

STATE OF OKLAHOMA

2nd Session of the 47th Legislature (2000)

CONFERENCE COMMITTEE SUBSTITUTE
FOR ENGROSSED
HOUSE BILL NO. 2203

By: Corn and Langmacher of the
House

and

Monson of the Senate

CONFERENCE COMMITTEE SUBSTITUTE

An Act relating to revenue and taxation; amending Section 1, Chapter 186, O.S.L. 1999 (47 O.S. Supp. 1999, Section 1132.3) and Section 2, Chapter 186, O.S.L. 1999 (68 O.S. Supp. 1999, Section 2103.1), which relate to a credit for registration fee and vehicle excise tax for certain vehicles; allowing credit for extended period of time; permitting refund for certain time period; requiring Oklahoma Tax Commission to provide notice; amending Section 1, Chapter 354, O.S.L. 1999 (68 O.S. Supp. 1999, Section 2357.29), which relates to a tax credit for owners of residential real property damaged or destroyed by tornado; modifying qualifications for income tax credit; amending 68 O.S. 1991, Section 2823, as last amended by Section 3, Chapter 326, O.S.L. 1994 (68 O.S. Supp. 1999, Section 2823), which relates to ad valorem taxation visual inspection program; modifying program to include costs of physical inspections of personal property; amending 62 O.S. 1991, Section 193, as last amended by Section 3 of Enrolled House Bill No. 2061 of the 2nd Session of the 47th Oklahoma Legislature, which relates to the Ad Valorem Reimbursement Fund; clarifying reimbursement of certain claims; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY Section 1, Chapter 186, O.S.L. 1999 (47 O.S. Supp. 1999, Section 1132.3), is amended to read as follows:

Section 1132.3 There shall be a credit allowed with respect to the fee for registration of a vehicle which is a replacement for a vehicle which was destroyed by a tornado on May 3, 1999, and which

was registered pursuant to the provisions of Section 1132 of ~~Title 47 of the Oklahoma Statutes~~ this title on such date. The credit shall be a prorated amount based on the fee paid for the registration of the destroyed vehicle for the period of registration remaining as of May 3, 1999, and shall be applied to the registration fee for the replacement vehicle pursuant to the provisions of Section 1132 of ~~Title 47 of the Oklahoma Statutes~~ this title. ~~In no event will the~~ This credit may be claimed and applied to the initial registration of the replacement vehicle or any subsequent registration of such vehicle, but in no event shall the credit be claimed or allowed after July 1, 2001. The credit shall not be refunded and shall only be claimed or allowed once. The Oklahoma Tax Commission shall provide appropriate notice to the general public and the motor license agents of the provisions of this section.

SECTION 2. AMENDATORY Section 2, Chapter 186, O.S.L. 1999 (68 O.S. Supp. 1999, Section 2103.1), is amended to read as follows:

Section 2103.1 A. There shall be a credit allowed with respect to the excise tax paid for a vehicle which is a replacement for a vehicle which was destroyed by a tornado on May 3, 1999, and upon which excise tax had been paid pursuant to the provisions of Section 2103 of ~~Title 68 of the Oklahoma Statutes~~ this title on or after May 3, 1998. The credit shall be in the amount of the excise tax which was paid for the destroyed vehicle and shall be applied to the excise tax due on the replacement vehicle. ~~In no event shall~~ Except as provided in subsection B of this section, the credit shall not be refunded.

B. If the credit allowed pursuant to subsection A of this section was not claimed pursuant to this section on the replacement vehicle, the vehicle owner may apply for a refund on forms prescribed by the Oklahoma Tax Commission. The refund shall be

claimed no later than July 1, 2001, and in no event shall a refund be allowed after such date. The Tax Commission shall provide appropriate notice to the general public and the motor license agents of the provisions of this section.

SECTION 3. AMENDATORY Section 1, Chapter 354, O.S.L. 1999 (68 O.S. Supp. 1999, Section 2357.29), is amended to read as follows:

Section 2357.29 A. For tax years beginning after December 31, 1999, there shall be allowed a credit against the tax imposed by Section 2355 of ~~Title 68 of the Oklahoma Statutes~~ this title for owners of residential real property whose primary residence was damaged or destroyed in the May 3, 1999, tornado. The amount of the credit shall be the difference between the ad valorem property tax paid on such property and improvements in the year prior to the tornado damage or destruction and the amount of ad valorem property tax paid on the property and improvements the first year after the improvement is completely or fully repaired or rebuilt. For purposes of this credit, the amount of ad valorem property tax paid the first year after the improvement is repaired or rebuilt shall be based on the same or similar square footage as the improvement which was damaged or destroyed.

B. The credit shall be a refundable credit. Eligible taxpayers shall be entitled to claim this credit for five (5) consecutive years. After the first year the credit is claimed, the amount of the credit shall be eighty percent (80%) of the previous year's credit. If the taxpayer has no income tax liability, or if the credit exceeds the amount of the income tax liability of the taxpayer, then the credit, or balance thereof, shall be paid out in the same manner and out of the same fund as refunds of income taxes are paid and so much of the fund as is necessary for such purposes is hereby appropriated.

C. In order to qualify for this credit:

1. The property shall have been damaged or destroyed by the tornado or similar cyclonic winds on May 3, 1999;

2. The property shall be within an area which has been declared a federal disaster area;

3. The damaged or destroyed property shall be the primary residence of the owner ~~both prior to and after~~ the May 3, 1999, tornado;

4. The owner shall have been granted a homestead exemption or be eligible to claim a homestead exemption both prior to and after the May 3, 1999, tornado;

5. The primary residence ~~shall~~ may be repaired or rebuilt on the same property as it existed prior to the May 3, 1999, tornado, or a new primary residence may be purchased or rebuilt at any other location within this state; and

6. The primary residence shall be repaired or rebuilt and used as the primary residence or a new primary residence shall be purchased or built at another location no later than December 31, 2001.

D. The credit shall not be allowed if the property is transferred or title is changed or conveyed as defined in Section 2802.1 of ~~Title 68 of the Oklahoma Statutes~~ this title. Any credit claimed and allowed prior to the transfer of the property or the change or conveyance of title shall not be affected.

E. The Oklahoma Tax Commission shall promulgate any necessary rules and develop any necessary forms to implement the provisions of this section.

SECTION 4. AMENDATORY 68 O.S. 1991, Section 2823, as last amended by Section 3, Chapter 326, O.S.L. 1994 (68 O.S. Supp. 1999, Section 2823), is amended to read as follows:

Section 2823. A. For ~~the~~ each fiscal year ~~beginning July 1, 1992, and each year thereafter,~~ the cost of the comprehensive program of visual inspections for real property and the cost of

physical inspections of personal property shall be paid by appropriate warrants from those who receive the revenues of the mill rates levied on the property of the county as prescribed by this section. The county assessor shall prepare a budget for the comprehensive program of visual inspections for real property and the cost of physical inspections of personal property and file such budget with the county excise board or county budget board.

B. The county excise board or county budget board shall apportion such cost among the various recipients of revenues from the mill rates levied, including the county, all cities and towns, all school districts, all sinking funds of such recipients, and all jurisdictions specified in subsection D of this section, in the ratio which each recipient's total tax collection authorized from its mill rates levied for the preceding year bears to the total tax collection authorized of all recipients from all their mill rates levied for the preceding year. The cost shall include only those expenses directly attributable to the visual inspection program and those expenses directly attributable to physical inspections of personal property and shall not include any expenses of the office of the county assessor which, in the judgment of the county excise board or county budget board, are expenses of county assessor's office which would exist in the absence of such program or in the absence of physical inspection of personal property. Expenses that are attributable both to the visual inspection program and physical inspection of personal property, and which would exist in the absence of such program or inspection, including but not limited to salaries, employee benefits, office supplies and equipment, may be prorated; provided, no portion of the salary of the county assessor shall be included in such costs.

C. Upon receipt of the billing statement provided for in subsections D and E of this section by each such recipient, the mill rates to be established by the board for each such recipient for the

current year shall include and be based upon such amounts and shall constitute an appropriation of such amounts to the county assessor for expenditure for the expenses of administering the visual inspection program each year and of physically inspecting personal property. In the case of a sinking fund of a recipient, if, after approving its budget, the governing body of a recipient notifies the board in writing that there are no funds appropriated to pay the amount of the billing statement for such sinking fund, such notice shall constitute conclusive evidence of a financial obligation of the recipient as it relates to such sinking fund. The board may seek a judgment for the amount of such obligation and court costs in the district court of the county in which the board is located.

D. The county assessor shall render a statement to each of the jurisdictions within the county which receive revenue from an ad valorem mill rate. Such statement shall include the following information:

1. The current fiscal year in which the charge has been incorporated in the jurisdiction's budget;

2. All jurisdictions receiving statements from the county assessor, the mill rate for each in the previous year, and the proportion of each to the combined mill rates of all jurisdictions within the county for the previous year. The proportions specified in this paragraph should equal a total of one hundred percent (100%);

3. The charge for the entity receiving the statement as well as the charge for each jurisdiction of the county based upon the proportions specified in paragraph 2 of this subsection. The total of all current year charges for all county jurisdictions should equal the total visual inspection program budget for the current fiscal year;

4. The amount of the total budget for the office of the county assessor and the percentage that combined visual inspection program

expenses and personal property inspection expenses are of such total budget; and

5. A copy of the County Budget Visual Inspection Account and a brief description of the areas to be visually inspected for the current fiscal year, consistent with the plan on file with the Oklahoma Tax Commission pursuant to Section 2820 of this title.

E. In any county wherein any jurisdiction's budget and mill rates are not subject to review and approval by the county excise board, the county assessor shall nevertheless include any such jurisdiction in the calculations required under subsection A of this section. The county assessor shall also render a billing statement to any such jurisdiction showing the charge for the current fiscal year due from the jurisdiction. Such billing statement shall also show all the information specified in subsection D of this section. Such billing statement shall clearly indicate that the charge payable by the jurisdiction is due and payable by December 31 of the current fiscal year.

SECTION 5. AMENDATORY 62 O.S. 1991, Section 193, as last amended by Section 3 of Enrolled House Bill No. 2061 of the 2nd Session of the 47th Oklahoma Legislature, is amended to read as follows:

Section 193. A. There is hereby created in the State Treasury a revolving fund for the Oklahoma Tax Commission to be designated the "Ad Valorem Reimbursement Fund". The fund shall be a continuing fund, not subject to fiscal year limitations. Monies apportioned to this fund shall be expended:

1. To reimburse counties of this state for loss of revenue due to exemptions of ad valorem taxes for new or expanded manufacturing or research and development facilities;

2. To reimburse counties of this state for loss of revenue for school district and county purposes due to exemptions granted

pursuant to the provisions of Section 2890 of Title 68 of the Oklahoma Statutes; and

3. To reimburse counties of this state for loss of revenue due to decreased valuation and assessment for buffer strips pursuant to Section 2 of ~~this act~~ Enrolled House Bill No. 2061 of the 2nd Session of the 47th Oklahoma Legislature.

Provided that it shall be the duty of the Tax Commission to assess the valuation of all property for new or expanded manufacturing or research and development facilities which are exempt from ad valorem taxes.

Monies apportioned to this fund also may be transferred to other state funds or otherwise expended as directed by the Legislature by law.

B. The county commissioners of each county seeking reimbursement for lost revenue from the Ad Valorem Reimbursement Fund shall make claims for reimbursement on forms prescribed by the Tax Commission prior to April 30 of each year. Claims for reimbursement for loss of revenue due to exemptions of ad valorem taxes for new or expanded manufacturing or research and development facilities shall be made separately from claims for reimbursement for loss of revenue for school district and county purposes due to exemptions granted pursuant to the provisions of Section 2890 of Title 68 of the Oklahoma Statutes and separately from claims for reimbursement for loss of revenue for decreased valuation and assessment of buffer strips. Provided, the assessed valuation of a school district as stated in the claim for reimbursement shall be the same as reported to the State Department of Education on the Estimate of Need and shall include the total valuation of property exempt from taxation pursuant to Section 2902 of Title 68 of the Oklahoma Statutes. The claims shall be either approved or disapproved in whole or in part by the Tax Commission by June 15 of each year. A claim for reimbursement for loss of revenue due to an

exemption of ad valorem taxes for a new or expanded manufacturing or research and development facility shall be disapproved if a county or school district has received any payment in lieu of ad valorem taxes from such facility, to the extent of the amount of such reimbursement. If the Tax Commission determines that an exemption has been erroneously or unlawfully granted, it shall notify the appropriate county assessor who shall immediately value and assess the property and place it on the rolls for ad valorem taxation. Disbursements from the fund shall be made on warrants issued by the State Treasurer against claims filed by the Tax Commission with the Office of State Finance for payment. Such disbursements shall be exempt from all agency expenditure ceilings. The county treasurer shall apportion or disburse such funds for expenditures in the same manner as other ad valorem tax collections.

C. In the event monies apportioned to the Ad Valorem Reimbursement Fund are insufficient to pay all claims for reimbursement made pursuant to subsection B of this section, claims for reimbursement for loss of revenue due to exemptions of ad valorem taxes for new or expanded manufacturing or research and development facilities shall be paid first, and any remaining funds shall be distributed proportionally among the counties making claims for reimbursement for loss of revenue for school district and county purposes due to exemptions granted pursuant to the provisions of Section 2890 of Title 68 of the Oklahoma Statutes, according to the amount of the claim made by each county. If any funds remain after paying all claims for reimbursement for loss of revenue due to exemptions of ad valorem taxation for new or expanded manufacturing or research and development facilities and for reimbursement for loss of revenue for school district and county purposes due to exemptions granted pursuant to the provisions of Section 2890 of Title 68 of the Oklahoma Statutes, the remaining funds shall be distributed proportionally among the counties making claims for

reimbursement for loss of revenue for decreased valuation and assessment for buffer strips pursuant to Section 2 of ~~this act~~ Enrolled House Bill No. 2061 of the 2nd Session of the 47th Oklahoma Legislature, according to the amount of the claim made by each county. No county shall be reimbursed an amount in excess of the amount of claims approved for that county pursuant to the provisions of this section.

SECTION 6. Section 5 of this act shall become effective January 1, 2001 contingent upon approval by the Governor of Enrolled House Bill No. 2061 of the 2nd Session of the 47th Oklahoma Legislature.

SECTION 7. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

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