

ENGROSSED HOUSE  
BILL NO. 1295

By: Braddock of the House  
and  
Kerr of the Senate

An Act relating to public finance; amending Sections 12 and 13, Chapter 342, O.S.L. 1992 (62 O.S. Supp. 1996, Sections 861 and 862), which relate to the Local Development Act; modifying type of property to be included in definition of base assessed value; modifying provisions related to computation of base assessed value; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY Section 12, Chapter 342, O.S.L. 1992 (62 O.S. Supp. 1996, Section 861), is amended to read as follows:

Section 861. A. A project plan may contain a provision that the increments from certain local taxes or fees may be used to finance project costs in areas qualified under this act. The increment from local taxes or fees levied from and after the effective date of the approval of such plan shall be apportioned in the following manner for a period not to exceed twenty-five (25) years or the period required for payment of project costs, whichever is less:

1. That portion of the ad valorem taxes which are produced by the levy at the rate fixed each year by or for each such ad valorem taxing entity upon the base assessed value of the increment district determined pursuant to Section 13 862 of this ~~act~~ title and as to an area later added to the increment district, the effective date of the addition to the increment district, shall be paid to each taxing entity and all or any portion of local sales taxes, other local taxes or local fees collected each year which are not subject to apportionment shall be paid or retained as otherwise provided by law; and

2. That portion of ad valorem taxes, in excess of such amount specified in paragraph 1 of this subsection, and all or any portion of the increment of local sales taxes, other local taxes or local fees, or a combination thereof, paid to or for the benefit of the city, town, or county approving the plan, and with its consent, evidenced by agreement in writing, all or any portion of the increment of local sales tax, other local taxes or local fees, or combination thereof, payable to any other local public entity, shall be apportioned to, and when collected, shall be paid into an apportionment fund established for the project pursuant to the project plan to be used for the payment of the project costs and for the payment of the principal of, the interest on, and any premiums due in connection with the bonds of, loans, notes, or advances of money to, or indebtedness incurred to finance project costs, whether funded, refunded, assumed, or otherwise, for financing, in whole or in part, eligible project costs. Nothing shall prohibit the increments from being used to directly pay eligible project costs. When all eligible project costs and such bonds, loans, advances of money or indebtedness, if any, including interest thereon and any premiums due in connection with them, have been paid and the governing body adopts an ordinance or resolution dissolving the tax apportionment financing, all ad valorem taxes upon the taxable

property within the boundary of such district shall be paid into the funds of the respective taxing entities.

B. If a project plan contains a provision for apportionment as provided in subsection A of this section, and notwithstanding any other provision of law to the contrary, the governing body shall direct in the resolution or ordinance approving the plan which portion of the increments, including whether any or all, to be paid into the apportionment fund shall constitute a part of the general fund to be appropriated annually by the governing body, and which portion, including whether any or all, shall constitute funds of a public entity authorized to issue tax apportionment bonds or notes or to incur project costs.

C. To the extent that collections exceed project costs and the provisions for payment of principal and interest along with sufficient reserves on any bonds issued pursuant to the provisions of Section ~~14~~ 863 of this ~~act~~ title, the excess shall be paid into the funds of the respective taxing entities unless the taxing entity agrees to some other use of such collections.

D. Except as provided in subsection E of this section, for any year in which taxes or fees are apportioned in the manner specified in paragraph 2 of subsection A of this section, any increase in assessed valuation of taxable real property or taxable personal property within the boundaries of such district in excess of the base assessed value shall not be considered by any taxing entity in computing any debt limitation or for any other purpose except for the levy of taxes and in determining the amount to be apportioned.

E. In the event there is a general reassessment of ad valorem tax property valuations of any property within the boundaries of an increment district, the portions of valuations for assessment pursuant to paragraphs 1 and 2 of subsection A of this section shall be proportionately adjusted in accordance with such reassessment.

F. Nothing in this section shall be construed as relieving property in such project area from being assessed as provided in the Ad Valorem Tax Code of the Oklahoma Statutes, or as relieving owners of such property from paying a uniform rate of taxes, as required by Section 5 of Article X of the Oklahoma Constitution.

G. If property in an increment district is owned by a public trust or public entity and is leased for a private use, the lease shall require the private user to pay ad valorem taxes or an in lieu ad valorem tax payment, whichever is appropriate, on the value of the leasehold.

SECTION 2. AMENDATORY Section 13, Chapter 342, O.S.L. 1992 (62 O.S. Supp. 1996, Section 862), is amended to read as follows:

Section 862. A. Upon approval of a plan containing apportionment financing as provided in Section ~~12~~ 861 of this ~~act~~ title, the county assessor shall, within ninety (90) days, determine the total assessed value of all taxable real property and all taxable personal property within the boundaries of an increment district which shall be certified by the assessor as the "base assessed value".

B. Any school district located within the boundaries of an increment district may file a protest with the governing body of the city, town or county as to the amount certified by the county assessor as the "base assessed value" of the increment district. Such protest shall be filed within thirty (30) days after the "base assessed value" is certified by the county assessor. The governing body of the city, town or county shall notify the county assessor of the protest. Within thirty days after being notified of the protest, the county assessor shall redetermine the total assessed value of all taxable real property and all taxable personal property within the boundaries of the increment district and shall certify to

the governing body of the city, town or county the redetermined amount as the "base assessed value" of that district.

C. After the county assessor has certified the "base assessed value" of the taxable real property and the taxable personal property in such increment district, then in respect to every taxing jurisdiction receiving taxes levied in the increment district, the county assessor or any other official required by law to ascertain the amount of the equalized assessed value of all taxable property within such increment district for the purpose of computing the tax levy to be extended upon taxable property within such increment district, for the purpose of calculating the general state school aid formula, or for the purpose of computing any debt limitation, shall in every year that the tax apportionment is in effect ascertain the amount of value of taxable property in such increment district by including in such amount the certified "base assessed value" of all taxable real property and all taxable personal property in such increment district in lieu of the equalized assessed value of all taxable real property and all taxable personal property in such increment district. The tax levy determined shall be extended to the current equalized assessed value of all property in the increment district in the same manner as the tax levy is extended to all other taxable property in the increment district. The method of extending taxes established under the provisions of this section shall terminate when the governing body adopts an ordinance or resolution dissolving the tax apportionment financing. The provisions of this act shall not be construed as relieving property owners within an increment district from paying a uniform rate of taxes upon the current equalized assessed value of their taxable property as required by Section 5 of Article X of the Oklahoma Constitution.

SECTION 3. This act shall become effective November 1, 1997.

Passed the House of Representatives the 4th day of March, 1997.

Speaker

of the House of  
Representatives

Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 1997.

President

of the Senate