

3 Senate Bill No. 1773
4 As Amended

5 SENATE BILL NO. 1773 - By: RABON of the Senate and CASE of the
6 House.

7 [public finance - authorizing expenditure - Ad Valorem
8 Reimbursement Fund - effective date]

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

10 SECTION 1. AMENDATORY 62 O.S. 2001, Section 193, is
11 amended to read as follows:

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

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

20 2. To reimburse counties of this state for loss of revenue for
21 school district and county purposes due to exemptions granted
22 pursuant to the provisions of Section 2890 of Title 68 of the
23 Oklahoma Statutes; and

1 3. To reimburse counties of this state for loss of revenue due
2 to decreased valuation and assessment for buffer strips pursuant to
3 Section ~~2 of this act~~ 2817.2 of Title 68 of the Oklahoma Statutes;
4 and

5 4. To reimburse counties of this state for one-half (1/2) of
6 the loss of revenue to technology center school districts due to
7 exemptions of ad valorem taxes for public trusts when such trusts
8 lease property to a manufacturing facility as defined in Section
9 2902 of Title 68 of the Oklahoma Statutes.

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

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

17 B. The county commissioners of each county seeking
18 reimbursement for lost revenue from the Ad Valorem Reimbursement
19 Fund shall make claims for reimbursement on forms prescribed by the
20 Tax Commission prior to April 30 of each year. Claims for
21 reimbursement for loss of revenue due to exemptions of ad valorem
22 taxes for new or expanded manufacturing or research and development
23 facilities shall be made separately from claims for reimbursement

1 for loss of revenue for school district and county purposes due to
2 exemptions granted pursuant to the provisions of Section 2890 of
3 Title 68 of the Oklahoma Statutes ~~and~~, separately from claims for
4 reimbursement for loss of revenue for decreased valuation and
5 assessment of buffer strips and separately from claims for
6 reimbursement for loss of revenue due to exemptions of ad valorem
7 taxes for public trusts when such trusts lease property to a
8 manufacturing facility. Provided, the assessed valuation of a
9 school district as stated in the claim for reimbursement shall be
10 the same as reported to the State Department of Education on the
11 Estimate of Need and shall include the total valuation of property
12 exempt from taxation pursuant to Section 2902 of Title 68 of the
13 Oklahoma Statutes. The claims shall be either approved or
14 disapproved in whole or in part by the Tax Commission by June 15 of
15 each year. A claim for reimbursement for loss of revenue due to an
16 exemption of ad valorem taxes for a new or expanded manufacturing or
17 research and development facility shall be disapproved if a county
18 or school district has received any payment in lieu of ad valorem
19 taxes from such facility, to the extent of the amount of such
20 reimbursement. If the Tax Commission determines that an exemption
21 has been erroneously or unlawfully granted, it shall notify the
22 appropriate county assessor who shall immediately value and assess
23 the property and place it on the rolls for ad valorem taxation.

1 Disbursements from the fund shall be made on warrants issued by the
2 State Treasurer against claims filed by the Tax Commission with the
3 Office of State Finance for payment. Such disbursements shall be
4 exempt from all agency expenditure ceilings. The county treasurer
5 shall apportion or disburse such funds for expenditures in the same
6 manner as other ad valorem tax collections.

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

1 distributed proportionally among the counties making claims for
2 reimbursement, first, for loss of revenue for decreased valuation
3 and assessment for buffer strips pursuant to Section ~~2 of this act~~
4 2817.2 of Title 68 of the Oklahoma Statutes and, second, for one-
5 half (1/2) of the loss of revenue due to exemptions of ad valorem
6 taxes for public trusts when such trusts lease property to a
7 manufacturing facility.

8 SECTION 2. This act shall become effective January 1, 2007.

9 COMMITTEE REPORT BY: COMMITTEE ON FINANCE, dated 2-14-06 - DO PASS,
10 As Amended and Coauthored.