

Interim Study – Aug. 27, 2026

Senator Kendal Sacchieri

Bonding/Sinking funds and Property Tax

How property taxes are calculated:

$$\text{\$500,000} \times 11\% = \text{\$55,000} \times .11438 = \text{\$6,291 tax bill}$$

Property value of home:

Determined by market (sales, construction costs, mass appraisal etc.), placed on the tax roll by County Assessor, who assesses all taxable property in the County annually by its use and market to determine fair cash value. The Assessor is audited annually by the OTC to ensure they are in compliance with current market trends.

Assessed value

Assessment ratio:

Oklahoma constitution states real property shall not be assessed at a value less than 11% or greater than 13.5% of its Fair Cash Value. This percentage cannot be increased except upon approval by a majority of voters in the county. This ratio multiplied by the fair cash value gives you an assessed value, that is now ready to be levied against a tax districts' millage rate.

School district millage rate (tax rate/levy):

The millage rate is the tax per dollar of Assessed Value. It is expressed in "mills", where one mill is one-thousandth of a dollar. Thus a school district levy with 114.38 mills is expressed in decimal form.

These rates are not set by a County Assessor. The Assessor has no control or say in the determination of these rates. A school district rate is determined by the following entities:

- Public schools (School Board)
- Vocational Technology Centers
- EMS districts
- Public Library
- County (Commissioners/Excise Board)
- County Health Department

Tax rates are based upon budgets submitted by these taxing jurisdictions annually and include the amounts necessary to pay bonded indebtedness approved by a vote of the people. School district rates are adjusted and fluctuate every year.

Total Property Tax:

This is the calculated amount due for property taxes.

The school district millage rate (tax rate) levied against a property makes a great deal of difference in the taxes owed. There are approx. 14 different school districts in McClain County. Millage rates vary widely in McClain County and even more so across the state of Oklahoma. The lowest tax rate in McClain County is Paoli (81.57 mills) and the highest is Newcastle (116.70 mills). Compare those two tax bills using the same \$500K example above:

Paoli - \$4,486 property tax

Newcastle - \$6,419 property tax

Public schools receive the largest share of the property tax (roughly 70%). School sinking funds (Bonds) are the single biggest variable between all school district rates and why there is such a variation in taxes due on the same amount of property value.

What is its Purpose?

- **Ad Valorem generates monies to support public services and projects provided by the various units of local government within a taxing jurisdiction.**
- *There are multiple units of government within a single jurisdiction:*
 - EMS, Fire, Library, Vo-tech, Public Schools, County, etc. (special ones like Tulsa Achieves, any others?)
- *There are multiple jurisdictions (School districts) within a single County:*
 - Washington, Dibble, Blanchard, Newcastle, Purcell, Wayne, and joint districts, i.e, Alex, Paoli, Asher

Who decides the Mill Rates?

- Depending on which funds you are inquiring, all are statutory and Constitutional outside of debt (sinking funds), which debt rates are then determined by whoever is accruing the debt:
 - County Commissioners (County related debt)
 - School Boards (All School related debt)
 - Board of Trustees (EMS, Fire, Sewer debt)

 *Now there is a process to protest these tax rates in the fall, but it NEVER happens and if it did, could be detrimental to the school district until protest is resolved.*

Some statutes and law to know...

1. Constitutional 3% and 5% increase process. Questions?

Oklahoma Constitution Article 10 §8B & 68 O.S. §2802(29)

Some statutes and law to know...

✓ **Current Bonding is unconstitutional...in some Oklahoman's opinions**

✓ **Article X Section 26 OK Constitution –**

“...Provided, that if a school district has an absolute need therefor, such district may, with the assent of three-fifths of the voters thereof voting at an election to be held for that purpose, incur indebtedness to an amount, including existing indebtedness, in the aggregate exceeding five percent (5%) **but not exceeding ten percent (10%) of the valuation of the taxable property** therein...”

Blanchard 2024 – Net Assessed Valuation \$115,316,000 = \$5,765,800 (5%) or \$11,531,600 (10%)

SO how is that they just tried to pass a bond for \$66M ??

“Authorities” have been created to bypass the Constitution and create enormous debt...

Something called...
SERIES BONDS

OFFICIAL BALLOT
August 27, 2024
MCCLAIN COUNTY, OKLAHOMA

TO VOTE:
FILL IN THE BOX NEXT TO
YOUR CHOICE(S) LIKE THIS:

 Correct  Incorrect

PROPOSITIONS

PROPOSITION

Shall Independent School District Number 29 of McClain County, Oklahoma, incur an indebtedness by issuing its bonds in the sum of Sixty Six Million One Hundred Fifteen Thousand Dollars (\$66,115,000) to be issued in one or more series to provide funds for the purpose of constructing, equipping, repairing and remodeling school buildings, acquiring school furniture, fixtures and equipment and acquiring and improving school sites, and levy and collect an annual tax, in addition to all other taxes, upon all the taxable property in such District sufficient to pay the interest on such bonds as it falls due and also to constitute a sinking fund for the payment of the principal thereof when due, said bonds to bear interest not to exceed the rate of ten (10%) percentum per annum, payable semi-annually and to become due serially within ten (10) years from their date?

☐ FOR THE PROPOSITION - YES

☐ AGAINST THE PROPOSITION - NO

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This is why SB 1124 was filed in 2025

- Ensure that the bond is being paid back in a way that was sold to the voters on the ballot.
- It doesn't address the unconstitutionality, but it at least keeps transparency and honesty in the process of voting for these series bonds on how they would actually be paid back and expire.

Did you know??

- The 2017 Bond transparency Act purposely EXCLUDES series bond from scrutiny to all the players involved in the debt?
 - **Title 62 - Public Finance**
 - **§62-896.1**
 - *D. The provisions of this section shall not be applicable to obligations issued by a trust organized pursuant to the provisions of Section 176 et seq. of Title 60 of the Oklahoma Statutes.*
- SB 817 was filed to correct this and include series bonds...no floor hearing and title struck.

Some statutes and law to know...

- **§70-18-113.3**

- “...I. Any school district which at the beginning of the school year does not have sufficient classrooms to meet the class size limitation provided for in this section as determined by guidelines established by the State Board of Education shall not be penalized for failure to meet the class size limitations provided for in this section if:
 - 1. The school district has voted indebtedness, at any time within the five (5) years preceding the year the district exceeds the class size limitations or during the year the district exceeds the class size limitations, through the issuance of bonds or approval by voters of issuance of new bonds for more than eighty-five percent (85%) of the maximum allowable...”