

1 STATE OF OKLAHOMA

2 2nd Session of the 53rd Legislature (2012)

3 HOUSE BILL 2355

By: Kouplen

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5
6 AS INTRODUCED

7 An Act relating to revenue and taxation; making
8 legislative findings; amending 62 O.S. 2011, Section
9 193, which relates to the Ad Valorem Reimbursement
10 Fund; modifying procedures for reimbursement;
11 providing for reimbursement to qualifying
12 manufacturing concern; providing for codification;
13 and providing an effective date.

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

15 SECTION 1. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 2902.1A of Title 68, unless
17 there is created a duplication in numbering, reads as follows:

18 The Legislature finds that the current method pursuant to which
19 local taxing jurisdictions are reimbursed for revenues pursuant to
20 the provisions of Section 6B of Article X of the Oklahoma
21 Constitution can result in difficulty with budgeting, errors in the
22 process for managing the exempt status of qualifying manufacturing
23 concern assets during the exemption period and errors in the process
24 by which the local taxing jurisdictions file claims for
reimbursement. In order to assist the local taxing jurisdictions

1 and to eliminate errors during the process for making application
2 for reimbursement from the Ad Valorem Reimbursement Fund, the
3 Legislature finds that it would be advantageous for the exemption
4 provided by Section 6B of Article X of the Oklahoma Constitution and
5 the provisions of Section 2902 of Title 68 of the Oklahoma Statutes
6 to be administered by making reimbursement to the qualifying
7 manufacturing concern instead of to the local taxing jurisdictions
8 and to administer the exemption in the manner of a rebate after the
9 ad valorem taxes have been paid to the county treasurer annually and
10 after a regular apportionment of the ad valorem tax revenue that
11 would otherwise be foregone as a result of the exemption provided to
12 qualifying manufacturing concerns.

13 SECTION 2. AMENDATORY 62 O.S. 2011, Section 193, is
14 amended to read as follows:

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

20 1. To reimburse ~~counties of this state~~ qualifying manufacturing
21 concerns for ~~loss of revenue due to exemptions of~~ ad valorem taxes
22 ~~for~~ paid by the qualifying manufacturing concerns on the taxable
23 value of new or expanded manufacturing or research and development
24 facilities;

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

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

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

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

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

1 Section 2890 of Title 68 of the Oklahoma Statutes and separately
2 from claims for reimbursement for loss of revenue for decreased
3 valuation and assessment of buffer strips. Provided, the assessed
4 valuation of a school district as stated in the claim for
5 reimbursement shall be the same as reported to the State Department
6 of Education on the Estimate of Need and shall include the total
7 valuation of property exempt from taxation pursuant to Section 2902
8 of Title 68 of the Oklahoma Statutes. The claims shall be either
9 approved or disapproved in whole or in part by the Tax Commission by
10 June 15 of each year. A claim for reimbursement for ~~loss of revenue~~
11 ~~due to an exemption of~~ ad valorem taxes ~~for~~ previously paid by a new
12 or expanded manufacturing or research and development facility shall
13 be disapproved if a county or school district has received any
14 payment in lieu of ad valorem taxes from such facility, to the
15 extent of the amount of such reimbursement. If the Tax Commission
16 determines that an exemption has been erroneously or unlawfully
17 granted, it shall notify the appropriate county assessor who shall
18 immediately value and assess the property and place it on the rolls
19 for ad valorem taxation. Disbursements from the fund shall be made
20 on warrants issued by the State Treasurer against claims filed by
21 the Tax Commission with the Office of State Finance for payment.
22 Such disbursements shall be exempt from all agency expenditure
23 ceilings. The county treasurer shall apportion or disburse such
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1 funds for expenditures in the same manner as other ad valorem tax
2 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~~ previously paid by a new or expanded manufacturing
8 or research and development facilities shall be paid first, and any
9 remaining funds shall be distributed proportionally among the
10 counties making claims for reimbursement for loss of revenue for
11 school district and county purposes due to exemptions granted
12 pursuant to the provisions of Section 2890 of Title 68 of the
13 Oklahoma Statutes, according to the amount of the claim made by each
14 county. If any funds remain after paying all claims for
15 reimbursement for ~~loss of revenue due to exemptions~~ prior payment of
16 ad valorem ~~taxation for~~ taxes by a new or expanded manufacturing or
17 research and development facilities and for reimbursement for loss
18 of revenue for school district and county purposes due to exemptions
19 granted pursuant to the provisions of Section 2890 of Title 68 of
20 the Oklahoma Statutes, the remaining funds shall be distributed
21 proportionally among the counties making claims for reimbursement
22 for loss of revenue for decreased valuation and assessment for
23 buffer strips pursuant to Section ~~2~~ 2817.2 of ~~this act~~ Title 68 of
24 the Oklahoma Statutes.

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SECTION 3. This act shall become effective November 1, 2012.

53-2-9071 MAH 01/17/12