

**BILL SUMMARY**  
1<sup>st</sup> Session of the 52<sup>nd</sup> Legislature

**Bill No.:** SB 929  
**Version:** Committee Substitute  
**Author:** Rep. Denney & Sen. Williams  
**Date:** April 21, 2009  
**Impact:** Ad Valorem Tax Reimbursement Fund  
FY09: \$193,000; FY10: \$290,000;  
& FY11: \$259,000

**Bill Summary**

Research Analyst: Jonathan S. Small II

The committee substitute (CS) for the engrossed measure waves existing payroll requirements for certain manufacturing entities, in order to qualify for manufacturing property tax exemptions. The waiver applies to exemption applications made between January 1, 2004 and March 31, 2009. To qualify for the waiver the entity must have been located in Oklahoma for at least 15 years, engaged in marine engine manufacturing (NAICS 333618) and maintained an average employment of 500 or more full-time-equivalent employees over a 10 year period.

The CS also requires that anyone who qualifies for the waiver may be required to repay exempted amounts, if the entity closes the Oklahoma manufacturing plants before January 1, 2012.

The measure is effective immediate upon lawful passage.

**Fiscal Summary**

Fiscal Analyst: Diane Thomas

CS for ESB 929 provides for a waiver of the payroll requirement for 5 years exemption claims, including:

- claims previously denied or on appeal on the effective date of the act;
- all initial applications for exemption filed on or after January 2, 2004 and before April 1, 2009;
- all subsequent annual exemption applications filed related to the initial application:
  - if the facility has been located in Oklahoma for at least 15 years;
  - engaged in marine engine manufacturing; and
  - has maintained an average employment of 500 or more full-time-equivalent employees over a 10 year period.

The measure also provides that any applicant qualifying under this measure but subsequently closes its Oklahoma manufacturing plant prior to January 1, 2012, is disqualified and subject to repayment of any benefits received.

**Fiscal Analysis**

Current law provides the state will reimburse certain ad valorem exemptions to the local taxing jurisdictions. The Tax Commission's records indicate qualifying claims made during the referenced period result in a potential state reimbursement to the local taxing jurisdictions of:

FY09	\$193,000
FY10	\$290,000
FY11	\$259,000
FY12	\$229,000
FY13	\$171,000
FY14	\$50,000
Total	\$1,192,000

**Long Term Fiscal Considerations**

As stated above.

Fiscal Analysis Reviewed By:

*Janice Buchanan*

House Fiscal Director