STATE OF OKLAHOMA

1st Session of the 51st Legislature (2007)

SENATE BILL 688 By: Gumm

AS INTRODUCED

An Act relating to public finance; amending 62 O.S. 2001, Sections 193 and 855, as amended by Section 3, Chapter 255, O.S.L. 2003 (62 O.S. Supp. 2006, Section 855), which relate to exemptions from ad valorem taxation; providing for expenditures from Ad Valorem Reimbursement Fund for specified purpose; requiring certain claims to be filed separately; establishing priority for reimbursement from fund; modifying membership of certain review committee; modifying authority of governing body regarding certain proposals and eliminating certain type of approval; and providing an effective date.

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

SECTION 1. AMENDATORY 62 O.S. 2001, Section 193, 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; and

4. To reimburse counties of this state for loss of revenue for school district purposes due to the application of all or any portion of an increment of ad valorem taxes to finance a plan and project that is primarily retail in nature pursuant to the Local Development Act.

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 and claims for reimbursement for loss of revenue for school district purposes due to the application of all or any portion of an increment of ad valorem taxes to finance a plan and project that is primarily retail in nature pursuant to the Local Development Act. 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 <u>and claims for reimbursement for loss of revenue for school district purposes due to the application of all or any portion of an increment of ad valorem taxes to finance a plan and project that is primarily retail</u>

in nature pursuant to the Local Development Act, 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 and claims for reimbursement for loss of revenue for school district purposes due to the application of all or any portion of an increment of ad valorem taxes to finance a plan and project that is primarily retail in nature pursuant to the Local Development Act, 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~~ Section 2817.2 of Title 68 of the Oklahoma Statutes.

SECTION 2. AMENDATORY 62 O.S. 2001, Section 855, as amended by Section 3, Chapter 255, O.S.L. 2003 (62 O.S. Supp. 2006, Section 855), is amended to read as follows:

Section 855. A. Prior to the adoption and approval of a project plan and the ordinance or resolution required under Section 856 of this title and prior to the public hearing required under Section 859 of this title, the governing body shall appoint a review committee to review and make a recommendation concerning the

proposed district, plan or project. The membership of the review committee shall consist of the following: a representative of the governing body who shall serve as chairperson; a representative of the planning commission having jurisdiction over the proposed district; a representative designated by each ~~taxing~~ jurisdiction which is a recipient of taxes generated within the proposed district whose receipt of revenue from ad valorem taxes might be impacted according to the plan; and three members representing the public at large and selected by the other committee members from a list of seven names submitted by the chairperson of the review committee.

B. The review committee shall consider and make its findings and recommendations to the governing body with respect to the conditions establishing the eligibility of the proposed district and the appropriateness of the approval of the proposed plan and project. The review committee may recommend that the project plan be approved, denied or approved subject to conditions set forth by the committee.

C. Prior to approval by the governing body, the review committee shall consider and determine whether the proposed plan and project will have a financial impact on any taxing jurisdiction within the proposed district and shall report its findings to the governing body. Such considerations shall be concurrent with or subsequent to the review and consideration of the committee provided for in subsection B of this section. The approval of any district

plan or project by the governing body shall address any findings of such impact by the review committee.

D. In the event of any changes in the area to be included in the proposed district or any substantial changes in the proposed plan and project or for any other reason deemed appropriate by the governing body, the review committee shall consider and may modify its findings and recommendations made pursuant to the provisions of subsection B of this section.

E. ~~Approval of the proposed district or the proposed plan or project by the governing body which is in accord with the~~ Based upon the recommendation of the review committee, the governing body shall either approve or deny the proposed district or the proposed plan or project and such approval or denial shall be by a majority vote of the governing body. ~~Such approval which is not in accord with the recommendations and/or conditions set forth by the review committee shall be by a two thirds (2/3) majority vote.~~

F. Meetings of the review committee shall be subject to the Oklahoma Open Meeting Act. Any information relating to the marketing plans, financial statements, trade secrets or any other proprietary information submitted to the review committee by a person or entity seeking adoption and approval of a proposed district, plan or project shall be confidential, except to the extent that the person or entity which provided the information

consents to disclosure. Executive sessions may be held to discuss such information if deemed necessary by the review committee.

SECTION 3. This act shall become effective November 1, 2007.

51-1-897 JCR 11/3/2007 2:31:46 AM