SUPREME COURT OF OKLAHOMA

Fent v. Fallin

2014 OK 105 (Okla. 2014) · No. 112867 · Decided December 2, 2014

SUMMARY

The Oklahoma Supreme Court considered whether Senate Bill No. 1246, which reduced certain state income tax rates, was a revenue bill subject to the origination, referendum, and supermajority requirements of article 5, section 33 of the Oklahoma Constitution. The court held that the 1992 constitutional amendment's references to bills intended to raise revenue concerned measures that increase the tax burden, and therefore SB 1246 was not subject to those requirements. The court assumed original jurisdiction, denied declaratory relief, upheld the bill, and expressly overruled Anderson v. Ritterbusch to the extent it implied otherwise.

CASE DETAILS

COURT	Supreme Court of Oklahoma
WRITING FOR THE COURT	Kauger, J.; Reif, V.C.J.; Edmondson, J.; Taylor, J.; Combs, J.; Gurich, J.; Winchester, J.; Colbert, C.J.; Watt, J.
JURISDICTION	Oklahoma
DECIDED	December 2, 2014
DOCKET	112867
DISPOSITION	other
PROCEDURAL POSTURE	Original action seeking declaratory relief and writs of injunction and/or mandamus challenging the constitutionality of Senate Bill No. 1246.
STANDARD OF REVIEW	The court interpreted article 5, section 33 of the Oklahoma Constitution de novo as a question of constitutional and statutory meaning.
PRECEDENTIAL VALUE	unpublished opinion; subject to revision or withdrawal at issuance
PARTIES	Jerry F. Fent v. Mary Fallin, Governor of the State of Oklahoma

TOPICS

income tax · constitutional law · statutory interpretation · appellate jurisdiction

PRACTICE AREAS

constitutional law | taxation | appellate procedure

QUESTIONS PRESENTED

1. Whether Senate Bill No. 1246 was a revenue bill subject to the origination, referendum, and supermajority requirements of article 5, section 33 of the Oklahoma Constitution.
2. Whether the phrase "raising revenue" in article 5, section 33 means increasing revenue or includes legislation that reduces income tax rates.

HOLDINGS

1. In the context of the 1992 amendment and its ballot title, "raising revenue" means increasing revenue; the constitutional restrictions do not apply to a statutory enactment that reduces state income tax rates.
2. Senate Bill No. 1246 is not unconstitutional because the popular-vote and supermajority requirements of article 5, section 33 do not apply to the 2014 enactment reducing state income tax rates.

KEY QUOTATIONS

> *"We hold that because the ballot title reveals that the measure was aimed at only bills "intended to raise revenue" and "revenue raising bills," the obvious meaning of raising revenue in this context is to increase revenue."* (¶1)

> *"The popular vote/super-majority approvals in art. 5, §33 do not apply to the 2014 statutory enactment that reduced State income tax rates."* (¶18)

FACTUAL BACKGROUND

Senate Bill No. 1246 modified Oklahoma income tax rates, with the changes becoming effective in fiscal year 2016. The bill originated in the Senate, passed both legislative chambers, was approved by the Governor, and was filed with the Secretary of State. Fent argued that the bill was a revenue bill subject to article 5, section 33 of the Oklahoma Constitution because it concerned the collection of taxes, while the State argued that a bill reducing income tax rates did not raise revenue.

PROCEDURAL HISTORY

Fent, an Oklahoma resident taxpayer, filed an original action challenging Senate Bill No. 1246 after its enactment. The Oklahoma Supreme Court assumed original jurisdiction, heard oral argument, denied declaratory relief, and held that the statute was not unconstitutional.

DISPOSITION

other

CASES CITED

- Anderson v. Ritterbusch, 1908 OK 250, 98 P. 1002, 22 Okla. 761

- Perry County et al. v. Selma, etc., Railway Company, 58 Ala. 546
- In re Initiative Petition No. 348, State Question No. 640, 1991 OK 110, 820 P.2d 772
- Calvey v. Daxon, 2000 OK 17, 997 P.2d 164
- Atkinson v. Halliburton Co., 1995 OK 104, 905 P.2d 772
- Southwestern Bell Telephone Co. v. Oklahoma State Board of Equalization, 2009 OK 72, 231 P.3d 638
- In re Assessment of Personal Property Taxes Against Missouri Gas Energy, 2008 OK 94, 234 P.3d 938