

CHAPTER 7: FINANCE AND TAXATION

ARTICLE 1

Finance and Budget Administration

DIVISION 1

General Provisions

SECTION 7-101 DEPOSITORIES DESIGNATED; FUNDS TO BE DEPOSITED.

All banks which are incorporated under federal or state law, and other institutions approved by the mayor and Board, may be designated as depositories for the funds of the town. The town treasurer shall deposit daily all public funds received by him in such banks.

State Law Reference: Deposits by treasurers, designation of depositories; 11 O.S. Section 12-110.

SECTION 7-102 FUNDS SECURED BY UNIT COLLATERAL SYSTEM

The deposits of the town shall be secured by the Unit Collateral System provided by the Oklahoma Statutes.

State Law Reference: Unit Collateral System, 62 O.S. Sections 516.1 et seq.

SECTION 7-103 CERTAIN OFFICER AND EMPLOYEES PROHIBITED FROM CONDUCTING CERTAIN BUSINESS WITH MUNICIPALITY-VIOLATIONS

A. Except as otherwise provided by this section, no municipal officer or employee, or any business in which said officer, employee, or spouse of the officer or employee has a proprietary interest, shall engage in:

1. Selling, buying, or leasing property, real or personal, to or from the municipality;
2. Contracting with the municipality; or
3. Buying or bartering for or otherwise engaging in any manner in the acquisition of any bonds, warrants, or other evidence of indebtedness of the municipality.

B. For purposes of this section, "employee" means any person who is employed by a municipality more than ten (10) hours in a week for more than thirteen (13) consecutive weeks and who enters in to, recommends or participates in the decision to enter into any transaction described in subsection A of this section. Provided that any person who receives wages, reimbursement for expenses, or emoluments of any kind from a municipality, any spouse of such person, or any business in which such person or spouse has a proprietary interest shall not buy or otherwise become interested in the transfer of any surplus property of a municipality or a public trust of which the municipality is beneficiary unless such surplus property is offered for sale to the public after notice of the sale is published. For purposes of this section, "proprietary interest" means ownership of more than twenty-five percent (25%) of the business or of the stock therein or

any percentage which constitutes a controlling interest but shall not include any such interest held by a blind trust.

C. Any person convicted of violating the provisions of this section shall be guilty of an offense. Any transaction entered into in violation of the provisions of this section is void. Any member of a governing body who approves any transaction in violation of the provisions of this section shall be held personally liable for the amount of said transaction.

D. The provisions of this section shall not apply to any officer or employee who has a proprietary interest in a business which is the only business of that type within ten (10) miles of the corporate limits of the municipality. However, any activities permitted by this subsection shall not exceed Five Hundred Dollars (\$500.00) for any single activity and shall not exceed Ten Thousand Dollars (\$10,000.00) for all activities in any calendar year.

SECTION 7-104 PETTY CASH

A. General Rules

1. As provided for in Title 11 O.S., Section 17-102(D), the Town may have petty cash amounts for use in making certain small payments for costs incurred in operating the Town.

2. Each petty cash amount established shall require governing body approval, including the imprest amount of the petty cash amount. However, in no case should the imprest balance exceed \$250.00.

3. The petty cash amount shall be reimbursed by utilizing properly itemized invoices in the manner used for payment of purchases of goods and services. However, in no case shall an individual payment from petty cash exceed \$50.00.

SECTION 7-105 PURCHASE ORDERS.

A. All officers and employees having authority to purchase or contract against all budget appropriation accounts as authorized by law shall submit all purchase orders and contracts prior to the time the commitment is made, to the town clerk, who shall, if there be an unencumbered balance in the appropriation made for that purpose, so certify in the following form:

I hereby certify that the amount of this encumbrance has been entered against the designated appropriation accounts and that this encumbrance is within the authorized available balance of said appropriation.

Dated this ___ day of _____, 20__.

Encumbering Officer or Clerk of _____

Provided, in instances where it is impossible to ascertain the exact amount of expenditures to be made at the time of recording the encumbrance, an estimated amount may be used and the encumbrance made in like manner as set forth above. Provided, no purchase order or contract shall be valid unless signed and approved by the purchasing officer and certified as above set forth by the officer or clerk charged with keeping the appropriation and expenditure records. The clerk or encumbering officer shall retain and file one copy of the purchase order.

B. After satisfactory delivery of the merchandise or completion of the contract, the supplier shall deliver an invoice. Such invoice shall state the supplier's name and address and must be sufficiently itemized to clearly describe each item purchased, its unit price, where applicable, the number or volume of each item purchased, its total price, the total of the purchase and the date of the purchase. The appropriate municipal officer shall attach the itemized invoice together with delivery tickets, freight tickets or other supporting information to the original of the purchase order and, after approving and signing said original copy of the purchase order shall submit the invoices, the purchase order and other supporting data for consideration for payment by the Board of Trustees. All invoices submitted shall be examined by the Board of Trustees to determine their legality. The Board of Trustees shall approve such invoices for payment in the amount the Board determines just and correct.

C. In addition to the authority provided hereinabove, the Mayor is hereby authorized to sign all municipal checks along with the Treasurer and to approve payments of invoices without prior Board approval, including but not limited to those times necessary to avoid late payment penalties, provide for payment of C.O.D.'s, emergency purchases to take advantage of discounts, to attend and bid at private or public auctions, or pursuant to any provision in any contract which has heretofore been approved by the Board of Trustees. Such payments made pursuant to this subsection by the Mayor shall be approved and executed by the Mayor and the Town Clerk/Treasurer. Except for emergency purchases, no payments made pursuant to this section shall exceed the expenditure classification of the respective department as approved in the current budget. Such payments shall be placed on the next regularly scheduled Board meeting under the category of Prepaid Invoices or Payments.

SECTION 7-106 STATEMENT OF NONCOLLUSION.

A. Except as provided in subsection B of this section, on every invoice submitted to the town for payment to an architect, contractor, engineer or supplier of material of One Thousand Dollars (\$1,000.00) or more shall be the following signed and notarized statement:

STATE OF OKLAHOMA)
) ss
 COUNTY OF GRANT)

The undersigned (architect, contractor, supplier or engineer), of lawful age, being first duly sworn, on oath says that this invoice or claim is true and correct. Affiant further states that the (work, services or materials) as shown by this invoice or claim have been (completed or supplied) in accordance with the plans, specifications, orders or requests furnished the affiant. Affiant further states that (s) he has made no payment directly or indirectly to any elected official, officer or employee of the State of Oklahoma, any county or local subdivision of the state, of money or any other thing of value to obtain payment of the invoice or procure the contract or purchase order pursuant to which an invoice is required.

 (Contractor, supplier, engineer or architect)

Subscribed and sworn to before me this __ day of __, 20__.

 Notary Public (or Clerk or Judge)

B. Any municipality executing a contract with any architect, contractor, supplier or engineer for work, services or materials which are needed on a continual basis from such architect, contractor, supplier or engineer under the terms of such contract, may require that the architect, contractor, supplier or engineer complete a signed and notarized affidavit in substantial form as provided by subsection A of this section which shall apply to all work, services or materials completed or supplied under the terms of the contract and shall be in lieu of all individual affidavits for each invoice submitted in relation to such contract as required in subsection A of this section.

SECTION 7-107 PAYROLL DISBURSEMENTS

A. For all employees and officers of the Town of Lamont, a documented record shall be maintained in a personnel file of the authorized rate of pay or salary for each employee and officer.

B. For each pay period, a record of time worked shall be prepared in the form of time sheets or logs for each employee and officer to be paid. Such record of time worked shall be verified as to its accuracy in writing by the employee or officer and the Mayor.

C. Upon verification of the work record, a payroll register including the amount of gross pay, authorized deductions, and the net pay shall be prepared by the Town Clerk/Treasurer.

D. The net payroll checks shall be prepared for the payroll register, along with checks for payment of related payroll taxes and other payroll benefits required by law or contract.

E. The payroll checks and the payroll register shall be presented to the Mayor who shall compare the payroll checks to the payroll register and verify their accuracy. Upon verification, such two authorized check signers shall sign the checks. The Town Clerk/Treasurer shall then record the checks in the appropriate cash disbursements journals.

F. The payroll register shall be provided to the governing body for informational purposes at the next regular meeting; however, governing body approval is not required prior to payment of payroll relating costs if incurred and paid in accordance with the provisions above.

SECTION 7-108 PURCHASES OF GOODS AND SERVICES (OTHER THAN PAYROLL AND PAYROLL RELATED).

A. The following employees or officers have been designated as purchasing officers empowered to purchase or contract against budget appropriations accounts:

1. Town Clerk/Treasurer
2. Street & Alley Superintendent
3. Fire Chief
4. Chairman of the Board of Trustees
3. Police Chief

B. The officer or employee receiving satisfactory delivery of merchandise or contract services shall acknowledge such fact by signing the invoice or delivery ticket. The invoice, along with delivery ticket if applicable, must then be verified by the authorized purchasing officer as to quantities, services and prices. If correct, the invoice must then be signed by the authorized purchasing officer and coded with the fund(s) and budget line item(s) to be charged.

C. The Town Clerk/Treasurer shall review all invoices for proper signatures and appropriateness of fund(s) and budget line item(s) to be charged. Upon acceptance of the invoices, the Town Clerk/Treasurer shall prepare checks in payment of the invoices, and shall cancel each invoice the date paid, the check number used to pay the invoice and the amount paid with the check.

D. The invoices and checks shall be presented to Mayor who shall compare the checks to the invoices and verify their accuracy. Upon verification, two (2) authorized check signers shall sign the checks. The Town Clerk/Treasurer shall record the checks in the appropriate cash disbursement journals and shall prepare a check register. The check register shall list in check date, check number, vendor and check amount.

E. The check register shall be provided to the governing body for informational purposes at their next regular meeting; however, governing body approval is not required prior to payment of invoices if paid charges were incurred and paid in accordance with the provisions above.

F. For all purchases of goods and services (other than payroll and related) over \$3000.00, purchase orders or contracts shall be prepared and approved by the governing body prior to the time the purchase commitment is made, and such approval shall be recorded in the minutes of the governing body. Additionally, the Town Clerk/Treasurer shall immediately determine that there exists available unencumbered appropriation in the accounts to be charged, and such determination shall also be recorded in the minutes. Should appropriation not be available for the proposed purchase or commitment, the purchase or commitment shall not proceed until the necessary budget amendments are authorized.

SECTION 7-109 INTERFUND TRANSFERS

1. All transfers between funds shall be made in accordance with governing body appropriations as reflected in the original or amended Town budget.

2. Once lawfully appropriated, interfund transfer payments may be made by the Town Clerk/Treasurer without further governing body approval in the manner used for payment of purchases of goods and services.

SECTION 7-109A DEBT SERVICE

1. All long-term indebtedness in the form of bonds, notes, or lease purchase obligations shall be incurred in the manner provided by law.

2. Once lawfully incurred, the Town Clerk/Treasurer shall make payment of principal and interest on the debt in accordance with the terms specified by the lender without further approval of the governing body.

3. The manner of payment shall be consistent with the manner used for payment of goods and services.

4. Current balances on outstanding debt shall be maintained by the Town Treasurer in the appropriate journals.

SECTION 7-109B FINANCIAL REPORTING

1. The Town Clerk/Treasurer shall prepare written monthly financial reports which disclose at least all receipts and expenditures by fund in the same format as the approved budget and showing the variance of the budget.

2. The financial reports shall be placed on the agenda for acknowledgment by the governing body at each regular meeting.

SECTION 7-109C APPLICABILITY TO PUBLIC TRUSTS

1. For all public trusts created pursuant to Title 60 O.S., Sections 176-180, for which the Town is beneficiary and for which the trust's board of trustees is comprised entirely of the member of the Town's board of trustees, all sections of this division shall apply.

2. For the purposes of public trusts as defined above, the Town Clerk shall mean the Trust Secretary and Town Treasurer shall mean Trust Treasurer as defined by the trust indenture.

DIVISION 2

COMPETITIVE BIDDING

SECTION 7-110 DEFINITIONS.

For the purposes of this Division, the following terms, phrases, words and their derivations shall have the meaning given herein:

1. "Town" means this town and means the town government in all its forms, including not only the town departments but also any agency, the board of trustees, or other persons or entities acting for or on behalf of the town.

2. "Emergency" means the conditions resulting from a sudden unexpected happening or unforeseen occurrence or a condition and situation wherein the public health or safety is in endangered;

3. "Public construction contract" or "contract" for purposes of Section 7-111 and the Public Competitive Bidding Act of 1974, as amended (hereinafter the "Act"), shall mean any contract, exceeding Twenty Five Thousand Dollars (\$25,000.00) in amount, awarded by the Town or any of its public trust authorities for the purpose of making any public improvements or constructing any public building or making repairs to or performing maintenance on to same, except where the improvements or buildings leased to a person or other legal entity exclusively for private and not for public use and no public tax revenues shall be expended on or for the contract unless the public tax revenues used for the project are authorized by a majority vote of the applicable public agency voting at an election held for that purpose and the public tax revenues do not exceed twenty-five percent (25%) of the total project cost. The amount of public tax dollars committed to the project will not exceed a fixed amount established by resolution of the governing body prior to or concurrent with approval of the project;

4. "Public improvement" means any beneficial or valuable change or addition, betterment, enhancement or amelioration of or upon any real property, or interest therein, belonging to a public

agency, intended to enhance its value, beauty or utility or adapt it to new or future purposes. The term does not include the direct purchases of materials, equipment or supplies by the Town or any of its public trust authorities or personal property as defined herein.

SECTION 7-111 OKLAHOMA PUBLIC COMPETITIVE BIDDING ACT.

A. Public construction contracts shall be let and awarded to the lowest responsible bidder, by free and open competitive bidding after solicitation for sealed bids, in accordance with Sections 101 to 136 of Title 61 of the Oklahoma Statutes, or as hereafter amended. No work shall be commenced until a written contract is executed and all required bonds and insurance have been provided by the contractor to the Town.

B. Department heads or third party contractors shall prepare bid specifications along with requisitions and submit same to the Mayor and Town Board of Trustees for their approval.

C. The Town Clerk will develop a bidder's list. Bid solicitations will be made equally and uniformly known to all prospective bidders and the public:

1. Notice will be mailed twenty (20) days prior to the bid opening date to prospective bidders who have made known, in writing, to the using agency their interest in bidding within twelve (12) months immediately preceding the date of opening the bids;

2. Notice will be published in two (2) consecutive issues of a newspaper of general circulation twenty (20) days prior to the bid opening date; and

3. Notice will be sent to trade or construction publications when the estimated cost exceeds Fifty Thousand Dollars (\$50,000.00).

D. One complete set of bid documents will be kept on file in the Town clerk's office twenty (20) days prior to the bid opening date. Copies may be obtained by prospective bidders after paying a reasonable deposit as set by the mayor.

E. A bidder on a public construction contract exceeding Twenty Five Thousand Dollars (\$25,000.00) will accompany the bid with:

1. A certified or cashier's check or bid bond or irrevocable letter of credit in an amount equal to five percent (5%) of the bid, which shall be deposited with the Town as a guaranty; or

2. An irrevocable letter of credit containing terms the Department of Central Services prescribes, issued by a financial institution insured by the Federal Deposit Insurance Corporation for the benefit of the state, on behalf of the awarding public agency, in an amount equal to five percent (5%) of the bid. The Town shall deposit the irrevocable letter or credit with the Department of Central Service.

The cost of republication of the notice to bidders, actual expenses incurred by reason of the bidder's default and the difference between the low bid of the defaulting bidder and the amount of the bid of the bidder to whom the contract is subsequently awarded, but not to exceed the amount of the certified check, bid bond or irrevocable letter of credit may, at the discretion of the Town, be forfeited to the Town in the event the apparently successful bidder fails to execute the contract or fails to provide the required bonds or irrevocable letters of credit and insurance to the Town.

F. A non-collusion affidavit and a business relationship affidavit shall also accompany bidder proposals.

G. Any bid received by the Town or an officer and employee thereof, more than ninety-six (96) hours, excluding Saturdays, Sundays and holidays, before the time set for the opening of the bids, or any bid so received after the time set for opening of the bids, shall not be considered by the Town and shall be returned unopened to the bidder submitting the same.

H. All bids shall be sealed and opened only at the time and place mentioned in the bid Section, and read aloud in the presence of an administrative officer of the Town. Such bid openings shall be open to the public and to all bidders.

I. Except as otherwise provided by law, within such period of time, not to exceed sixty (60) days, as shall be specified in the bid notice by the Town, a contract embodying the terms set forth in the bidding documents shall be executed by the Town and the successful bidder. No bidder shall obtain any property rights in a contract awarded under the provisions of the Public Competitive Bidding Act of 1974 until the contract has been fully executed by both the bidder and the Town.

J. Bonds, irrevocable letters of credit and insurance as provided by Section 113 of Title 61 of the Oklahoma Statutes, shall be provided by the successful bidder to the Town.

K. If an award is made to other than the lowest bidder, the Town shall accompany its action with a publicized statement setting forth the reason for its action. Such statement shall be placed on file, open to public inspection and be a matter of public record.

L. All invoices submitted for work performed shall be accompanied by a sworn certification by the architect or engineer that the work has been completed in accordance with specifications.

M. The Mayor and Board of Trustees by a majority vote may reject any and all bids and rebid the project if the public interest would be better served.

N. If no timely bid is received on any public construction contract not exceeding Fifty Thousand Dollars (\$50,000.00), the Board of Trustees may direct the Mayor to negotiate a contract with the prospective bidder. The amount of the contract which may be awarded by the governing body pursuant to this Section shall not exceed Fifty Thousand Dollars (\$50,000.00) and the work to be performed shall be as specified in the initial bidding documents. The contract shall be executed within six (6) months after the date initially set for opening of bids. The contract and contract procedure shall conform to all the other applicable provisions of the Public Competitive Bidding Act of 1974.

O. The Town shall return the certified or cashier's check, bid bond, or irrevocable letter of credit to the successful bidder on execution and delivery of the contract and required bonds or irrevocable letters of credit and insurance. Checks of unsuccessful bidders shall be returned at them in accordance with the terms of the bid solicitation.

P. Nothing herein shall be construed so as to prevent the Town or the courts from exonerating the bidder and other parties to the bid security document from liability upon a timely showing that the bidder committed what the courts have determined under the common law to be an excisable bidding error and for that reason it would not be equitable to enforce the bid security.

Q. Change Orders.

1. Change orders or addenda to public construction contracts of One Million Dollars (\$1,000,000.00) or less shall not exceed a fifteen percent (15%) cumulative increase in the original contract amount.

2. Change orders or addend to public construction contracts of over One Million Dollars (\$1,000,000.00) shall not exceed the greater of One Hundred Fifty Thousand Dollars (\$150,000.00) or a ten percent (10%) cumulative increase in the original contract amount.

3. Change orders or cumulative change orders which exceed the limits of Subsection Q1 and Q2 of this Section shall require a re-advertising for bids on the incomplete portions of the contract.

4. If a construction contract contains unit pricing, and the change order pertains to the unit price, the change order will not be subject to Subsection Q1 and Q2 of this Section.

5. When the unit price change does not exceed Ten Thousand Dollars (\$10,000.00), the unit price change order computation may be based on an acceptable unit price basis in lieu of the following cost itemization, which shall be performed as follows in all other incidents.

Such change orders shall contain a unit price and a total for each of the following items:

- a. All materials with cost per item;
- b. Itemization of all labor with number of hours per operation and cost per hour;
- c. Itemization of all equipment with the type of equipment, number of each type, cost per hour for each type, and number of hours of actual operation for each type;
- d. Itemization of insurance cost, bond cost, social security, taxes, workers; compensation, employee fringe benefits and overhead cost;
- e. Profit for the contractor.

SECTION 7-112 ENCUMBRANCE OF FUNDS

Except in cases of emergency, the agent shall not issue any order for delivery on a contract or purchase order until the town clerk shall have certified that there is to the credit of the using agency concerned sufficient unencumbered appropriation balance in excess of all unpaid obligations, to defray the amount of such order.

SECTION 7-113 EMERGENCY PURCHASES

The provisions of this article with reference to notice and bids shall not apply whenever the board of trustees declares by a two-thirds (2/3) vote of all the members of the board of trustees that an emergency exists. The reasons for declaring an emergency and not complying with the provisions of this article shall be entered into the official minutes of the board of trustees.

SECTION 7-114 SALES; BOARD OF TRUSTEES TO DECLARE SURPLUS OR OBSOLETE;
DISPOSAL AS DIRECTED BY THE TOWN BOARD OF TRUSTEES.

No surplus or obsolete supplies, materials or equipment may be sold until the board of trustees shall have declared same obsolete or surplus. The board of trustees may dispose of such obsolete or surplus property as they deem to be in the best interest of the town.

ARTICLE 2

SALES TAX

SECTION 7-201 CITATION AND CODIFICATION.

This chapter shall be known and may be cited as "Town of Lamont Sales Tax Ordinance."

State Law Reference: Authority to levy (sales) taxes for municipal purposes, 68 O.S. § 2701; 68 O.S. §§ 1350 et seq.

A. The definitions of words, terms and phrases contained in the Oklahoma Sales Tax Code, Section 1352 of Title 68 of the Oklahoma Statutes, and in Sections 576 and 593 of Title 37 of the Oklahoma Statutes, are hereby adopted by reference and made a part of this chapter.

B. A sale shall include the sale, preparation or service of ice or nonalcoholic beverages that are sold, prepared or served for the purpose of being mixed with alcoholic beverages for consumption on the premises where such sale, preparation or otherwise occurs.

C. The definition of "gross receipts" in the State Sales Tax Code is hereby augmented to contain the additional following words: "The total retail sale price received for the sale, preparation or service of mixed beverages, ice and non-alcoholic beverages to be mixed with alcoholic beverages for consumption on the premises where such sale, preparation or service occurs shall constitute the gross receipts from such transaction."

SECTION 7-203 TAX COLLECTOR DEFINED.

The term "tax collector" as used in this Article means the department of the town or the official agency of the state duly designated according to law or contract, and authorized by law to administer the collection of the tax levied in this Article.

SECTION 7-204 CLASSIFICATION OF TAXPAYERS.

For the purpose of this Article the classification of taxpayers hereunder shall be as prescribed by state law for purposes of the Oklahoma Sales Tax Code.

SECTION 7-205 SUBSISTING STATE PERMITS.

All valid and subsisting permits to do business issued by the Oklahoma Tax Commission pursuant to the Oklahoma Sales Tax Code are, for the purpose of this Article, hereby ratified,

confirmed and adopted in lieu of any requirement for an additional town permit for the same purpose.

SECTION 7-206 PURPOSE OF REVENUES.

A. It is the purpose on the *additional* two percent (2%) sales tax levied pursuant to Ordinance No. 2008-1 to provide revenues for support of the functions of the municipal government of the town.

SECTION 7-207 TAX IMPOSED; AMOUNT.

A. There is hereby declared and shall be levied and collected, an additional Town excise (sales) tax of two percent (2%), such sales tax being in addition to the City and State Sales Taxes heretofore levied or assessed, upon the gross proceeds or receipts derived from all sales to any person taxable under sales tax laws for the State of Oklahoma :

1. Tangible personal property, except newspapers and periodicals;
2. Natural or artificial gas, electricity, ice, steam, or any other utility or public service, and associated delivery or transmission services, except water, sewage and refuse and those specifically exempt pursuant to the provisions of 68 O.S. §1357;
3. Transportation for hire to persons by common carriers, including railroads both steam and electric, motor transportation companies, Pullman car companies, airlines, and other means of transportation for hire, excluding:
 - a. Transportation services provided by a tourism service broker which are incidental to the rendition of tourism brokerage services by such broker to a customer regardless of whether or not such transportation services are actually owned and operated by the tourism service broker. For purposes of this subsection, "tourism service broker" means any person, firm, association or corporation or any employee of such person, firm, association or corporation which, for a fee, commission or other valuable consideration, arranges or offers to arrange trips, tours or other vacation or recreational travel plans for a customer, and
 - b. Transportation services provided by a funeral establishment to family members and other persons for purposes of conducting a funeral in this state;
4. Telecommunications services that originate and terminate in this state and that originate or terminate in this state and are charged to the consumer's telephone number or account in this state regardless of where the billing for such service is made, all mobile telecommunications services that are sourced to this state pursuant to the federal Mobile Telecommunications Sourcing Act, 4 U.S.C. 116-126, and all local telecommunications service and rental charges, including all installation and construction charges and all service and rental charges having any connection with transmission of any message or image. Provided:
 - a. The term "telecommunications services" shall mean the transmission of any interactive, two-way electromagnetic communications, including voice, image, data and information, through the use of any medium such as wires, cables, microwaves, cellular radio, radio waves, light waves, or any combination of those or similar media, but shall not include the following: (1) sales of value-added non-vocal services in which computer processing applications are used to act on the form,

content, code, or protocol of the information to be transmitted, including charges for the storage of data or information for subsequent retrieval but not including services commonly known as voice mail, (2) any interstate telecommunications service which is: (a) rendered by a company for private use within its organization, or (b) used, allocated, or distributed by a company to its affiliated group, or (3) sales of any carrier access services, right of access services, telecommunications services to be resold, or telecommunications services used in the subsequent provision of, use as a component part of, or integrated into end-to-end telecommunications service, and

b. The term "telecommunications services" shall include, but not be limited to sales of any interstate telecommunications services which: (1) entitle the subscriber to inward or outward calling respectively between a station associated with an access line in the local telephone system area or a station directly connected to any interexchange carriers facilities and telephone or radiotelephone stations in diverse geographical locations specified by the subscriber, or (2) entitle the subscriber to private communications services which allow exclusive or priority use of a communications channel or group of channels between exchanges, and c. the term "interstate" includes any international service that either originates or terminates outside of the fifty (50) United States and the District of Columbia;

5. Printing or printed matter of all types, kinds, or character and, except for services of printing, copying or photocopying performed by a privately owned scientific and educational library sustained by monthly or annual dues paid by members sharing the use of such services with students interested in the study of geology, petroleum engineering or related subjects, any service of printing or overprinting, including the copying of information by mimeograph, multigraph, or by otherwise duplicating written or printed matter in any manner, or the production of microfiche containing information from magnetic tapes or other media furnished by customers;

6. Service of furnishing rooms by hotel, apartment hotel, public rooming house, motel, public lodging house, or tourist camp;

7. Service of furnishing storage or parking privileges by auto hotels or parking lots;

8. Computer hardware, software, coding sheets, cards, magnetic tapes or other media on which pre-written programs have been coded, punched, or otherwise recorded, including the gross receipts from the licensing of software programs;

9. Foods, confections, and all drinks sold or dispensed by hotels, restaurants, or other dispensers, and sold for immediate consumption upon the premises or delivered or carried away from the premises for consumption elsewhere;

10. Advertising of all kinds, types, and characters, including any and all devices used for advertising purposes except those specifically exempt pursuant to the provisions of 68 O.S. § 1357;

11. Dues or fees to clubs including free or complimentary dues or fees which have a value equivalent to the charge that would have otherwise been made, including any fees paid for the use of facilities or services rendered at a health spa or club or any similar facility or business;

12. Tickets for admission to or voluntary contributions made to places of amusement, sports, entertainment, exhibition, display, or other recreational events or activities, including free or complimentary admissions which have a value equivalent to the charge that would have otherwise been made;

13. Charges made for the privilege of entering or engaging in any kind of activity, such as tennis, racquetball, or handball, when spectators are charged no admission fee;

14. Charges made for the privilege of using items for amusement, sports, entertainment, or recreational activity, such as trampolines or golf carts;

15. The rental of equipment for amusement, sports, entertainment, or other recreational activities, such as bowling shoes, skates, golf carts, or other sports or athletic equipment;

16. The gross receipts from sales from any vending machine without any deduction for rental to locate the vending machine on the premises of a person who are not the owner or any other deductions there from;

17. The gross receipts or gross proceeds from the rental or lease of tangible personal property, including rental or lease of personal property when the rental or lease agreement requires the vendor to launder, clean, repair, or otherwise service the rented or leased property on a regular basis, without any deduction for the cost of the service rendered. If the rental or lease charge is based on the retail value of the property at the time of making the rental or lease agreement and the expected life of the property, and the rental or lease charge is separately stated from the service cost in the statement, bill, or invoice delivered to the consumer, the cost of services rendered shall be deducted from the gross receipts or gross proceeds;

18. Flowers, plants, shrubs, trees, and other floral items, whether or not produced by the vendor, sold by persons engaged in florist or nursery business in this state, including all orders taken by an Oklahoma business for delivery in another state. All orders taken outside this state for delivery within this state shall not be subject to the taxes levied in this Section;

19. Tangible personal property sold to persons, peddlers, solicitors, or other salesmen, for resale when there is likelihood that this state will lose tax revenue due to the difficulty of enforcing the provisions of the Oklahoma Sales Tax Code because of:

- a. the operation of the business,
- b. the nature of the business,
- c. the turnover of independent contractors, the lack of place of business in which to display a permit or keep records,
- e. lack of adequate records,
- f. the fact that the persons are minors or transients,
- g. the fact that the persons are engaged in service businesses, or
- h. any other reasonable reason;

20. Any taxable services and tangible personal property including materials, supplies, and equipment sold to contractors for the purpose of developing and improving real estate even though said real estate is intended for resale as real property, hereby declared to be sales to consumers or users, however, taxable materials, supplies and equipment sold to contractors as provided by this subsection which are purchased as a result of and subsequent to the date of a contract entered into either prior to the effective date of any law increasing the rate of sales tax imposed by this article, or entered into prior to the effective date of an ordinance or other measure increasing the sales tax levy of a political subdivision shall be subject to the rate of sales tax applicable, as of the date such contract was entered into, to sales of such materials, supplies and equipment if such purchases are required in order to complete the contract. Such rate shall be applicable to purchases made

pursuant to the contract or any change order under the contract until the contract or any change order has been completed, accepted and the contractor has been discharged from any further obligation under the contract or change order or until two (2) years from the date on which the contract was entered into whichever occurs first. The increased sales tax rate shall be applicable to all such purchases at the time of sale and the contractor shall file a claim for refund before the expiration of three (3) years after the date of contract completion or five (5) years after the contract was entered into, whichever occurs earlier. However, the Oklahoma Tax Commission shall prescribe rules and regulations and shall provide procedures for the refund to a contractor of sales taxes collected on purchases eligible for the lower sales tax rate authorized by this subsection; and

21. Any taxable services and tangible personal property sold to persons who are primarily engaged in selling their services, such as repairmen, hereby declared to be sales to consumers or users.

SECTION 7-208 EXEMPTIONS; SALES SUBJECT TO OTHER TAX

There is hereby specifically exempted from the tax levied by this Article the gross receipts or gross proceeds exempted from the Oklahoma Sales Tax Code inclusive, but not exclusive of, and derived from the:

1. Sale of gasoline, motor fuel, methanol, "M-85" which is a mixture of methanol and gasoline containing at least eighty-five percent (85%) methanol, compressed natural gas, liquefied natural gas, or liquefied petroleum gas on which the Motor Fuel Tax, Gasoline Excise Tax, Special Fuels Tax or the fee in lieu of Special Fuels Tax levied in Article 5, 6, or 7 of Title 68 of the Oklahoma Statutes has been, or will be paid;

2. Sale of motor vehicles or any optional equipment or accessories attached to motor vehicles on which the Oklahoma Motor Vehicle Excise Tax levied in Article 21 of Title 68 of the Oklahoma Statutes has been, or will be paid;

3. Sale of crude petroleum or natural or casing head gas and other products subject to gross production tax pursuant to the provisions of Articles 10 and 11 of Title 68 of the Oklahoma Statutes. This exemption shall not apply when such products are sold to a consumer or user for consumption or use, except when used for injection into the earth for the purpose of promoting or facilitating the production of oil or gas. This paragraph shall not operate to increase or repeal the gross production tax levied by the laws of this state;

4. Sale of aircraft on which the tax levied pursuant to the provisions of Sections 6001 through 6004 of Title 68 of the Oklahoma Statutes has been, or will be paid or which are specifically exempt from such tax pursuant to the provisions of Section 6003 of Title 68 of the Oklahoma Statutes;

5. Sales from coin-operated devices on which the fee imposed by Sections 1501 through 1513 of Title 68 of the Oklahoma Statutes has been paid;

6. Leases of twelve (12) months or more of motor vehicles in which the owners of the vehicles have paid the vehicle excise tax levied by Section 2103 of Title 68 of the Oklahoma Statutes;

7. Sales of charity game equipment on which a tax is levied pursuant to the Oklahoma Charity Games Act, Section 401 et seq. of Title 3A of the Oklahoma Statutes;

8. Sales of cigarettes or tobacco products to:

a. a federally recognized Indian tribe or nation which has entered into a compact with the State of Oklahoma pursuant to the provisions of subsection C of Section 346 of Title 68 of the Oklahoma Statutes or to a licensee of such a tribe or nation, upon which the payment in lieu of taxes required by the compact has been paid, or

b. a federally recognized Indian tribe or nation or to a licensee of such a tribe or nation upon which the tax levied pursuant to the provisions of Section 349 or Section 426 of Title 68 of the Oklahoma Statutes has been paid; and

9. Leases of aircraft upon which the owners have paid the aircraft excise tax levied by Section 6001 et seq. of Title 68 or which are specifically exempt from such tax pursuant to the provisions of Section 6003 of Title 68 of the Oklahoma Statutes.

SECTION 7-209 RESERVED

SECTION 7-210 TAX DUE WHEN; RETURNS; RECORDS

The tax levied hereunder shall be due and payable at the time and in the manner and form prescribed for payment of the state sales tax under the Oklahoma Sales Tax Code.

SECTION 7-211 PAYMENT OF TAX; BRACKETS

A. The tax herein levied shall be paid to the tax collector at the time and in the form and manner provided for payment of state sales tax.

B. The bracket system for the collection of the town sales tax by the tax collector shall be the same as is hereafter adopted by the agreement of the town and the tax collector, in the collection of both the town sales tax and the state sales tax.

SECTION 7-212 EXEMPTIONS-GOVERNMENTAL AND NONPROFIT ENTITIES

The gross receipts or gross proceeds exempted from the Oklahoma Sales Tax Code are hereby exempted from the tax levied under this article. There are hereby specifically exempted from the tax levied by this article:

1. Sale of tangible personal property or services to the United States government or to the State of Oklahoma, any political subdivision of this state or any agency of a political subdivision of this state; provided, all sales to contractors in connection with the performance of any contract with the United States government, State of Oklahoma or any of its political subdivisions shall not be exempted from the tax levied by this article, except as hereinafter provided;

2. Sales of property to agents appointed by or under contract with agencies or instrumentalities of the United States government if ownership and possession of such property transfers immediately to the United States government;

3. Sales of property to agents appointed by or under contract with a political subdivision of this state if the sale of such property is associated with the development of a qualified federal facility, as provided in the Oklahoma Federal Facilities Development Act, and if ownership and possession of such property transfers immediately to the political subdivision or the state;

4. Sales made directly by county, district or state fair authorities of this state, upon the premises of the fair authority, for the sole benefit of the fair authority;

5. Sale of food in cafeterias or lunch rooms of elementary schools, high schools, colleges or universities which are operated primarily for teachers and pupils and are not operated primarily for the public or for profit;

6. Dues paid to fraternal, religious, civic, charitable or educational societies or organizations by regular members thereof, provided, such societies or organizations operate under what is commonly termed the lodge plan or system, and provided such societies or organizations do not operate for a profit which inures to the benefit of any individual member or members thereof to the exclusion of other members and dues paid monthly or annually to privately owned scientific and educational libraries by members sharing the use of services rendered by such libraries with students interested in the study of geology, petroleum engineering or related subjects;

7. Sale of tangible personal property or services to or by churches, except sales made in the course of business for profit or savings, competing with other persons engaged in the same or a similar business;

8. The amount of proceeds received from the sale of admission tickets which is separately stated on the ticket of admission for the repayment of money borrowed by any accredited state-supported college or university or any public trust of which a county in this state is the beneficiary, for the purpose of constructing or enlarging any facility to be used for the staging of an athletic event, a theatrical production, or any other form of entertainment, edification or cultural cultivation to which entry is gained with a paid admission ticket. Such facilities include, but are not limited to, athletic fields, athletic stadiums, field houses, amphitheaters and theaters. To be eligible for this sales tax exemption, the amount separately stated on the admission ticket shall be a surcharge which is imposed, collected and used for the sole purpose of servicing or aiding in the servicing of debt incurred by the college or university to effect the capital improvements hereinbefore described;

9. Sales of tangible personal property or services to the Board organizations or similar state supervisory organizations of the Boy Scouts of America, Girl Scouts of U.S.A. and the Campfire Boys and Girls shall be exempt from sales tax;

10. Sale of tangible personal property or services to any county, municipality, rural water district, public school district, the institutions of The Oklahoma State System of Higher Education, the Grand River Dam Authority, the Northeast Oklahoma Public Facilities Authority, the Oklahoma Municipal Power Authority, City of Tulsa-Rogers County Port Authority, Muskogee City-County Port Authority or to any person with whom any of the above-named subdivisions or agencies of this state has duly entered into a public contract pursuant to law, necessary for carrying out such public contract or to any subcontractor to such a public contract. Any person making purchases on behalf of such subdivision or agency of this state shall certify, in writing, on the copy of the invoice or sales ticket to be retained by the vendor that the purchases are made for and on behalf of such subdivision or agency of this state and set out the name of such public subdivision or agency. Any

person who wrongfully or erroneously certifies that purchases are for any of the above-named subdivisions or agencies of this state or who otherwise violates this Section shall be guilty of a misdemeanor and upon conviction thereof shall be fined an amount equal to double the amount of sales tax involved or incarcerated for not more than sixty (60) days or both;

11. Sales of tangible personal property or services to private institutions of higher education and private elementary and secondary institutions of education accredited by the State Department of Education or registered by the State Board of Education for purposes of participating in federal programs or accredited as defined by the Oklahoma State Regents for Higher Education which are exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C. 501 (c)(3), including materials, supplies, and equipment used in the construction and improvement of buildings and other structures owned by the institutions and operated for educational purposes. Any person, firm, agency or entity making purchases on behalf of any institution, agency or subdivision in this state, shall certify in writing, on the copy of the invoice or sales ticket the nature of the purchases, and violation of this paragraph shall be a misdemeanor as set forth in paragraph 10 of this Section;

12. Tuition and educational fees paid to private institutions of higher education and private elementary and secondary institutions of education accredited by the State Department of Education or registered by the State Board of Education for purposes of participating in federal programs or accredited as defined by the Oklahoma State Regents for Higher Education which are exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C. 501(c) (3);

13. Sales of tangible personal property made by:

- a. a public school,
- b. a private school offering instruction for grade levels kindergarten through twelfth grade,
- c. a public school district,
- d. a public or private school board,
- e. a public or private school student group or organization,
- f. a parent-teacher association or organization, or

g. public or private school personnel for purposes of raising funds for the benefit of a public or private school, public school district, public or private school board or public or private school student group or organization. The exemption provided by this paragraph for sales made by a public or private school shall be limited to those public or private schools accredited by the State Department of Education or registered by the State Board of Education for purposes of participating in federal programs. Sale of tangible personal property in this paragraph shall include sale of admission tickets and concessions at athletic events;

14. Sales of tangible personal property by:

- a. local 4-H clubs,
- b. county, regional or state 4-H councils,

- c. county, regional or state 4-H committees,
- d. 4-H leader associations,
- e. county, regional or state 4-H foundations, and

f. authorized 4-H camps and training centers. The exemption provided by this paragraph shall be limited to sales for the purpose of raising funds for the benefit of such organizations. Sale of tangible personal property exempted by this paragraph shall include sale of admission tickets;

15. The first Seventy-five Thousand Dollars (\$75,000.00) each year from sale of tickets and concessions at athletic events by each organization exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C. 501(c)(4);

16. Items or services which are subsequently given away by the Oklahoma Tourism and Recreation Department as promotional items pursuant to Section 1834 of Title 74 of the Oklahoma Statutes;

17. Sales of tangible personal property or services to fire departments organized pursuant to Section 592 of Title 18 of the Oklahoma Statutes which items are to be used for the purposes of the fire department. Any person making purchases on behalf of any such fire department shall certify, in writing, on the copy of the invoice or sales ticket to be retained by the vendor that the purchases are made for and on behalf of such fire department and set out the name of such fire department. Any person who wrongfully or erroneously certifies that the purchases are for any such fire department or who otherwise violates the provisions of this Section shall be deemed guilty of a misdemeanor and upon conviction thereof, shall be fined an amount equal to double the amount of sales tax involved or incarcerated for not more than sixty (60) days, or both;

18. Complimentary or free tickets for admission to places of amusement, sports, entertainment, exhibition, display or other recreational events or activities which are issued through a box office or other entity which is operated by a state institution of higher education with institutional employees or by a municipality with municipal employees;

19. The first Fifteen Thousand Dollars (\$15,000.00) each year from sales of tangible personal property by fire departments organized pursuant to Titles 11, 18, or 19 of the Oklahoma Statutes for the purposes of raising funds for the benefit of the fire department. Fire departments selling tangible personal property for the purposes of raising funds shall be limited to no more than six (6) days each year to raise such funds in order to receive the exemption granted by this paragraph;

20. Sales of tangible personal property or services to any Boys & Girls Clubs of America affiliate in this state which is not affiliated with the Salvation Army and which is exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C. 501(c)(3);

21. Sales of tangible personal property or services to any organization, which takes court-adjudicated juveniles for purposes of rehabilitation, and which is exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C. 501 (c) (3), provided that at least fifty percent (50%) of the juveniles served by such organization are court adjudicated and the

organization receives state funds in an amount less than ten percent (10%) of the annual budget of the organization;

22. Sales of tangible personal property or services to:

a. any federally qualified community health center as defined in Section 254c of Title 42 of the United States Code,

b. any migrant health center as defined in Section 254b of Title 42 of the United States Code,

c. any clinic receiving disbursements of state monies from the Indigent Health Care Revolving Fund pursuant to the provisions of Section 66 of Title 56 of the Oklahoma Statutes, and

d. any community based health center which meets all of the following criteria:

(1) provides primary care services at no cost to the recipient, and

(2) is exempt from taxation pursuant to the provisions of Section 501(c) (3) of the Internal Revenue Code, 26 U.S.C. 501 (c) (3);

23. Dues or fees, including free or complimentary dues or fees which have a value equivalent to the charge that could have otherwise been made, to YMCAs, YWCAs or municipally-owned recreation centers for the use of facilities and programs;

24. The first Fifteen Thousand Dollars (\$15,000.00) each year from sales of tangible personal property or services to or by a cultural organization established to sponsor and promote educational, charitable and cultural events for disadvantaged children, and which organization is exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C. 501 (c)(3);

25. Sales of tangible personal property or services to museums or other entities which have been accredited by the American Association of Museums. Any person making purchases on behalf of any such museum or other entity shall certify, in writing, on the copy of the invoice or sales ticket to be retained by the vendor that the purchases are made for and on behalf of such museum or other entity and set out the name of such museum or other entity. Any person who wrongfully or erroneously certifies that the purchases are for any such museum or other entity or who otherwise violates the provisions of this paragraph shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be fined an amount equal to double the amount of sales tax involved or incarcerated for not more than sixty (60) days, or by both such fine and incarceration;

26. Sales of tickets for admission by any museum accredited by the American Association of Museums. In order to be eligible for the exemption provided by this paragraph, an amount equivalent to the amount of the tax which would otherwise be required to be collected pursuant to the provisions of Section 1350 et seq. of Title 68 of the Oklahoma Statutes shall be separately stated on the admission ticket and shall be collected and used for the sole purpose of servicing or aiding in the servicing of debt incurred by the museum to effect the construction, enlarging or renovation of any facility to be used for entertainment, edification or cultural cultivation to which entry is gained with a paid admission ticket;

27. Sales of tangible personal property or services occurring on or after June 1, 1995, to children's homes which are supported or sponsored by one or more churches, members of which serve as trustees of the home;

28. Sales of tangible personal property or services to the organization known as the Disabled American Veterans, Department of Oklahoma, Inc., and subordinate chapters thereof;

29. Sales of tangible personal property or services to youth camps which are supported or sponsored by one or more churches, members of which serve as trustees of the organization;

30. Transfer of tangible personal property made pursuant to Section 3226 of Title 63 of the Oklahoma Statutes by the University Hospitals Trust;

31. Sales of tangible personal property or services to a municipality, county or school district pursuant to a lease or lease-purchase agreement executed between the vendor and a municipality, county or school district. A copy of the lease or lease-purchase agreement shall be retained by the vendor;

32. Sales of tangible personal property or services to any spaceport user, as defined in the Oklahoma Space Industry Development Act;

33. The sale, use, storage, consumption, or distribution in this state, whether by the importer, exporter, or another person, of any satellite or any associated launch vehicle, including components of, and parts and motors for, any such satellite or launch vehicle, imported or caused to be imported into this state for the purpose of export by means of launching into space. This exemption provided by this paragraph shall not be affected by:

- a. the destruction in whole or in part of the satellite or launch vehicle,
- b. the failure of a launch to occur or be successful, or
- c. the absence of any transfer or title to, or possession of, the satellite or launch vehicle after launch;

34. The sale, lease, use, storage, consumption, or distribution in this state of any space facility, space propulsion system or space vehicle, satellite, or station of any kind possessing space flight capacity, including components thereof;

35. The sale, lease, use, storage, consumption, or distribution in this state of tangible personal property, placed on or used aboard any space facility, space propulsion system or space vehicle, satellite, or station possessing space flight capacity, which is launched into space, irrespective of whether such tangible property is returned to this state for subsequent use, storage, or consumption in any manner;

36. The sale, lease, use, storage, consumption, or distribution in this state of tangible personal property meeting the definition of "Section 38 property" as defined in Sections 48(a)(1)(A) and (B)(i) of the Internal Revenue Code of 1986, that is an integral part of and used primarily in support of space flight; however, Section 38 property used in support of space flight shall not include general office equipment, any boat, mobile home, motor vehicle, or other vehicle of a class or type required to be registered, licensed, titled, or documented in this state or by the

United States government, or any other property not specifically suited to supporting space activity. The term "in support of space flight", for purposes of this paragraph, means the altering, monitoring, controlling, regulating, adjusting, servicing, or repairing of any space facility, space propulsion systems or space vehicle, satellite, or station possessing space flight capacity, including the components thereof;

37. The purchase or lease of machinery and equipment for use at a fixed location in this state, which is used exclusively in the manufacturing, processing, compounding, or producing of any space facility, space propulsion system or space vehicle, satellite, or station of any kind possessing space flight capacity. Provided, the exemption provided for in this paragraph shall not be allowed unless the purchaser or lessee signs an affidavit stating that the item or items to be exempted are for the exclusive use designated herein. Any person furnishing a false affidavit to the vendor for the purpose of evading payment of any tax imposed by Section 1354 of this title shall be subject to the penalties provided by law. As used in this paragraph, "machinery and equipment" means "Section 38 property" as defined in Sections 48(a)(1)(A) and (B)(i) of the Internal Revenue Code of 1986, which is used as an integral part of the manufacturing, processing, compounding, or producing of items of tangible personal property. Such term includes parts and accessories only to the extent that the exemption thereof is consistent with the provisions of this paragraph;

38. The amount of a surcharge or any other amount which is separately stated on an admission ticket which is imposed, collected and used for the sole purpose of constructing, remodeling or enlarging facilities of a public trust having a municipality or county as its sole beneficiary;

39. Sales of tangible personal property or services which are directly used in or for the benefit of a state park in this state, which are made to an organization which is exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C. 501(c) (3) and which is organized primarily for the purpose of supporting one or more state parks located in this state;

40. The sale, lease or use of parking privileges by an institution of The Oklahoma State System of Higher Education; and

41. Sales of tangible personal property or services for use on campus construction projects for the benefit of institutions of The Oklahoma State System of Higher Education or private institutions of higher education accredited by the Oklahoma State Regents for Higher Education when such projects are financed by or through the use of nonprofit entities which are exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C. 501(c) (3);

42. Sales of tangible personal property or services by an organization which is exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C. 501 (c) (3), in the course of conducting a national championship sports event, but only if all or a portion of the payment in exchange therefore would qualify as the receipt of a qualified sponsorship payment described in Internal Revenue Code, 26 U.S.C. 513(i). Sales exempted pursuant to this paragraph shall be exempt from all Oklahoma sales, use, excise and gross receipts taxes.

State Law Reference: Similar provisions, 68 O.S. Section 1305.

SECTION 7-213 SAME-GENERALLY

The gross receipts or gross proceeds exempted from the Oklahoma Sales Tax Code are hereby exempted from the tax levied under this article. There are hereby specifically exempted from the tax levied by this article:

1. Transportation of school pupils to and from elementary schools or high schools in motor or other vehicles;

2. Transportation of persons where the fare of each person does not exceed One Dollar (\$1.00), or local transportation of persons within the corporate limits of a municipality except by taxicabs;

3. Sales for resale to persons engaged in the business of reselling the articles purchased, whether within or without the state, provided that such sales to residents of this state are made to persons to whom sales tax permits have been issued as provided in Section 1350 et seq. of Title 68 of the Oklahoma Statutes. This exemption shall not apply to the sales of articles made to persons holding permits when such persons purchase items for their use and which they are not regularly engaged in the business of reselling; neither shall this exemption apply to sales of tangible personal property to peddlers, solicitors and other salespersons who do not have an established place of business and a sales tax permit. The exemption provided by this paragraph shall apply to sales of motor fuel or diesel fuel to a Group Five vendor, but the use of such motor fuel or diesel fuel by the Group Five vendor shall not be exempt from the tax levied by Section 1350 et seq. of Title 68 of the Oklahoma Statutes. The purchase of motor fuel or diesel fuel is exempt from sales tax when the motor fuel is for shipment outside this state and consumed by a common carrier by rail in the conduct of its business. The sales tax shall apply to the purchase of motor fuel or diesel fuel in Oklahoma by a common carrier by rail when such motor fuel is purchased for fueling, within this state, of any locomotive or other motorized flanged wheel equipment;

4. Sales of advertising space in newspapers and periodicals and billboard advertising service, and any advertising through the electronic media, including radio, television and cable television, and the servicing of any advertising devices;

5. Eggs, feed, supplies, machinery and equipment purchased by persons regularly engaged in the business of raising worms, fish, any insect or any other form of terrestrial or aquatic animal life and used for the purpose of raising same for marketing. This exemption shall only be granted and extended to the purchaser when the items are to be used and in fact are used in the raising of animal life as set out above. Each purchaser shall certify, in writing, on the invoice or sales ticket retained by the vendor that the purchaser is regularly engaged in the business of raising such animal life and that the items purchased will be used only in such business. The vendor shall certify to the Oklahoma Tax Commission that the price of the items has been reduced to grant the full benefit of the exemption. Violation hereof by the purchaser or vendor shall be a misdemeanor;

6. Sale of natural or artificial gas and electricity, and associated delivery or transmission services, when sold exclusively for residential use after December 31, 1980. Provided, nothing herein shall be construed as limiting or prohibiting cities and towns, and counties levying a tax pursuant to the provisions of Section 1370.2 of Title 68 of the Oklahoma Statutes, from levying and collecting taxes on the sale of natural or artificial gas and electricity. Provided further, any sales tax levied by a city or town, or a county levying a tax pursuant to the provisions of Section 1370.2 of Title 68 of the Oklahoma Statutes, on natural or artificial gas and electricity shall be in effect regardless of ordinance or contractual provisions referring to previously imposed state sales tax on such items;

7. In addition to the exemptions authorized by Section 1357.6 of Title 68 of the Oklahoma Statutes, sales of medicines or drugs prescribed for the treatment of human beings by a person licensed to prescribe the medicines or drugs. Provided, this exemption shall not apply to proprietary or patent medicines as defined by Section 353.1 of Title 59 of the Oklahoma Statutes;

8. Transfers of title or possession of empty, partially filled, or filled returnable oil and chemical drums to any person who is not regularly engaged in the business of selling, reselling or otherwise transferring empty, partially filled, or filled returnable oil drums;

9. Sales of one-way utensils, paper napkins, paper cups, disposable hot containers and other one-way carry out materials to a vendor of meals or beverages;

10. Sales of food or food products for home consumption which are purchased in whole or in part with coupons issued pursuant to the federal food stamp program as authorized by Sections 2011 through 2029 of Title 7 of the United States Code, as to that portion purchased with such coupons. The exemption provided for such sales shall be inapplicable to such sales upon the effective date of any federal law that removes the requirement of the exemption as a condition for participation by the state in the federal food stamp program;

11. Sales of food or food products, or any equipment or supplies used in the preparation of the food or food products to or by an organization which: a. is exempt from taxation pursuant to the provisions of Section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. 501 (c)(3), and which provides and delivers prepared meals for home consumption to elderly or homebound persons as part of a program commonly known as "Meals on Wheels" or "Mobile Meals", or b. is exempt from taxation pursuant to the provisions of Section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. 501 (c)(3), and which receives federal funding pursuant to the Older Americans Act of 1965, as amended, for the purpose of providing nutrition programs for the care and benefit of elderly persons;

12. Sales of tangible personal property or services to or by organizations which are exempt from taxation pursuant to the provisions of Section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. 501(c)(3), and which are primarily involved in the collection and distribution of food and other household products to other organizations which are exempt from taxation pursuant to the provisions of Section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. 501(c)(3), which facilitate the distribution of such products to the needy, except sales made in the course of business for profit or savings, competing with other persons engaged in the same or similar business;

13. Sales of tangible personal property or services to children's homes which are located on church-owned property and are operated by organizations exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C. 501(c)(3);

14. Sales of computers, data processing equipment, related peripherals and telephone, telegraph or telecommunications service and equipment for use in a qualified aircraft maintenance or manufacturing facility. For purposes of this paragraph, "qualified aircraft maintenance or manufacturing facility" means a new or expanding facility primarily engaged in aircraft repair, building or rebuilding whether or not on a factory basis, whose total cost of construction exceeds the sum of Five Million Dollars (\$5,000,000.00) and which employs at least two hundred fifty (250) new full-time-equivalent employees, as certified by the Oklahoma Employment Security Commission, upon completion of the facility. In order to qualify for the exemption provided for by

this paragraph, the cost of the items purchased by the qualified aircraft maintenance or manufacturing facility shall equal or exceed the sum of Two Million Dollars (\$2,000,000.00);

15. Sales of tangible personal property consumed or incorporated in the construction or expansion of a qualified aircraft maintenance or manufacturing facility as defined in paragraph 14 of this Section. For purposes of this paragraph, sales made to a contractor or subcontractor that has previously entered into a contractual relationship with a qualified aircraft maintenance or manufacturing facility for construction or expansion of such a facility shall be considered sales made to a qualified aircraft maintenance or manufacturing facility;

16. Sales of any interstate telecommunications services which:

a. entitle the subscriber to inward or outward calling respectively between a station associated with an access line in the local telephone system area or a station directly connected to any interexchange carriers facilities and telephone or radiotelephone stations in diverse geographical locations specified by the subscriber, or

b. entitles the subscriber to private communications services which allow exclusive or priority use of a communications channel or group of channels between exchanges;

17. Sales of railroad track spikes manufactured and sold for use in this state in the construction or repair of railroad tracks, switches, sidings and turnouts;

18. Sales of aircraft and aircraft parts provided such sales occur at a qualified aircraft maintenance facility. As used in this paragraph, "qualified aircraft maintenance facility" means a facility operated by an air common carrier at which there were employed at least two thousand (2,000) full-time-equivalent employees in the preceding year as certified by the Oklahoma Employment Security Commission and which is primarily related to the fabrication, repair, alteration, modification, refurbishing, maintenance, building or rebuilding of commercial aircraft or aircraft parts used in air common carriage. For purposes of this paragraph, "air common carrier" shall also include members of an affiliated group as defined by Section 1504 of the Internal Revenue Code, 26 U.S.C. 1504;

19. Sales of machinery and equipment purchased and used by persons and establishments primarily engaged in computer services and data processing: a. as defined under Industrial Group Numbers 7372 and 7373 of the Standard Industrial Classification (SIC) Manual, latest version, which derive at least fifty percent (50%) of their annual gross revenues from the sale of a product or service to an out-of-state buyer or consumer, and b. as defined under Industrial Group Number 7374 of the SIC Manual, latest version, which derive at least eighty percent (80%) of their annual gross revenues from the sale of a product or service to an out-of-state buyer or consumer. Eligibility for the exemption set out in this paragraph shall be established, subject to review by the Tax Commission, by annually filing an affidavit with the Tax Commission stating that the facility so qualifies and such information as required by the Tax Commission. For purposes of determining whether annual gross revenues are derived from sales to out-of-state buyers or consumers, all sales to the federal government shall be considered to be to an out-of-state buyer or consumer;

20. Sales of prosthetic devices to an individual for use by such individual. For purposes of this paragraph, "prosthetic device" means a device which replaces a missing part of the human body and shall include any supplies physically connected to the device;

21. Sales of tangible personal property or services to a motion picture or television production company to be used or consumed in connection with an eligible production. For purposes of this paragraph, "eligible production" means a documentary, special, music video, or a television program that will serve as a pilot for or be a segment of an ongoing dramatic or situation comedy series filmed or taped for network or national or regional syndication or a feature-length motion picture intended for theatrical release or for network or national or regional syndication or broadcast. The provisions of this paragraph shall apply to sales occurring on or after July 1, 1996;

22. Sales of diesel fuel sold for consumption by commercial vessels, barges and other commercial water craft;

23. Sales of tangible personal property or services to tax-exempt independent nonprofit biomedical research foundations that provide educational programs for Oklahoma science students and teachers and to tax-exempt independent nonprofit community blood banks headquartered in this state;

24. Effective May 6, 1992, sales of wireless telecommunications equipment to a vendor who subsequently transfers the equipment at no charge or for a discounted charge to a consumer as part of a promotional package or as an inducement to commence or continue a contract for wireless telecommunications services;

25. Effective January 1, 1991, leases of rail transportation cars to haul coal to coal-fired plants located in this state which generate electric power;

26. Beginning July 1, 2000, sales of aircraft engine repairs, modification, and replacement parts, sales of aircraft frame repairs and modification, aircraft interior modification, and paint, and sales of services employed in the repair, modification and replacement of parts of aircraft engines, aircraft frame and interior repair and modification, and paint. The exemption provided by this paragraph shall be limited to aircraft repairs, modification, and replacement parts for aircraft weighing more than twelve thousand five hundred (12,500) pounds and less than one hundred thousand (100,000) pounds and which aircraft are brought into this state exclusively for such repairs or modification. The exemption provided by this paragraph shall be limited to repairs or modifications made by a new or expanded aircraft repair facility. As used in this paragraph, the term "aircraft" shall have the same meaning as such term is defined in Section 6001 of Title 68. The term "new or expanded aircraft repair facility" shall mean any new or expanded facility which repairs, modifies or replaces aircraft parts in which more than Four Million Dollars (\$4,000,000.00) was invested to establish the new facility or expand an existing facility and which construction was commenced or was in progress on or after January 1, 1999; and

27. Sales of materials and supplies to the owner or operator of a ship, motor vessel or barge that is used in interstate or international commerce if the materials and supplies:

a. are loaded on the ship, motor vessel or barge and used in the maintenance and operation of the ship, motor vessel or barge, or

b. enters into and become component parts of the ship, motor vessel or barge.

SECTION 7-214 SAME-MANUFACTURERS

The gross receipts or gross proceeds exempted from the Oklahoma Sales Tax Code are hereby exempted from the tax levied under this article. There are hereby specifically exempted from the tax levied by this article:

1. Sales of goods, wares, merchandise, tangible personal property, machinery and equipment to a manufacturer for use in a manufacturing operation;
2. Ethyl alcohol when sold and used for the purpose of blending same with motor fuel on which motor fuel tax is levied by Section 500.4 of Title 68 of the Oklahoma Statutes;
3. Sales of containers when sold to a person regularly engaged in the business of reselling empty or filled containers or when purchased for the purpose of packaging raw products of farm, garden, or orchard for resale to the consumer or processor. This exemption shall not apply to the sale of any containers used more than once and which are ordinarily known as returnable containers, except returnable soft drink bottles and the cartons, crates, pallets, and containers used to transport returnable soft drink bottles. Each and every transfer of title or possession of such returnable containers in this state to any person who is not regularly engaged in the business of selling, reselling or otherwise transferring empty or filled containers shall be taxable under this Code. Additionally, this exemption shall not apply to the sale of labels or other materials delivered along with items sold but which are not necessary or absolutely essential to the sale of the sold merchandise;
4. Sales of or transfers of title to or possession of any containers, after June 30, 1987, used or to be used more than once and which are ordinarily known as returnable containers and which do or will contain beverages defined by paragraphs 4 and 14 of Section 506] of Title 37 of the Oklahoma Statutes, or water for human consumption and the cartons, crates, pallets, and containers used to transport such returnable containers;
5. Sale of tangible personal property when sold by the manufacturer to a person who transports it to a state other than Oklahoma for immediate and exclusive use in a state other than Oklahoma. Provided, no sales at a retail outlet shall qualify for the exemption under this paragraph;
6. Machinery, equipment, fuels and chemicals or other materials incorporated into and directly used or consumed in the process of treatment to substantially reduce the volume or harmful properties of hazardous waste at treatment facilities specifically permitted pursuant to the Oklahoma Hazardous Waste Management Act and operated at the place of waste generation, or facilities approved by the Department of Environmental Quality for the cleanup of a site of contamination. The term "hazardous" waste may include low-level radioactive waste for the purpose of this paragraph;
7. Sales of tangible personal property to a qualified manufacturer to be consumed or incorporated in a new manufacturing facility or to expand an existing manufacturing facility. For purposes of this paragraph, sales made to a contractor or subcontractor that has previously entered into a contractual relationship with a qualified manufacturer for construction or expansion of a manufacturing facility shall be considered sales made to a qualified manufacturer. For the purposes of this paragraph, "qualified manufacturer" means:

a. any enterprise whose total cost of construction of a new or expanded facility exceeds the sum of Five Million Dollars (\$5,000,000.00) and in which at least one hundred (100) new full-time-equivalent employees, as certified by the Oklahoma Employment Security Commission, are added and maintained for a period of at least thirty-six (36) months as a direct result of the new or expanded facility,

b. any enterprise whose total cost of construction of a new or expanded facility exceeds the sum of Ten Million Dollars (\$10,000,000.00) and the combined cost of construction material, machinery, equipment and other tangible personal property exempt from sales tax under the provisions of this paragraph exceeds the sum of Fifty Million Dollars (\$50,000,000.00) and in which at least seventy-five (75) new full-time-equivalent employees, as certified by the Oklahoma Employment Security Commission, are added and maintained for a period of at least thirty-six (36) months as a direct result of the new or expanded facility, or

c. any enterprise whose total cost of construction of an expanded facility exceeds the sum of Three Hundred Million Dollars (\$300,000,000.00) and in which the manufacturer has and maintains an average employment level of at least one thousand seven hundred fifty (1,750) full-time-equivalent employees, as certified by the Employment Security Commission. For purposes of this paragraph, the total cost of construction shall include building and construction material and engineering and architectural fees or charges directly associated with the construction of a new or expanded facility. The total cost of construction shall not include attorney fees. For purposes of subparagraph c of this paragraph, the total cost of construction shall also include the cost of qualified depreciable property as defined in Section 2357.4 of Title 68 of the Oklahoma Statutes and labor services performed in the construction of an expanded facility. The employment requirement of this paragraph can be satisfied by the employment of a portion of the required number of new full-time-equivalent employees at a manufacturing facility that is related to or supported by the new or expanded manufacturing facility as long as both facilities are owned by one person or business entity. For purposes of this Section, "manufacturing facility" shall mean building and land improvements used in manufacturing as defined by the Standard Industrial Classification Code and shall also mean building and land improvements used for the purpose of packing, repackaging, labeling or assembling for distribution to market, products at least seventy percent (70%) of which are made in Oklahoma by the same company but at an off-site in-state manufacturing facility or facilities. It shall not include a retail outlet unless the retail outlet is operated in conjunction with and on the same site or premises as the manufacturing facility. Up to ten percent (10%) of the square feet of a manufacturing facility building may be devoted to office space used to provide clerical support for the manufacturing operation. Such ten percent (10%) may be in a separate building as long as it is part of the same contiguous tract of property on which the manufacturing facility is located. Only sales of tangible personal property made after June 1, 1988, shall be eligible for the exemption provided by this paragraph;

8. Sales of tangible personal property purchased and used by a licensed radio or television station in broadcasting. This exemption shall not apply unless such machinery and equipment is used directly in the manufacturing process, is necessary for the proper production of a broadcast signal or is such that the failure of the machinery or equipment to operate would cause broadcasting to cease. This exemption begins with the equipment used in producing live programming or the electronic equipment directly behind the satellite receiving dish or antenna, and ends with the transmission of the broadcast signal from the broadcast antenna system. For purposes of this paragraph, "proper production" shall include, but not be limited to, machinery or equipment required by Federal Communications Commission rules and regulations;

9. Sales of tangible personal property purchased or used by a licensed cable television operator in cable casting. This exemption shall not apply unless such machinery and equipment is used directly in the manufacturing process, is necessary for the proper production of a cablecast signal or is such that the failure of the machinery or equipment to operate would cause cable casting to cease. This exemption begins with the equipment used in producing local programming or the electronic equipment behind the satellite receiving dish, microwave tower or antenna, and ends with the transmission of the signal from the cablecast head-end system. For purposes of this paragraph, "proper production" shall include, but not be limited to, machinery or equipment required by Federal Communications Commission rules and regulations;

10. Sales of packaging materials for use in packing, shipping or delivering tangible personal property for sale when sold to a producer of agricultural products. This exemption shall not apply to the sale of any packaging material which is ordinarily known as a returnable container;

11. Sales of any pattern used in the process of manufacturing iron, steel or other metal castings. The exemption provided by this paragraph shall be applicable irrespective of ownership of the pattern provided that such pattern is used in the commercial production of metal castings;

12. Deposits or other charges made and which are subsequently refunded for returnable cartons, crates, pallets, and containers used to transport cement and cement products;

13. Beginning January 1, 1998, machinery, electricity, fuels, explosives and materials, excluding chemicals, used in the mining of coal in this state; and

14. Deposits, rent or other charges made for returnable cartons, crates, pallets, and containers used to transport mushrooms or mushroom products from a farm for resale to the consumer or processor.

SECTION 7-215 SAME-AGRICULTURE

The gross receipts of gross proceeds exempted from the Oklahoma Sales Tax Code are hereby exempted for the tax levied under this article. There are hereby specifically exempted from the tax levied by this article:

1. Sales of agricultural products produced in this state by the producer thereof directly to the consumer or user when such articles are sold at or from a farm and not from some other place of business, as follows:

a. farm, orchard or garden products, and

b. dairy products sold by a dairy producer or farmer who owns all the cows from which the dairy products offered for sale are produced; provided, the provisions of this paragraph shall not be construed as exempting sales by florists, nursery operators or chicken hatcheries, or sales of dairy products by any other business except as set out herein;

2. Livestock, including cattle, horses, mules or other domestic or draft animals, sold by the producer by private treaty or at a special livestock sale;

3. Sale of baby chicks, turkey pullets and starter pullets used in the commercial production of chickens, turkeys and eggs, provided that the purchaser certifies, in writing, on the copy of the

invoice or sales ticket to be retained by the vendor that the pullets will be used primarily for egg production;

4. Sale of salt, grains, tank age, oyster shells, mineral supplements, limestone and other generally recognized animal feeds for the following purposes and subject to the following limitations:

a. feed which is fed to poultry and livestock, including breeding stock and wool-bearing stock, for the purpose of producing eggs, poultry, milk or meat for human consumption,

b. feed purchased in Oklahoma for the purpose of being fed to and which is fed by the purchaser to horses, mules or other domestic or draft animals used directly in the producing and marketing of agricultural products, and

c. any stock tonics, water purifying products, stock sprays, disinfectants or other such agricultural supplies. "Poultry" shall not be construed to include any fowl other than domestic fowl kept and raised for the market or production of eggs. "Livestock" shall not be construed to include any pet animals such as dogs, cats, birds or such other fur-bearing animals. This exemption shall only be granted and extended where the purchaser of feed that is to be used and in fact is used for a purpose that would bring about an exemption hereunder executes an invoice or sales ticket in duplicate on a form to be prescribed by the Oklahoma Tax Commission. The purchaser may demand and receive a copy of the invoice or sales ticket and the vendor shall retain a copy;

5. Sales of items to be and in fact used in the production of agricultural products. Sale of the following items shall be subject to the following limitations:

a. sales of agricultural fertilizer to any person regularly engaged, for profit, in the business of farming or ranching,

b. sales of agricultural fertilizer to any person engaged in the business of applying such materials on a contract or custom basis to land owned or leased and operated by persons regularly engaged, for profit, in the business of farming or ranching. In addition to providing the vendor proof of eligibility as provided in Section 1358.1 of this Title 68 of the Oklahoma Statutes, the purchaser shall provide the name or names of such owner or lessee and operator and the location of the lands on which said materials are to be applied to each such land,

c. sales of agricultural fertilizer, pharmaceuticals and biological to persons engaged in the business of applying such materials on a contract or custom basis shall not be considered to be sales to contractors under this article, and said sales shall not be considered to be taxable sales within the meaning of the Oklahoma Sales Tax Code. As used in this Section, "agricultural fertilizer", "pharmaceuticals" and "biological" mean any substance sold and used for soil enrichment or soil corrective purposes or for promoting the growth and productivity of plants or animals,

d. sales of agricultural seed or plants to any person regularly engaged, for profit, in the business of farming or ranching. This Section shall not be construed as exempting from sales tax, seed which is packaged and sold for use in noncommercial flower and vegetable gardens, and

e. sales of agricultural chemical pesticides to any person regularly engaged, for profit, in the business of farming or ranching. For the purposes of this subparagraph, "agricultural chemical pesticides" shall include any substance or mixture of substances intended for preventing,

destroying, repelling or mitigating any insect, snail, slug, rodent, bird, nematode, fungus, weed or any other form of terrestrial or aquatic plant or animal life or virus, bacteria or other microorganism, except viruses, bacteria or other microorganisms on or in living man, or any substance or mixture of substances intended for use as a plant regulator, defoliant or desiccant. The exemption provided in this paragraph shall only be granted and extended to the purchaser where the items are to be used and in fact are used in the production of agricultural products;

6. Sale of farm machinery, repair parts thereto or fuel, oil, lubricants and other substances used for operation and maintenance of the farm machinery to be used directly on a farm or ranch in the production, cultivation, planting, sowing, harvesting, processing, spraying, preservation or irrigation of any livestock, poultry, agricultural or dairy products produced from such lands. The exemption specified in this paragraph shall apply to such farm machinery, repair parts or fuel, oil, lubricants and other substances used by persons engaged in the business of custom production, cultivation, planting, sowing, harvesting, processing, spraying, preservation, or irrigation of any livestock, poultry, agricultural, or dairy products for farmers or ranchers. The exemption provided for herein shall not apply to motor vehicles;

7. Sales of supplies, machinery and equipment to persons regularly engaged in the business of raising evergreen trees for retail sale in which such trees are cut down on the premises by the consumer purchasing such tree. This exemption shall only be granted and extended when the items in fact are used in the raising of such evergreen trees; and

8. Sales of materials, supplies and equipment to an agricultural permit holder or to any person with whom the permit holder has contracted to construct facilities which are or which will be used directly in the production of any livestock, including, but not limited to, facilities used in the production and storage of feed for livestock owned by the permit holder. Any person making purchases on behalf of the agricultural permit holder shall certify, in writing, on the copy of the invoice or sales ticket to be retained by the vendor that the purchases are made for and on behalf of such permit holder and set out the name and permit number of such holder. Any person who wrongfully or erroneously certifies that purchases are for an agricultural permit holder or who otherwise violates this subsection shall be guilty of a misdemeanor and upon conviction thereof shall be punishable by a fine of an amount equal to double the amount of sales tax involved or imprisonment in the county jail for not more than sixty (60) days or by both such fine and imprisonment.

B. As used in this Section and Section 1358.1 of Title 68 of the Oklahoma Statutes:

1. "Agricultural products" shall include horses; and

2. "Ranching" or "ranch" shall include the business, or facilities for the business, of raising horses. Provided, sales of items at race meetings as defined in Section 200.1 of Title 3A of the Oklahoma Statutes shall not be exempt pursuant to the provisions of this Section and Section 1358.1 of Title 68 of the Oklahoma Statutes.

State Law Reference: Similar provision, 68 O.S. Section 1305a.

SECTION 7-217 TAX CONSTITUTES DEBT; TOWN SALES TAX SUBJECT TO OTHER TITLE 68 PROVISIONS

The taxes, penalty and interest due under this chapter shall at all times constitute a prior, superior and paramount claim as against the claims of unsecured creditors, and may be collected by suit as any other debt. Moreover, Title 68 of the Oklahoma Statutes as it relates to all sales tax is hereby adopted by reference as if fully set out, as is hereby amended as such state laws are amended, and is applicable to all municipal sales tax issues.

SECTION 7-218 VENDOR'S DUTY TO COLLECT TAX; PENALTIES

A. The tax is levied hereunder shall be paid by the consumer or user to the vendor. It is the duty of each and every vendor in this Town to collect from the consumer or user the full amount of the tax levied by this chapter, or an amount equal as nearly as possible or practicable to the average equivalent thereof.

B. Vendors shall add the tax imposed hereunder, or the average equivalent thereof, to the sales price or charge, and when added such tax shall constitute a part of such price or charge, shall be a debt from the consumer or user to vendor until paid, and shall be recoverable at law in the same manner as other debts.

C. A vendor, as defined hereunder, who willfully or intentionally fails, neglects or refuses to collect the full amount of the tax levied by this chapter, or willfully or intentionally fails, neglects or refuses to comply with the provisions or remits or rebates to a consumer or user, either directly or indirectly, by any whatsoever means, all or any part of the tax herein levied, or makes in any form of advertising, verbally or otherwise, any statement which infers that he is absorbing the tax, or paying the tax for the consumer or user by an adjustment of prices or at a price including the tax, or in any manner whatsoever, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished as provided in Section 1-108 of this code.

D. Any sum or sums collected or required to be collected in accordance with this chapter shall be deemed to be held in trust for the Town. Any person, firm, corporation, joint venture or association that willfully or intentionally fails neglects or refuse to collect the sums required to be collected or paid shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished as provided in Section 1-108 of this code.

SECTION 7-219 RETURNS AND REMITTANCES; DISCOUNTS

Returns and remittances of the tax herein levied and collected shall be made to the tax collector at the time and in the manner, form and amount as prescribed for returns and remittances of tax collected hereunder and shall be subject to the same discount as may be allowed by the Oklahoma Sales Tax Code for collection of state sales tax.

SECTION 7-220 INTEREST AND PENALTIES; DELINQUENCY

Section 217 of Title 68 of the Oklahoma Statutes is hereby adopted and made a part of this chapter, and interest and penalties at the rates and in amounts as therein specified are hereby

levied and shall be applicable in cases of delinquency in reporting and paying the tax levied by this chapter. The failure or refusal of any taxpayer to make and transmit the reports and remittances of tax in the time and manner required by this chapter shall cause such tax to be delinquent. In addition, if the delinquency continues for a period of five (5) days, the taxpayer shall forfeit his claim to any discount allowed under this chapter.

SECTION 7-221 WAIVER OF INTEREST AND PENALTY

The interest or penalty or any portion thereof accruing by reason of a taxpayer's failure to pay the Town tax herein levied may be waived or remitted in the same manner as provided for the waiver or as applied in administration of the state sales tax provided in Section 220 of Title 68 of the Oklahoma Statutes. To accomplish the purposes of this Section, the applicable provisions of Section 220 of Title 68 are hereby adopted by reference and made a part of this chapter.

SECTION 7-222 ERRONEOUS PAYMENTS; CLAIM FOR REFUND

Refund of erroneous payment of the Town sales tax herein levied may be made to any taxpayer making the erroneous payment in the same manner and procedure, and under the same limitations of time, as provided for administration of the state sales tax as set forth in Section 227 of Title 68 of the Oklahoma Statutes. To accomplish the purpose of this Section, the applicable provisions of Section 227 of Title 68 are hereby adopted by reference and made a part of this chapter.

SECTION 7-223 FRAUDULENT RETURNS

In addition to all civil penalties provided by this chapter, the willful failure or refusal of any taxpayer to make reports and remittances herein required, or the making of any false and fraudulent report for the purpose of avoiding or escaping payment of any tax or portion thereof rightfully due under this chapter shall be an offense, and upon conviction thereof the offending taxpayer shall be subject to a fine as provided in Section 1-108 of this code.

SECTION 7-224 RECORDS CONFIDENTIAL

The confidential and privileged nature of the records and files concerning the administration of the Town sales tax is legislatively recognized and declared, and to protect the same the provisions of the State Sales Tax Code, and each subsection thereof, are hereby adopted by reference and made fully effective and applicable to administration of the Town sales tax as if here set forth in full.

SECTION 7-225 AMENDMENTS

The people of the Town, by their approval of the sales tax ordinance hereby authorize the board of Trustees, by ordinance duly enacted, to make such administrative and technical changes or additions in the method and manner of administering and enforcing this chapter as may be necessary or proper for efficiency and fairness. Neither the rate of the tax herein provided nor the use to which the revenue is put shall be changed without approval of the qualified electors of the Town as provided by law.

SECTION 7-226 PROVISIONS CUMULATIVE

The provisions of this chapter shall be cumulative and in addition to any or all other taxing provisions of Town ordinances.

ARTICLE 3

UTILITIES TAX

SECTION 7-301 FEE LEVIED; APPLICATION.

There is hereby levied and assessed an annual tax of two percent (2%) upon the gross receipts received from all persons, firms, associations or corporations engaged in the business of furnishing power, light, heat, gas, electricity, telephone exchange service or water within the town limits, except that it shall neither apply to town furnished services nor any person, firm, association or corporation operating under a valid franchise with the town nor apply to utilities furnished by the town.

State Law Reference: Authority of council to levy above tax, 68 O.S. § 2601; tax not applicable to franchise holders, 68 O.S. § 2602.

SECTION 7-302 TAX IS IN LIEU OF OTHER TAXES

The tax levied by this Article shall be in lieu of any other franchise, license, and occupation or excise tax levied by the town.

SECTION 7-303 TAX TO BE PAID MONTHLY AND PLACED IN GENERAL REVENUE FUND.

The tax levied under this Article shall be payable quarterly and placed in the general revenue fund of the town.

SECTION 7-304 FAILURE TO PAY; ACTION FOR COLLECTION.

Any person failing or refusing to pay the tax levied by this Article shall be regarded as a trespasser and may be ousted from the town. In addition thereto, an action may be maintained against such person for the amount of the tax and all expenses of collecting same, including reasonable attorneys' fees.

SECTION 7-305 TAX LIEN.

The tax imposed by this Article shall constitute a first and prior lien on all the assets located within the town of any person engaged in the business of selling power, light, heat, gas, electricity or water within the town and subject to such tax.

ARTICLE 4

CABLE FRANCHISE

SECTION 7-401 CABLE TV FRANCHISE GRANTED.

***** CAN WE REMOVE?

***** WE DO NOT HAVE

~~On the 21st day of April 1992, the Town of Lamont granted to Medford Cable T.V., by Ordinance No. 92-1, a non-exclusive privilege to construct, install, maintain and operate a Community Antenna Television System in the Town of Lamont for a period of fifteen (15) years. Such right was thereafter transferred to High Plains Cablevision and on June 4, 2001 by Ordinance No. 1-01, to Galaxy American Communications, L.L.C. Since that time, this right and privilege has been assigned from entity to entity. Ordinance No. 92-1 and Ordinance No. 1-01 are attached hereto as appendix 1 and are incorporated by reference into this section and code as if fully set out.~~

ARTICLE 5

GAS FRANCHISE GRANTED

SECTION 7-501 GAS FRANCHISE GRANTED

There is hereby granted to the Arkansas Louisiana Gas Company, a Delaware Corporation, its successors and assigns (hereinafter referred to as the "grantee" and the word "Grantee" shall include and be taken to mean the successors and assigns of Arkansas Louisiana Gas Company, consent to assignment being given) a franchise for a period of twenty-five (25) years from and after the acceptance hereof to use the streets, alleys, avenues, ways and other public places of the Town of Lamont, Grant County, Oklahoma, as now constituted, and as may hereafter be extended, for the purpose of transporting in and through and the selling and distributing of natural or artificial gas to said town, its inhabitants, and the public generally for domestic, commercial and industrial uses, together with the right to enter upon and open the streets, alleys, avenues, lanes, parking's, boulevards, sidewalks, parks and other public areas or grounds of said town for the purpose of laying, repairing, building, removing and/or replacing said works, pipes, pipelines and all necessary apparatus, structures and appurtenances, provided that the previous franchise held by Grantee shall be null and void from and after its acceptance of this new franchise.

Note: Approved by the voting electorate as Ordinance No. 16-2B on October 12, 1982.

SECTION 7-502 GAS SERVICE

A. Grantee covenants and agrees that it will maintain efficient gas service in the town of Lamont, Grant County, Oklahoma, under rules and regulations imposed, ordered or approved by the Corporation Commission of the State of Oklahoma, or by other lawfully constituted regulatory authority; provided, the Grantee shall not be liable for loss or damage caused by interruption or failure of service due to accident or breakdown to plant, lines or equipment, strikes, riot, Act of God, or the public enemy, or causes beyond the control of Grantee, or due to shutdowns for reasonable periods to make repairs to liens or distributing equipment; but Grantee agrees in such cases to exercise proper diligence in making such repairs, and to resume operation of the same without unnecessary delay.

B. Grantee shall have the right to make and enforce such reasonable rules and regulations as may be ordered or approved by the Corporation Commission of the State of Oklahoma, or by other lawfully constituted regulatory authority, for the sale, delivery, connecting and disconnecting customers, metering of its natural or artificial gas, and the conduct of its business.

C. The Grantee shall have the right to disconnect service to customers whose meters, service lines, or appliances are found to have been tampered with or who have failed to pay for gas service,

or customers or parties who resell, lease or otherwise deliver any part of the service furnished to a third person, or to persons whose service lines are in such a state of disrepair as to leak and cause a dangerous condition.

D. The Grantee shall have the right to enter in and upon the premises of a consumer or one who has been a consumer or one who has been a consumer for the purpose of removing all meters and connections owned by the Grantee from the building or premises or anyone to prevent fraud, or in the event of the refusal or failure to pay charges not exceeding those mentioned herein or otherwise stipulated in the service contract or for the purpose of determining whether or not there are any leaks which might cause a dangerous condition to exist.

E. Grantee shall charge and collect from the town of Lamont, Grant County, Oklahoma, and the consumers herein, reasonable and compensatory rates such as may be from time to time lawfully ordered or approved by the Corporation Commission of the State of Oklahoma, or by other lawfully constituted regulatory authorities.

SECTION 7-503 FURNISH AND INSTALL SERVICE PIPE

Upon application by any bona fide applicant for service, Grantee shall at its own expense furnish and install service pipe of suitable capacity to the curb line (where the main is in the street) or property line (where the main is in the alley) of property abutting upon any street, highway, alley, lane or road along which the Grantee has distribution mains.

SECTION 7-504 DUTY TO SELL GAS; NOT EXCLUSIVE

A. During the life of this franchise, Grantee will deliver and sell to Grantor all natural or artificial gas used by it in its municipal plants and offices, and Grantor will take such natural or artificial gas from Grantee and pay therefore at rates filed with any approved by the Corporation Commission of Oklahoma.

B. It is expressly understood and agreed that this franchise shall never be construed to mean an exclusive franchise and the grant hereof is not the grant of an exclusive franchise.

SECTION 7-505 TAX

From and after the approval and acceptance of this Article the Grantee shall pay, and in consideration of the granting of this franchise, agrees to pay, to the Grantor, an annual charge in the amount equal to two percent (2%) of the gross cash receipts for each current year from the sale and delivery of natural and artificial gas wholly within the corporate limits of the Grantor, for use in such corporate limits, including natural and artificial gas sold and delivered to the Grantor wholly within the corporate limits of the Grantor. Said tax shall be due to the said Grantor semi annually, January and July of each year, but it is provided and ordained that same may be paid by applying so much thereof as may be necessary for the satisfaction and payment of bills representing the balance due the Grantee for natural and artificial gas used for municipal services of all kinds and classes, and the remaining balance of said two percent (2%) of the gross receipts, if any shall be paid to the Treasurer of said town to be placed in its general fund.

SECTION 7-506 METERS AND REGULATORS

The Grantee shall furnish, free of cost to consumer, all meters, or meters and regulators, which shall be and remain the property of the Grantee; but said Grantee shall not be required to furnish or install any piping or service connections of any kind for or on the property of the consumer.

SECTION 7-507 PIPELINES

All main pipelines and all lateral pipelines constructed or replaced during the term of this ordinance shall be installed in such a manner that the main pipelines will be buried at least thirty (30) inches and all lateral pipelines not less than twenty-four (24) inches below the established grade of said streets, avenues, and alleys.

SECTION 7-508 REASONABLE AND PROPER CARE

It shall be the duty of Grantee in constructing, repairing, maintaining, and/or operating its works and plant, to use all reasonable and proper care to avoid injuries to persona and property within said town, and the Grantee shall hold the Town of Lamont harmless against any damage caused by it in construction, maintaining, repairing and/or operating its gas distribution system and works and Grantee shall repair or replace at its expense all streets, alleys, walks, and property disturbed by it. Further, Grantee shall at all times so use the privilege herein granted so as not to cause more than temporary interference with the public's right to continue to use such streets, alleys and other public ways as therefore used.

ARTICLE 6

ELECTRIC FRANCHISE GRANTED

SECTION 7-601 ELECTRIC FRANCHISE GRANTED

The word "Town" as hereinafter used shall mean and designate the Town of Lamont, Grant County, Oklahoma, and the word "Company" as hereinafter used shall mean and designate the Oklahoma Gas and Electric Company, a corporation organized and existing under and by virtue of the laws of the State of Oklahoma and its successors and assigns.

The Town hereby grants to Company the right, privilege and authority to generate, transmit and distribute electricity within the Town limits and to sell electricity therein for all purposes for which it may be used, to the Town and public generally, and the right, privilege and authority to construct, maintain and operate a system of poles, wires, conduits, transformers, substations and other fixtures and equipment in, upon, across, under and over the streets, alleys, public grounds and other places in each and every part of said Town for the purpose of producing, transmitting, distributing and selling electricity to the Town, its inhabitants, and to the public generally.

The franchise hereby granted shall be effective from and after the date of the approval of this Ordinance by the qualified electors of the Town and shall remain in full force and effect for a period of twenty-five (25) years. Nothing in this Ordinance shall be construed to prevent the Town from granting an electric franchise to any other person, firm or corporation.

SECTION 7-602 OBSTRUCTING OR IMPEDING TRAFFIC.

Company shall construct and maintain its property in such manner as will, consistent with necessity, not obstruct nor impede traffic unduly.

SECTION 7-603 INDEMNIFICATION.

Company shall defend and indemnify the Town against all lawful claims for injury to any person or property caused by the negligence of the Company in the construction, operation or maintenance of its property within the Town.

SECTION 7-604 RATES.

Electric service provided hereunder to the Town, its inhabitants, and to the public generally, and rates charged therefore shall be in accordance with orders, rules and regulations of the Corporation Commission of the State of Oklahoma or other governmental authority having jurisdiction.

SECTION 7-605 ASSIGNMENTS.

Company shall have the right to assign this franchise and the assignee by written acceptance thereof shall be bound thereby. An authenticated copy of the assignment shall be filed with the Town Clerk.

SECTION 7-606 FRANCHISE TAX.

From and after the approval and acceptance of this franchise, and in consideration of granting this franchise, Company shall pay to the Town an annual franchise tax in an amount equal to three percent (3%) of its gross receipts arising from the sale of electricity within the Town limits, such payment to be made on or before the 25th day of July of each year, after deducting there from any amount due Company from the Town. Company shall abide by any order, rule or regulation of the Corporation Commission of the State of Oklahoma requiring the listing separately of all or any portion of such franchise tax on electric bills to customers.

SECTION 7-607 CHARGE TO CITY FOR ELECTRICITY.

The Company shall furnish to the Town, without charge, each fiscal year during the term hereof electric current to be used exclusively by the Town for operation of traffic signal lights and buildings occupied and operated by the Town for municipal purposes, to be applied by the Company as a credit to billings of the Town, provided that such electric current shall not exceed one-half of one percent (0.5%) of the kilowatt-hours sold by the Company to customers within the corporate limits of the Town during the preceding fiscal year.

ARTICLE 7

USE TAX

SECTION 7-701 EXCISE TAX ON STORAGE, USE OR OTHER CONSUMPTION OF INTANGIBLE, PERSONAL PROPERTY LEVIED.

There is hereby levied and there shall be paid by every person storing, using or otherwise consuming within the municipality tangible, personal property purchased or bought into this municipality, an excise tax on the storage, use or other consuming within the municipality of such property at the rate of 2.00% of the purchase price of such property. Such tax shall be paid by every person storing, using or otherwise consuming, within the municipality, tangible, personal property purchased or brought into the municipality. The additional tax levied hereunder shall be paid at the time of importation or storage of the property within the municipality and shall be assessed to only property purchased outside Oklahoma; personal property intended solely for use outside the municipality, but which is stored in the municipality pending shipment outside the municipality or which is temporarily retained in the municipality for the purpose of fabrication, repair, testing, alteration, maintenance or other service. Any person liable for payment of the tax authorized herein, may deduct from such tax any local or municipal sales tax previously paid on such goods or services; provided, that the amount deducted shall not exceed the amount that would have been due if the taxes imposed by the municipality had been levied on the sale of such goods or services.

Note: This Article was adopted by the enactment of Ordinance No. 1-98 approved on the 5th day of January, 1998.

SECTION 7-702 EXEMPTIONS.

The provisions of this Article shall not apply:

A. In respect to the use of an article of tangible, personal property brought into the municipality by a nonresident individual visiting in this municipality for his or her personal use or enjoyment while within the municipality;

B. In respect to the use of tangible, personal property purchased for resale before being used;

C. In respect to the use of any article of tangible, personal property on which a tax, equal to or in excess of that levied by both the Oklahoma Use Tax Code and the Town of Lamont Use Tax Ordinance, had been paid by the person using such tangible, personal property in the municipality, whether such tax was levied under the laws of Oklahoma or some other state or municipality of the United States. If any article of tangible, personal property has already been subjected to a tax by Oklahoma or any other state or municipality in respect to its sale or use, in an amount less than the tax imposed by both the Oklahoma Use Tax Code and the Town of Lamont Use Tax Code, the provisions of this Section shall also apply to it by a rate measured by the difference only between the rate by both the Oklahoma Use Tax Code and the Town of Lamont Use Tax Code, and the rate by which the previous tax upon the sale or use was computed. Provided, that no credit shall be given for taxes paid in another state or municipality if that state or municipality does not grant like credit for taxes paid in Oklahoma and the municipality;

D. In respect to the use of machinery and equipment purchased and used by persons establishing new manufacturing or processing plants in the municipality, and machinery and equipment purchased and used by persons to the operation of manufacturing plants already established in the municipality. Provided, this exemption shall not apply unless such machinery and equipment is incorporated into, and is directly used in, the process of manufacturing property subject to taxation under the Sales Tax Code of the municipality. The term "manufacturing plants" shall mean those establishments primarily engaged in manufacturing or processing operations, and generally recognized as such;

E. In respect to the use of tangible, personal property now specifically exempted from taxation under the Sales Tax Code of the municipality;

F. In respect to the use of any article of tangible, personal property brought into the municipality by an individual with intent to become a resident of this municipality where such personal property is for such individual's personal use or enjoyment;

G. In respect to the use of any article of tangible personal property used or to be used by commercial airlines or railroads;

H. In respect to livestock purchased outside Oklahoma and brought into this municipality for feeding or breeding purposes, and which is later resold.

SECTION 7-703 TIME WHEN DUE, RETURNS, PAYMENT.

The tax levied by this Article is due and payable at the time and in the manner and form prescribed for payment of the State Use Tax under the Use Tax Code of the State of Oklahoma.

SECTION 7-704 TAX CONSTITUTES DEBT.

Such taxes, penalty and interest due hereunder shall at all times constitute a prior, superior and paramount claim as against the claims of unsecured creditors, and may be collected by suit as any other debt.

SECTION 7-705 COLLECTION OF TAX BY RETAILER OR VENDOR.

Every retailer or vendor maintaining places of business both within and without the State of Oklahoma, and making sales of tangible, personal property from a place of business outside this state for use in this municipality shall at the time of making such sales collect the use tax levied by this Article from the purchaser and give to the purchaser a receipt therefore in the manner and form prescribed by the Tax Commission, if the Tax Commission shall, by regulation, require such receipt. Each retailer or vendor shall list with the Tax Commission the name and address of all his agents operating in this municipality and location of any and all distribution or sales houses or offices or other places of business in this town.

SECTION 7-706 COLLECTION OF TAX BY RETAILER OR VENDOR NOT MAINTAINING A PLACE OF BUSINESS WITHIN STATE OR BOTH WITHIN AND WITHOUT STATE; PERMITS.

The Tax Commission may, in its discretion, upon application, authorize the collection of the tax herein levied by any retailer or vendor not maintaining a place of business within this state but who makes sales of tangible, personal property for use in this municipality and by the out-of-state

place of business of any retailer or vendor maintaining places of business both within and without Oklahoma and making sales of tangible, personal property at such out-of-state business for use in this municipality. Such retailer or vendor may be issued, without charge, a permit to collect such taxes, by the Tax Commission in such manner and subject to such regulations and agreements as it shall prescribe. When so authorized, it shall be the duty of such retailer or vendor to collect the tax upon all tangible, personal property sold to his knowledge for use within this municipality. Such authority and permit may be canceled when at any time the Tax Commission considers that such tax can more effectively be collected from the person using such property in this municipality. Provided, however, that in all instances where such sales are made or completed by delivery to the purchaser within this municipality by the retailer or vendor in such retailer's or vendor's vehicle, whether owned or leased (not by common carrier), such sales or transactions shall continue to be subject to applicable municipal Sales Tax at the point of delivery and the tax shall be collected and reported under taxpayer's sales tax permit number accordingly.

SECTION 7-707 REVOKING PERMITS.

Whenever any retailer or vendor not maintaining a place of business in this state, or both within and without this state, and authorized to collect the tax herein levied, fails to comply with any of the provisions of this Article or the Oklahoma Use Tax Code or any order, rules or regulations of the Tax Commission, the Tax Commission may, upon notice and hearing as provided for in 68 O.S. 1981, § 1408, by order revoke tax permit, if any, issued to such retailer or vendor, and if any such retailer or vendor is a corporation authorized to do business in this state, may, after notice and hearing above provided, cancel said corporation's license to do business in this state and shall issue a new license only when such corporation has complied with the obligations under this Article, the Oklahoma Use Tax Code, or any order, rules or regulations of the Tax Commission.

SECTION 7-708 REMUNERATIVE DEDUCTIONS ALLOWED VENDORS OR RETAILERS OF OTHER STATES.

Returns and remittances of the tax herein levied and collected shall be made to the Tax Commission at the time and in the manner, form and amount as prescribed for returns and remittances required by the Oklahoma Use Tax Code; and remittances of tax collected hereunder shall be subject to the same discount as may be allowed by said Code for the collection of State Use Taxes.

SECTION 7-709 INTEREST AND PENALTIES; DELINQUENCY.

Title 68 O.S. § 217, is hereby adopted and made a part of this Article, and interest and penalties at the rates and in the amounts as therein specified are hereby levied and shall be applicable in cases of delinquency in reporting and paying the tax levied by this Article. Provided, that the failure or refusal of any retailer or vendor to make and transmit the reports and remittances of tax in the time and manner required by this Article shall cause such tax to be delinquent. In addition, if such delinquency continues for a period of five (5) days, the retailer or vendor shall forfeit his claim to any discount allowed under this Article.

SECTION 7-710 WAIVER OF INTEREST AND PENALTIES.

The interest or penalty of any portion thereof accruing by reason of a retailer's or vendor's failure to pay the municipal tax herein levied may be waived or remitted in the same manner as provided for said waiver or remittance as applied in administration of the State Use Tax provided in 68 O.S. § 227, and to accomplish the purposes of this section the applicable provisions of said Section 220 are hereby adopted by reference and made a part of this Article.

SECTION 7-711 ERRONEOUS PAYMENTS; CLAIM FOR REFUND.

Refund of erroneous payment of the municipal Use Tax herein levied may be made to any taxpayer making such erroneous payment in the same manner and procedure, and under the same limitations of time, as provided for administration of the State Use Tax as set forth in 68 O.S. § 227, and to accomplish the purpose of this section, the applicable provisions of said Section 227 are hereby adopted by reference and made a part of this Article.

SECTION 7-712 FRAUDULENT RETURNS.

In addition to all civil penalties provided by this Article, the willful failure or refusal of any taxpayer to make reports and remittances herein required, or the making of any false and fraudulent report for the purpose of avoiding or escaping payment of any tax or portion thereof rightfully due under this Article shall be an offense and upon conviction thereof the offending taxpayer shall be punished by a fine of not more than One Hundred Dollars (\$100.00) and costs. Each day of noncompliance with this Article shall constitute a separate offense.

SECTION 7-713 RECORDS CONFIDENTIAL.

The confidential and privileged nature of the records and files concerning the administration of the municipal Use Tax is legislatively recognized and declared, and to protect the same the provisions of 68 O.S. § 205, of the State Use Tax Code, and each subsection thereof, is hereby adopted by reference and made fully effective and applicable to administration of the municipal Use Tax as is herein set forth in full.

SECTION 7-714 P PROVISIONS CUMULATIVE.

The provisions hereof shall be cumulative, and in addition to any and all other taxing provisions of the municipal ordinances.

SECTION 7-715 PROVISIONS SEVERABLE.

The provisions hereof are hereby declared to be severable, and if any section, paragraph, sentence or clause of this Article is for any reason held invalid or inoperative by any court of competent jurisdiction, such decision shall not affect any other section, paragraph, sentence or clause thereof.

SECTION 7-716 DEFINITIONS.

The definitions of words, terms and phrases contained in the Oklahoma Use Tax Code, 68 O.S. § 1401 are hereby adopted by reference and made a part of this Article. In addition thereto, the following words and terms shall be defined as follows:

1. Town shall mean the Town of Lamont, Oklahoma.

2. Transaction shall mean sale.

SECTION 7-717 TAX COLLECTOR DEFINED.

The term "tax collector" as used herein means the department of the municipal government or the official agency of the state, duly designated according to law or contract authorized by law to administer the collection of the tax herein levied.

SECTION 7-718 CLASSIFICATION OF TAXPAYERS.

For the purpose of this Article, the classification of taxpayers hereunder shall be as prescribed by state law for purposes of the Oklahoma Use Tax Code.

SECTION 7-719 SUBSISTING STATE PERMITS.

All valid and subsisting permits to do business issued by the Tax Commission pursuant to the Oklahoma Use Tax Code are for the purpose of this Article hereby ratified, confirmed and adopted in lieu of any requirement for an additional municipal permit for the same purpose.

SECTION 7-720 PURPOSES OF REVENUES.

It is hereby declared to be the purpose of this Article to provide revenues for the support of the functions of the municipal government of the municipality, and any and all revenues derived hereunder may be expended by the governing body of the municipality for any purpose for which funds may be lawfully expended as authorized.