Oklahoma State Questions 844, 847 and 843: A Clear Overview

Oklahoma is currently considering three state questions that could affect local funding for communities across the state.

- **State Question 844** would change how schools, CareerTech and communities are reimbursed for property tax revenue lost through Oklahoma's manufacturing ad valorem tax exemption program.
- **State Question 847** would limit how quickly taxable property values can increase each year, slowing the growth of local property tax revenue over time and impacting funds available for schools, CareerTech and community services.
- **State Question 843** would gradually eliminate property taxes on owner-occupied homes, if it ultimately qualifies for and is approved by voters at a future statewide election. The estimated impact is a reduction of $1.2 billion in funding for schools, CareerTech and community services.

Understanding how these measures work is important because local property taxes help fund Oklahoma's CareerTech system and many of the essential services communities rely on every day.

- Watch the Supreme Court Hearing
- Download the Overview
- Watch The Webinar Recording

FREQUENTLY ASKED QUESTIONS

Understanding Local Funding

What are property taxes (ad valorem taxes)?

Property taxes (also called ad valorem taxes) are local taxes paid on real estate. Unlike state income or sales taxes, these dollars stay in the community where they are collected and are invested by locally elected officials to support local priorities.

Property taxes help pay for:

- Public schools
- Oklahoma CareerTech centers
- County government services
- Libraries
- Public health departments
- Emergency medical services
- Roads, courts, and elections

What would State Question 844 do?

- **Current status: On the ballot August 25, 2026**

- Referred to voters by the Oklahoma Legislature through a legislative referendum.
- Oklahoma currently provides qualifying new manufacturers a five-year exemption from local property taxes.
- Today, the Oklahoma Constitution requires the state to reimburse local entities – including public schools, counties, libraries, the CareerTech system, county health departments and EMS districts – for the property tax revenue lost because of that exemption.
- SQ 844 would not change the manufacturing exemption.
- Instead, it would allow the Legislature to determine future reimbursement amounts and methodology rather than those requirements being established in the Constitution.

Why does SQ 844 matter?

- The measure does not automatically reduce reimbursement.
- However, because it would no longer be protected by the Constitution, future reimbursement levels could change.
- There is no guarantee future reimbursement amounts would remain the same.
- Changes could affect local funding for essential community services.

What would State Question 847 do?

- **Current status: On the ballot November 3, 2026**
- Referred to voters by the Oklahoma Legislature through a legislative referendum.
- Changes Oklahoma's constitutional limit on how quickly the taxable value of property can increase each year.
  - For homestead property, the maximum annual increase would decrease from 3% to 1.75%.
  - For non-homestead property, the maximum annual increase would decrease from 5% to 4%.
- Lowers the maximum annual increase in taxable property values.
- Over time, lower growth limits on taxable property values would slow the growth of local property tax revenue.
- The measure is estimated to reduce funding to Oklahoma's CareerTech system by more than $100 million over the first 10 years.

Why does SQ 847 matter?

- Slower growth in taxable property values would slow the future growth of local property tax revenue over time.

- Over time, the growth in local property tax revenue could fall below the rate of inflation, reducing purchasing power for locally funded services.
- For K-12 schools, slower revenue growth could affect efforts to maintain smaller class sizes and expand CareerTech opportunities for students.
- For CareerTech, slower revenue growth could limit the system's ability to expand programs, respond to workforce needs and serve additional students.
- Oklahoma's CareerTech system was established to rely heavily on local ad valorem tax revenue to support long-term growth and responsiveness to local workforce needs, a funding structure established in the Oklahoma Constitution.

What would State Question 843 do?

- **Current status:** Under review by the Oklahoma Supreme Court.
- Filed as a citizen initiative petition rather than referred by the Legislature.
- State Question 843 would gradually eliminate property taxes on owner-occupied homes over three years:
  - 2027: 33% exemption
  - 2028: 66% exemption
  - 2029: 100% exemption
- The exemption is projected to reduce local revenues by about **$1.2 billion per year** once fully implemented.
- Property taxes would still apply to commercial property, rental property, and most non-homestead property.
- The proposal is currently under review by the Oklahoma Supreme Court.
  - If the Court finds the proposal unconstitutional, it will not move forward.
  - If the Court upholds the proposal, supporters must complete the initiative petition process before it could appear on a future statewide ballot.

Why does SQ 843 matter?

- Property taxes are a major source of local funding for Oklahoma communities.
- Eliminating property taxes on owner-occupied homes would significantly reduce local property tax revenue over time.
- Reduced local funding could affect the resources available to support the CareerTech system and other essential community services.

Are property taxes a state tax?

- No. Property taxes are a local revenue source.

- Property tax dollars stay in the communities where they are collected, giving local elected officials the flexibility to invest in the services and priorities that best meet local needs.
- Because these decisions are made locally, communities have greater control over how local funding is used.

If property taxes are reduced, won't governments just spend less?

- No, the cost of operating schools, emergency services, CareerTech, and road and bridge maintenance does not disappear when revenue declines.

If local funding decreases, what options would communities have?

- Communities could face difficult decisions:
  - Reduce services
  - Shift costs to other taxpayers, like individuals, commercial or agricultural
  - Seek replacement funding from the state

Is there a replacement funding source?

- No, none of the three measures identifies a dedicated replacement funding source for the local funding that could be affected.

Does Oklahoma already offer property tax relief?

Yes. Oklahoma provides several targeted relief programs, including:

- Homestead exemptions
- Additional exemptions for qualifying low-income homeowners
- Senior property tax protections
- Exemptions for veterans and surviving spouses

These programs reduce taxes for those who need help while preserving funding for local services.

Why should I care?

- Local property taxes support many of the essential services Oklahomans rely on every day.
- Changes to local funding can affect how communities invest in education, emergency services, health, workforce development, infrastructure and other local priorities.
- Understanding how these measures work helps voters make informed decisions about their communities.

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CareerTech Questions

Why is OkACTE concerned about these state questions?

- Approximately 63% of revenue for Oklahoma's CareerTech Centers and K-12 school districts is generated through local property taxes.
- This funding supports:
  - Workforce training programs
  - Modern equipment and facilities
  - K-12 CareerTech programs
  - Career and technical education for students and adults
  - Expansion of high-demand programs
- CareerTech programs delivered through K-12 school districts could face a compounded impact, as both CareerTech funding and local school district funding rely heavily on local property taxes.
- If one arm of the CareerTech system takes a deep cut, it will be felt throughout the entire system.

Could CareerTech programs be affected?

- Yes. The CareerTech system uses property tax revenue to support:
  - Workforce and industry training
  - Skilled trades education
  - K-12 CareerTech programs
  - Equipment and technology upgrades
  - Adult education programs
- Reduced funding could limit program growth and workforce development efforts.
- CareerTech is one example of many locally funded services that rely on property tax revenue. Public schools, libraries, emergency medical services, county government, roads and bridges, and public health departments could also be affected, depending on the measure and future funding decisions.

Could public schools be affected?

- Yes. Property taxes are a major source of local K-12 public school funding.
- Significant revenue losses could affect:
  - Teacher recruitment and retention
  - Classroom resources
  - Student programs and extracurriculars
  - Facility improvements and long-term planning
- K-12 CareerTech programs could face a compounded impact because they rely on both CareerTech funding and the funding their local school districts receive.

Why is Oklahoma's CareerTech system important?

CareerTech plays a vital role in Oklahoma’s economy by:

- Preparing students for in-demand jobs
- Training workers for local employers
- Supporting economic development
- Meeting workforce needs in healthcare, manufacturing, construction, energy, and technology

Strong CareerTech systems help communities grow and attract businesses.

KEY TAKEAWAYS

- Property taxes are local taxes that stay in the communities where they are collected.
- Changes to local property tax revenue can have long-term effects on the ability of K-12 schools and the CareerTech system to respond to enrollment growth and meet the changing needs of their communities.
- Local funding gives communities the flexibility to invest in local priorities and essential services.
- State Questions 844, 847 and 843 each propose different changes to Oklahoma's property tax system.
- None of the three measures identifies a dedicated replacement funding source for the local funding that could be affected.
- Understanding these measures helps Oklahomans make informed decisions about their communities.

Questions? If you have any questions about 844, 847 & 843, please send an email here.