district. Steps are outlined in the Oklahoma statutes for the county excise board to follow.

County Building Fund

A county may raise funds to erect new buildings or remodel old ones by levying up to five (5) mills on the taxable property in the whole county. The building fund and the number of mills levied must be approved by a majority of the voters in the county in a county-wide election. Once the levy is approved, a county building fund is created as a depository for the revenues that are collected from the annual ad valorem tax. The revenues need not be spent in the year they are received.

County Department of Health

Up to two and one-half (2 1/2) mills can be levied annually to maintain a County Department of Health. The number of mills must be approved by a majority of the voters in a county-wide election. A local department of health may be maintained jointly with a city or with another county. Other revenues in addition to the ad valorem tax may be used to finance the county department of health.

County Sinking Fund

Public indebtedness can be incurred through the sale of general obligation bonds to finance the construction, remodeling or repair of county facilities. An ad valorem tax for either of the aforementioned purposes and the amount of the bonds must be approved by a 60% majority of the voters in a county-wide election.

The amount of the annual levy must be sufficient to cover the annual interest payments and the sinking fund accumulations needed to pay off the principal when the bonds mature. Public indebtedness cannot exceed 5 percent of the net assessed valuation of the county. County government can also use revenue from a sinking fund to pay for judgments against the county. Judgments are legal claims against a county which are settled in a court of law.

Cooperative Libraries

From one (1) to four (4) mills can be levied annually to establish and maintain a cooperative county or joint city/county library. The levy must be approved by a majority of the voters in a county-wide election.

The proceeds from the levy are distributed according to the county population reported at the most recent Federal Decennial Census. For counties with a population less than 100,000 people, the revenues from the tax levy shall be used for public libraries and library services in cooperation with one or more other counties. In counties with a population greater than 100,000 people, the tax proceeds shall be used for a) a joint city/county public library, or b) public libraries in cooperation with one or more other counties.

County Industrial Development Fund

General obligation limited tax bonds may be issued by a county to provide revenue for industrial development. The revenue from the bonds must be used for developing and

securing industry within the county. Five (5) mills or less can be levied county-wide to pay the interest on the bonds and to retire the principal. In any year the county may suspend the levy if sufficient revenue is available from the industrial development project to service the debt. The industrial development project and the amount of the bond must be approved by a majority of the voters in a county-wide election.

Solid Waste Management District

Solid waste management services can be provided through an ad valorem tax. The formation of the district and the number of mills levied must be approved by the voters in a county-wide election.

Up to three (3) mills can be levied for operations and maintenance. Bonds may be issued to acquire revenue to purchase a site, vehicles and other equipment, and to construct the land fill site and other disposal or recycling facilities. Up to an additional three (3) mills can be levied to pay off the bonds. Both levies can be increased in a later election but neither one can exceed three mills.

Two or more counties may provide joint solid waste management services. The formation of a multicounty solid waste management service district must be approved by a majority of the voters in each county. The land fill site may be located in only one county.

The board of county commissioners can charge a fee for the service in addition to levying an ad valorem tax. Persons living outside the district are required to pay an annual fee equal to the actual cost of the service. The ad valorem tax collections from within the district are not included in the calculation of the actual cost of the service for users living outside the district.

A county can discontinue providing solid waste management services. However, the levies will continue until all the outstanding bonds and all other debts are retired.

City Government Levies

City Building Fund

A city or incorporated town, in the same manner as a county, may raise funds to erect new public buildings or renovate old ones by levying up to five (5) mills on the taxable property in the city. The building fund and the number of mills levied must be approved by a majority of the voters in a city-wide election. Once the levy is approved, a city building fund is created as a depository for the ad valorem tax revenues collected from the annual levy. The revenues need not be spent in the year they are received.

City Hospital

Up to five (5) mills can be levied to operate and maintain a hospital owned by a city. The number of mills must be approved by the voters in a city-wide election. The millage can be increased following voter approval at a subsequent election, but cannot exceed five (5) mills. The tax is levied on all the ad valorem taxed property within the city limits.

City Industrial Development Fund

Cities in the same manner as counties are allowed to support industrial development by selling general obligation limited tax bonds. Up to (5) mills can be levied each year for

Table. Ad Valorem Tax Levies.

<i>Title</i>	<i>Purpose</i>	<i>Millage</i>	<i>Taxing Jurisdiction</i>	<i>Authorization</i>	<i>Fund Management</i>	<i>Legal Citation</i>
County Government						
County General Fund ¹	Apportioned to the county; may also go to cities, towns & school districts	10 maximum	County-wide	Constitutionally mandatory	Board of County Commissioners	10 Const. §9
County Building Fund	Constructing county buildings	5 maximum	County-wide	Majority vote of the voting electorate	Board of County Commissioners	10 Const. §10
County Department of Health	Operating a county, city-county or joint county department of health	2.5 maximum	County-wide	60% vote of the voting electorate	County Board of Health	10 Const. §9A & 63 O.S. §1-223
County Sinking Fund	Public projects & judgments	Sufficient to provide funds for bonded indebtedness	County-wide	Majority vote of the voting electorate	Board of County Commissioners	10 Const. §§26 and 28
Cooperative Libraries	Establishing & maintaining a county, city-county, or joint county library	1 minimum & 4 maximum	County-wide	Majority vote of the voting electorate	Board of County Commissioners	10 Const. §10A
County Industrial Development Sinking Fund	Industrial development projects	5 maximum	County-wide	60% vote of the voting electorate	Board of County Commissioners	10 Const. §§26 & 35
Solid Waste Management Service	Operations & Maintenance	3 maximum	County-wide	Majority vote of the voting electorate	Board of County Commissioners	10 Const. 9D
Solid Waste Management Services	Landfill site, facilities, transfer stations, vehicles, equipment	3 maximum	County-wide	Majority vote of the voting electorate	Board of County Commissioners	10 Const. 9D
City Government						
City Building Fund	Constructing city buildings	5 maximum	City-wide	Majority vote of the voting electorate	Governing body of the city	10 Const. §10
City Hospital	Operations & maintenance	5 maximum	City-wide	Majority vote of the voting electorate	Hospital Board of Directors	10 Const. 1988 §10B
City Industrial Development Fund	Industrial development projects	5 maximum	City-wide	Majority vote of the voting electorate	Governing body of the city	10 Const. §35
City Sinking Fund	Public projects & judgements	Sufficient to provide funds for bonded indebtedness	City-wide	60% vote of the voting electorate	Governing body of the city	10 Const. §§26 & 28
Municipal Public Utilities	Purchasing, constructing or repairing public utilities	Sufficient to provide funds for bonded indebtedness	City or Town	Majority vote of the voting electorate	Governing body of city or town	10 Const. §27
Common School Districts						
County Apportioned Levy ¹	Operations & maintenance	5 minimum	School District	Constitutionally mandatory	School Board	10 Const. §9 a
Guaranteed Levy	Operations & maintenance	4	County-wide	Constitutionally mandatory	School Board	10 Const. §9 b

Table. Ad Valorem Tax Levies (Continued)

<i>Title</i>	<i>Purpose</i>	<i>Millage</i>	<i>Taxing Jurisdiction</i>	<i>Authorization</i>	<i>Fund Management</i>	<i>Legal Citation</i>
Board of Education Levy	School needs	15 maximum	School District	Certified by School Board	School Board	10 Const. § 9 c
Emergency Levy	Operations & maintenance	5 maximum	School District	Majority vote of the voting electorate	School Board	10 Const. § 9 d
Local Support Levy	Operations & maintenance	10 maximum	School District	Majority vote of the voting Electorate	School Board	10 Const. § 9 d-1
School District Building Fund	Constructing, remodeling or repairing school buildings & purchasing furniture	5 maximum	School District	Majority vote of the voting electorate	School Board	10 Const. §10
School District Sinking Fund	Constructing, remodeling or repairing school buildings, purchasing furniture & equipment, & purchasing or improving sites	Sufficient to provide funds for bonded indebtedness	School District	60% vote of the voting electorate	School Board	10 Const. § 26 & 28 & 70 O. S. § 1-119
Area (Technology Center) School Districts						
Career Tech Center School District Levy	Establishing & operating a district	5 maximum	Area School District	Majority vote of the voting electorate	Area School Board	10 Const. § 9B A
Career Tech Center School District Local Incentive Levy	Operations & maintenance	5 maximum	Area School District	Majority vote of the voting electorate	Area School Board	10 Const. § 9B B
Career Tech Center School Building Fund	Constructing, remodeling or repairing school buildings & purchasing furniture	5 maximum	School District	Majority vote of the voting electorate	School Board	10 Const. § 10 70 OS § 14-108 F
Career Tech Center School District Sinking Fund	Constructing, remodeling or repairing buildings, purchasing furniture & equipment, & purchasing or improving sites	Sufficient to provide funds for bonded indebtedness	Area School District	60% vote of the voting electorate	Area School Board	10 Const. §§ 9B C & 26
Emergency Medical Service District						
Emergency Medical Service District Levy	Operations & maintenance	3 maximum	Emergency Medical Service District	Majority vote of the voting electorate	Board of Trustees	10 Const. § 9C a
Emergency Medical Service District Sinking Fund	Purchasing & maintaining emergency vehicles & equipment and housing them.	3 maximum	Emergency Medical Service District	60% vote of the voting electorate	Board of Trustees	10 Const. § 9C b & d & § 26
Rural Road Improvement District						
Rural Road Improvement District Levy	Operations & Maintenance	3 maximum	Rural Road Improvement District	Board of Directors	Board of Directors	19 O.S. § 902.16 A

Table. Ad Valorem Tax Levies (Continued)

<i>Title</i>	<i>Purpose</i>	<i>Millage</i>	<i>Taxing Jurisdiction</i>	<i>Authorization</i>	<i>Fund Management</i>	<i>Legal Citation</i>
Rural Road Improvement District Levy	Operations & Maintenance	3 maximum	Rural Road Improvement District	Majority vote of the voting electorate	Board of Directors	19 O.S. § 902.16B
Rural Road Improvement District Bond Fund	Land, Buildings, & Equipment	5 maximum	Rural Road Improvement District	60% vote of the voting electorate	Board of Directors	19 O.S. § 902.12 & 902.15; 10 Const. § 26
Fire Protection District						
Fire Protection District Levy	Operations & Maintenance	7 maximum	Fire Protection District	Board of Directors	Board of Directors	19 O.S. § 901.19B
Fire Protection District Levy	Operations & Maintenance	Additional 3 maximum	Fire Protection District	Majority vote of the voting electorate	Board of Directors	19 O.S. § 901.19B
Fire Protection District Sinking Fund	Land and Buildings	Sufficient to provided funds for bonded indebtedness	Fire Protection District	60% vote of the voting electorate	Board of Directors	19 O.S. § 901.15 & 901.19 A; 10 Const. § 26
Sewer Improvement District						
Sewer Improvement District Levy	Operations & Maintenance	10 maximum	Sewer Improvement District	Board of Directors	Board of Directors	19 O.S. § 890
Sewer Improvement District Bond Sinking Fund	Land & Constructing Improvements	Sufficient to provided funds for bonded indebtedness	Sewer Improvement District	60% vote of the voting electorate	Board of Directors	19 O.S. § 886, 890; 10 Const. § 26

¹ Fifteen mills is the maximum allowable levy of which a school district is constitutionally guaranteed at least five mills.

the annual interest payments and sinking fund deposits. In any year, the city may suspend the levy if sufficient revenue is available from the industrial development project to service the debt. Both the industrial development project and the amount of the bond must be approved at a city-wide election by a majority of the voters. Cities can apply for additional funds from the same sources available to counties for industrial development.

City Sinking Fund

In addition to the city building fund, public indebtedness can be incurred through the sale of general obligation bonds to finance the construction, remodeling or repair of city facilities. An ad valorem tax for either of the aforementioned purposes and the amount of the bond must be approved by a 60 percent majority of the voters in a city-wide election.

The amount of the annual levy must be sufficient to cover the annual interest payments and to pay off the principal when the bonds mature. Public indebtedness cannot exceed 5 percent of the total net assessed valuation of the city.

Municipal Public Utilities

Bonded indebtedness can be incurred by a city or incorporated town to purchase, construct or repair a public utility. An ad valorem tax for this purpose and the amount of the bond must be approved by a majority of the voters in an election held throughout the city or incorporated town. The amount of the annual levy must be sufficient to cover the annual interest

payments and annual accumulations for paying the principal when the bonds mature.

There is no limit on the amount of indebtedness incurred for a public utility. Thus, the value of the general obligation bonds issued may exceed 10 percent of the net assessed valuation of the city or incorporated town.

Municipal public utilities can also be financed through revenue bonds rather than a mill levy. This option requires three-fourths approval of the governing body of the city or town before it can be initiated. Also, it requires that a public trust be created.

Common School District Levies

County Apportioned School Levy

Five (5) mills of the 15 mills a county can levy without special provisions must be apportioned to the common school districts within the county. The levy is sometimes called the county apportioned school levy.

Guaranteed Levy

An additional four (4) mills is guaranteed for all school districts. This ad valorem tax is referred to as the school district guaranteed levy. The four mills are levied county-wide and are apportioned by average daily attendance within a school district. When a school district crosses county lines, the revenues collected from the levy are turned over to the

county treasurer in the county with the greatest portion of the student population.

Board of Education Levy

The board of education can certify a 15 mill levy on all the taxable property in the school district. Revenue from the board of education levy is used to benefit all the schools within the school district.

Emergency Levy

Up to five (5) mills can be levied throughout the school district to provide additional revenues that are needed for the fiscal year. The emergency levy must be approved annually by the voters in an election held throughout the school district.

Local Support Levy

Up to 10 mills can be levied throughout the school district for special needs within the fiscal year. The local support levy must be approved annually by the voters in an election held throughout the school district.

Although the Emergency and Local Support Levies were originally set to be voted annually, more recent law provides a local option. School district voters may do away with annual elections if a majority of voters cast their ballot in favor of this option, making the levies permanent until repealed.

School District Building Fund

In the same manner as counties and cities, a school district can levy up to five (5) mills for constructing, remodeling or repairing school buildings. The revenues from the levy can also be used to purchase furniture. The building fund and the number of mills levied must be approved by a 60 percent majority of the voters at an election held throughout the school district. The revenues are deposited into the school district building fund. This levy may be made permanent (until repealed) by a majority vote in an election.

School District Sinking Fund

Public indebtedness can be incurred through the sale of general obligation bonds to finance the construction, remodeling or repair of school buildings. An ad valorem tax for either of the aforementioned purposes and the amount of the bond must be approved by 60 percent of the voters in an election held throughout the school district.

The amount of the annual levy must be sufficient to cover the annual interest payments and to pay off the principal when the bonds mature. A common school district can have more than one sinking fund. Each sinking fund and the number of mills levied must be approved by the voters in an election held throughout the school district. The combined public indebtedness cannot exceed 10 percent of the total net assessed valuation of the school district.

Area (Technology Center) School District Levies

A Technical Center School District can be formed following voter approval in an election held throughout the proposed district. There are several taxes which can be levied to support the area school district.

Administrative control of an area technical and vocational school district is vested in the area school board. For an area

technical school district situated in more than one county, the district's budget is filed with the county excise board chosen by the area school board.

Area School District Levy

Up to five (5) mills can be levied annually for establishing and operating an area school district. The number of mills must be approved by the voters at an election to establish the district. Once adopted, the levy continues annually until repealed.

Area School District Local Incentive Levy

Up to an additional five (5) mills can be levied as a local support levy. The levy must be approved by a majority of the voters in an election called for this purpose. The election is held throughout the area school district.

Area School District Building Fund

Five (5) mills can be levied for constructing, remodeling or repairing the school buildings. The revenue from the levy can also be used to purchase furniture, improvements, and equipment. The building fund and the number of mills levied must be approved by a majority of the voters in an election held throughout the area school district.

Area School District Sinking Fund

Public indebtedness can be incurred through the sale of general obligation bonds to finance the construction, remodeling or repair of school buildings. The use of the ad valorem tax for either of the aforementioned purposes and the amount of the bond must be approved by 60 percent of the voters in an election held throughout the area school district. The amount of the annual levy must be sufficient to cover the annual interest payments and to pay off the principal when the bonds mature. For an area school district, public indebtedness is limited to five (5) percent of the total net assessed valuation of the district.

Community Junior Colleges

The Oklahoma Statutes provide for the possibility of establishment of community junior colleges and for the circumstances by which they may levy an ad valorem levy. Two such cases have been in existence for several years. They are Oscar Rose Junior College and Tulsa Community College Technology Center School District.

"Oscar Rose was established as a community junior college under authority of [586 P.2d 1101] [70 O.S. Supp. 1967 §§ 4401 to 4409](#). An amendment to § 4403 in 1968⁷ allowed additional territory to be annexed to the community and requires approval by the legal voters in the territory proposed to be annexed. Another 1968 Act,⁸ of which § 1 is now § 4410, allowed a community maintaining a community junior college established under §§ 4401 to 4409 to become an area school district (area technical school district) and made applicable (to a community maintaining a community junior college becoming an area school district) the laws applicable to other area school districts, including laws authorizing tax levies and laws pertaining to eligibility for participation in federal funds. Section 2 of that same act, now § 4411, allowed any two-year college that is part of the State System of Higher Education to also become an

area school district but the taxing authority granted to a community maintaining a community junior college was denied.” (Abbott v. Board of Trustees of Oscar Rose, Etc)

The Tulsa Community College Technology Center School District was established by Title 70, section 4420, Oklahoma Statutes. It provides for a maximum of 5 mills and a limit to indebtedness.

Title 70, section 4420.1 provides for maximum levies for “college technology center school districts” per subsections A and B of Section 9B, Article X, Oklahoma Constitution. Because they are unique cases, the table of levies at the end of this paper does not show these specific levies.

Emergency Medical Service District Levies

An Emergency Medical Service (EMS) district is sometimes called an ambulance district. An EMS district can encompass part of a county, a whole county or more than one county. The EMS district boundaries at all times must conform to the common school district boundaries. Thus, an EMS district cannot split a school district but must be within its entire boundaries.

The EMS district boundaries can be expanded at any time. Two requirements are necessary before the expansion can occur. One, an election must be held in the existing district for the voters to approve adding the new area. Secondly, an election must be held in the new area to allow the voters to approve joining the existing district.

Provisions exist for dissolving an EMS district. An election must be held for this purpose. If an EMS district is dissolved, the ad valorem tax for the sinking fund will continue to be levied until the outstanding bonds have been retired and all other debts have been paid off. The following ad valorem taxes can be levied to support the district.

EMS District Operating Levy

Up to three (3) mills can be levied annually to organize, operate and maintain an EMS district. The number of mills must be approved by the voters during the election to establish a district. The election is held throughout the proposed district.

EMS District Sinking Fund

Public indebtedness can be incurred through the sale of general obligation bonds to finance the purchase of emergency vehicles and equipment and to construct or purchase facilities for housing vehicles and equipment. No more than three (3) mills can be levied for an EMS district sinking fund. The purpose of the ad valorem tax and the number of mills levied must be approved by 60 percent of the voters in an election held throughout the district. The amount of the annual levy must be sufficient to cover the annual interest payments and to pay the principal when the bonds mature.

Fire Protection Districts

Title 19, sections 901.1 – 901.29 of the Oklahoma Statutes provide the option to create fire protection districts. The Board of Directors of such districts has statutory authority to levy up to 7 mills for maintenance and operations. By vote of the people in the district, up to 3 more mills may be levied for maintenance and operations. For capital expenditures, a sinking fund levy may be established by 60 percent affirmative vote of the people.

Sewer Improvement Districts

Title 19, sections 871 – 898.7 of the Oklahoma Statutes provide the option to create sewer improvement districts. Once established the Board of Directors of the district may levy up to 10 mills for purposes of maintenance and operation activities of the district. A sinking fund levy for capital expenditures must be approved by a 60 percent majority of voters. Specific statutory references for the levies is found in the table.

Rural Road Improvement Districts

Title 19, sections 902.1 – 902.22 of the Oklahoma Statutes provide the option to create rural road improvement districts and levies to fund them. The road district Board of Directors has authority to approve up to a 3 mill levy for operations and maintenance. Additionally, by majority vote, up to an additional 3 mills may be levied for operations and maintenance. For capital expenditures, a 60 percent majority vote is required is required to assess up to 5 mills for a bond fund.

Acknowledgement

This fact sheet is an update and expansion of an earlier version prepared by Ms. Dolores Willett.

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