

OKLAHOMA TAX COMMISSION

FISCAL IMPACT STATEMENT AND/OR ADMINISTRATIVE IMPACT STATEMENT
SECOND REGULAR SESSION, FIFTY-FOURTH OKLAHOMA LEGISLATURE

DATE OF IMPACT STATEMENT: March 13, 2014

BILL NUMBER: HB 3101 STATUS AND DATE OF BILL: Engrossed 03/12/2014

AUTHORS: House Jackson Senate Scultz

TAX TYPE(S): Ad Valorem & Documentary Stamp SUBJECT: Administrative & Apportionment

PROPOSAL:

Section 1 provides that Oklahoma State University Center for Local Government Technology ("OSU-CLGT") is to be responsible, in cooperation with the County Assessors' Association, for the administration, support, training and implementation of the OSU-CLGT sponsored computer-assisted mass appraisal computer software system to any county using the service provided by the Ad Valorem Division of the Oklahoma Tax Commission on the effective date of this Act, if such county elects to adopt the OSU-CLGT sponsored program.

Section 2 provides that on the effective date of the Act, all monies remaining in the Computer-Assisted Mass Appraisal Implementation Revolving Fund shall be transferred to the County Government Modernization Revolving Fund.¹

Sections 4, 6 & 7 propose to revise the apportionment of documentary stamp tax collections.

EFFECTIVE DATE: July 1, 2014-Emergency

REVENUE IMPACT:

Insert dollar amount (plus or minus) of the expected change in state revenues due to this proposed legislation.

FY 15 \$9,331,000 estimated decrease in documentary stamp tax collections apportioned to General Revenue

FY 16 \$10,677,000 estimated decrease in documentary stamp tax collections apportioned to General Revenue [See attached for detailed analysis]

ADMINISTRATIVE IMPACT:

Insert the estimated cost or savings to the Tax Commission due to this proposed legislation.

FY 15: Unknown

Mar. 14, 2014
DATE

Rick Miller
DIVISION DIRECTOR

cjc

3-13-14
DATE

Reece Womack
REECE WOMACK, ECONOMIST

March 13, 2014
DATE

Dan Cook
FOR THE COMMISSION

¹ Section 5 of this measure creates this fund for the purposes of education, training, research, software, and computer modernization with oversight to be provided by the Commission on County Government Personnel Education and Training established in Section 130.1 of Title 19 of the Oklahoma Statutes or if the Commission is terminated the fund shall be subject to the oversight of the State Board of Equalization..

ATTACHMENT TO FISCAL IMPACT HB 3101 [Engrossed] Prepared March 13, 2014

Section 1 increases from four to five the number of academic units required for advanced accreditation of county assessors. The measure provides that all expenses incurred in the performance of the duties imposed on the Oklahoma State University Center for Local Government Technology ("OSU-CLGT") must be paid from funds deposited in the County Government Modernization Revolving Fund, appropriated or otherwise made available to the Tax Commission, or the University may charge a reasonable fee to defray costs.

The OSU-CLGT is to be responsible, in cooperation with the County Assessors' Association, for the administration, support, training and implementation of the OSU-CLGT sponsored computer-assisted mass appraisal computer software system to any county using the service provided by the Ad Valorem Division of the Oklahoma Tax Commission on the effective date of this Act, if such county elects to adopt the OSU-CLGT sponsored program. Expenses incurred in the performance of duties related to the computer-assisted mass appraisal program must be paid from funds deposited in the County Government Modernization Revolving Fund, appropriated or otherwise made available to the Tax Commission. All powers, duties, responsibilities, property, assets, liabilities, fund balances, encumbrances and obligations of the Ad Valorem Division of the Tax Commission relating to the computer-assisted mass appraisal system, including but not limited to program management, support and training are transferred to the OSU-CLGT.

Section 2 provides that on the effective date of the Act, all monies remaining in the Computer-Assisted Mass Appraisal Implementation Revolving Fund shall be transferred to the County Government Modernization Revolving Fund.²

Sections 4, 6 & 7 propose to revise the apportionment of documentary stamp tax collections.

The amount of \$18,754,000 of total documentary stamp tax is forecasted to be collected for FY 15³ for deposit to the general revenue fund. The remainder in the estimated amount of \$8,168,194 equals total documentary stamp tax collections of \$26,922,194.

FY 15

Pursuant to the current provisions of Section 3204 of Title 68, the estimated documentary stamp collections of \$26,922,194 are currently apportioned as follows:

• 5% of \$0.55	County Clerk	\$ 988,045
• 95% of \$0.55	General Revenue Fund	\$18,754,000
• \$0.20	County General Fund	\$ 7,180,149

Pursuant to the provisions outlined in Sections 4, 6 & 7 the estimated documentary stamp tax collections of \$26,922,194 would be apportioned as follows:

• 30.33%	County Clerk	\$ 8,165,501
• 35%	General Revenue Fund	\$ 9,422,768
• 34.67%	County Government Modernization Revolving Fund	\$ 9,333,925

² Section 5 of this measure creates this fund for the purposes of education, training, research, software, and computer modernization with oversight to be provided by the Commission on County Government Personnel Education and Training established in Section 130.1 of Title 19 of the Oklahoma Statutes or if the Commission is terminated the fund shall be subject to the oversight of the State Board of Equalization..

³ Oklahoma Tax Commission – Revenue Forecast for FY 15 issued February 13, 2014.

❖ 7% ⁴	OK Cooperative Extension Service	\$ 653,375
❖ 80% ⁵	OSU Center for Local Government Technology	\$7,467,140
❖ Any Excess to Reserve Account ⁶		\$1,213,410

FY 16

• 30.33%	County Clerk	\$ 8,165,501
• 30%	General Revenue Fund	\$ 8,076,659
• 39.67%	County Government Modernization Revolving Fund	\$10,680,034
❖ 7.50% ⁷	OK Cooperative Extension Service	\$ 801,003
❖ 85% ⁸	OSU Center for Local Government Technology	\$9,078,029
❖ Any Excess to Reserve Account		\$ 801,002

FY 17

• 30.33%	County Clerk	\$ 8,165,501
• 26.67%	General Revenue Fund	\$ 7,180,150
• 43%	County Government Modernization Revolving Fund	\$11,576,543
❖ 8% ⁹	OK Cooperative Extension Service	\$926,123
❖ 85% ¹⁰	OSU Center for Local Government Technology ¹¹	\$9,840,061
❖ Any Excess to Reserve Account		\$ 810,359

An estimated decrease in documentary stamp collections apportioned to the General Revenue Fund occurring as a result of this proposed measure is outlined as follows.

FY 15 \$9,331,232 decrease in documentary stamp collections apportioned to General Revenue
 FY 16 \$10,677,341 decrease in documentary stamp collections apportioned to General Revenue
 FY 17 \$11,573,850 decrease in documentary stamp collections apportioned to General Revenue

The minimum monthly dollar amounts specified in Section 6 shall be proportionally reduced during any month that the total amount of revenue apportioned to the County Government Modernization Revolving Fund is not sufficient in order to equal such minimum dollar amounts. All such minimum dollar amounts shall be reduced by an equal percentage to the extent of any deficiency.

For any fiscal year beginning after June 30, 2017, if software acquisition is complete and associated costs are paid, any county electing not to participate in the computer-assisted mass

4 The FY 15 apportionment for the OK Cooperative Extension Service cannot be less than \$50,000 per month.

5 The FY 15 apportionment for the OSU Center for Local Government Technology cannot be less than \$541,666.66 per month.

6 The maximum balance for the reserve account shall never exceed \$10,000,000. Amounts in excess of \$10,000,000 must be transferred to the General Revenue Fund.

7 The FY 16 apportionment for the OK Cooperative Extension Service cannot be less than \$54,166.66 per month.

8 The FY 16 apportionment for the OSU Center for Local Government Technology cannot be less than 566,666.66 per month

9 The FY 17 apportionment for the OK Cooperative Extension Service cannot be less than \$61,750 per month.

10 The FY 17 apportionment for the OSU Center for Local Government Technology cannot be less than \$625,000 per month.

11 For FY 18 and for each fiscal year thereafter the apportionment to the OSU Center for Local Government Technology shall be 55% of the amount deposited in the County Government Modernization Revolving Fund but shall not be less than \$425,000 per month.

appraisal software system may apply for a refund up to 8% of such county's deposit to the revolving fund annually. If funds are insufficient to make the eight-percent rebate, the percentage must be adjusted so that rebates may be paid.

Section 8

Proposes amendment to Section 130.6 of Title 19 providing that expenses incurred in the performance of the duties imposed upon the Commission on County Government Personnel Education and Training shall primarily be paid out of funds distributed to the Oklahoma Cooperative Extension Service from the County Government Modernization Revolving Fund; appropriated or otherwise, made available to the Tax Commission.