

1 ENGROSSED SENATE
2 BILL NO. 163

By: Mazzei of the Senate

3 and

4 Dank of the House

5
6 [Ad Valorem Reimbursement Fund - distribution of
7 funds - modifying reimbursement amount - effective
8 date]

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

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

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

18 1. To reimburse counties of this state for loss of revenue due
19 to exemptions of ad valorem taxes for new or expanded manufacturing
20 or research and development facilities; provided, for tax year 2012
21 and all subsequent tax years, the property valuation used for
22 determining the amount of such reimbursement shall be limited to the
23 property valuation for the calendar year immediately preceding the

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1 calendar year in which the facility initially qualified for such
2 exemption;

3 2. To reimburse counties of this state for loss of revenue for
4 school district and county purposes due to exemptions granted
5 pursuant to the provisions of Section 2890 of Title 68 of the
6 Oklahoma Statutes; and

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

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

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

18 B. The county commissioners of each county seeking
19 reimbursement for lost revenue from the Ad Valorem Reimbursement
20 Fund shall make claims for reimbursement on forms prescribed by the
21 Tax Commission prior to April 30 of each year. Claims for
22 reimbursement for loss of revenue due to exemptions of ad valorem
23 taxes for new or expanded manufacturing or research and development
24 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. Provided, the assessed valuation of a
6 school district as stated in the claim for reimbursement shall be
7 the same as reported to the State Department of Education on the
8 Estimate of Need and shall include the total valuation of property
9 exempt from taxation pursuant to Section 2902 of Title 68 of the
10 Oklahoma Statutes. The claims shall be either approved or
11 disapproved in whole or in part by the Tax Commission by June 15 of
12 each year. A claim for reimbursement for loss of revenue due to an
13 exemption of ad valorem taxes for a new or expanded manufacturing or
14 research and development facility shall be disapproved if a county
15 or school district has received any payment in lieu of ad valorem
16 taxes from such facility, to the extent of the amount of such
17 reimbursement. If the Tax Commission determines that an exemption
18 has been erroneously or unlawfully granted, it shall notify the
19 appropriate county assessor who shall immediately value and assess
20 the property and place it on the rolls for ad valorem taxation.
21 Disbursements from the fund shall be made on warrants issued by the
22 State Treasurer against claims filed by the Tax Commission with the
23 Office of State Finance for payment. Such disbursements shall be
24 exempt from all agency expenditure ceilings. The county treasurer

1 shall apportion or disburse such funds for expenditures in the same
2 manner as other ad valorem tax collections.

3 C. In the event monies apportioned to the Ad Valorem
4 Reimbursement Fund are insufficient to pay all claims for
5 reimbursement made pursuant to subsection B of this section, claims
6 for reimbursement for loss of revenue due to exemptions of ad
7 valorem taxes for new or expanded manufacturing or research and
8 development facilities shall be paid first, and any remaining funds
9 shall be distributed proportionally among the counties making claims
10 for reimbursement for loss of revenue for school district and county
11 purposes due to exemptions granted pursuant to the provisions of
12 Section 2890 of Title 68 of the Oklahoma Statutes, according to the
13 amount of the claim made by each county. If any funds remain after
14 paying all claims for reimbursement for loss of revenue due to
15 exemptions of ad valorem taxation for new or expanded manufacturing
16 or research and development facilities and for reimbursement for
17 loss of revenue for school district and county purposes due to
18 exemptions granted pursuant to the provisions of Section 2890 of
19 Title 68 of the Oklahoma Statutes, the remaining funds shall be
20 distributed proportionally among the counties making claims for
21 reimbursement for loss of revenue for decreased valuation and
22 assessment for buffer strips pursuant to ~~Section 2 of this act~~
23 Section 2817.2 of Title 68 of the Oklahoma Statutes.

24 SECTION 2. This act shall become effective January 1, 2012.

