

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: May 2, 2018

BILL NUMBER: HB 3372 **STATUS AND DATE OF BILL:** Enrolled 05/01/2018

AUTHORS: House Wallace Senate David & Jech

TAX TYPE (S): Ad Valorem **SUBJECT:** Other

PROPOSAL: Amendatory & New Law

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 and other counties upon request 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 Education-Technical Revolving Fund.

Section 4 proposes to revise the apportionment of documentary stamp tax collections.

Section 5 creates the "County Government Education –Technical Revolving Fund"

Sections 6 details the allocation of monies deposited in the County Government Education – Technical Revolving Fund.

Section 7 establishes a reserve account within the County Government Education-Technical Revolving Fund.

EFFECTIVE DATE: July 1, 2019

REVENUE IMPACT:

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

FY 19: None

FY 20: \$6,559,000 decrease to GR Fund with \$6,559,000 increase to CGET Revolving Fund.

ADMINISTRATIVE IMPACT:

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

FY 19: None

May 3, 2018
DATE

Rick Miller
DIVISION DIRECTOR

cjc

5-3-18
DATE

Reece Womack
REECE WOMACK, ECONOMIST

5-3-18
DATE

Jonny Malt
FOR THE COMMISSION

ATTACHMENT TO FISCAL IMPACT - HB 3372 - [Enrolled] - Prepared May 2, 2018

Section 1 strikes the condition that only county assessor personnel involved in the actual appraisal of real property be required to achieve education accreditation. It also increases from 4 to 5 the number of academic units required for advanced accreditation of county assessors, and adds cadastral mapping as a required unit. 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 Education-Technical Revolving Fund, appropriated or otherwise made available to the Tax Commission, or the University may charge a reasonable fee to defray costs.

It also strikes the requirement that OSU-CLGT cooperate with the Tax Commission to provide software programs. 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 and other counties upon request 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 Education –Technical Revolving Fund, appropriated or otherwise made available to the Oklahoma 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 Education-Technical Revolving Fund.

Section 4 proposes amendment to Section 3204 of Title 68 by modifying the allocation to the General Revenue Fund of documentary stamp tax revenues. Currently 95% of first \$0.55 of the \$0.75 fee collected is apportioned to the General Revenue Fund. The measure proposes that of the 95%, \$500,000 plus 3% of the remainder be transferred monthly to County Government Education-Technical Revolving Fund for fiscal years beginning FY 19.

Based on the FY 2020 forecast,¹ documentary stamp tax deposits to the general revenue fund are estimated at \$24,617,000. The aforementioned apportionment change is projected to result in the following for FY 20:

\$6,559,000 decrease in documentary stamp tax revenues to the General Revenue Fund.

\$6,559,000 increase in documentary stamp tax revenues to the County Government Education-Technical Revolving Fund.

Additionally proposed amendatory language to Section 3204 strikes the requirement that the documentary stamp tax revenues retained by the county clerks be deposited into the county general fund.

Section 5 creates a revolving fund for the Oklahoma Tax Commission to be designated as the "County Government Education –Technical Revolving Fund"

Section 6 details the monthly allocation by the OTC of monies deposited in the County Government Education –Technical Revolving Fund as follows:

FY 20 and fiscal years thereafter

- 10% to the Oklahoma Cooperative Extension Service for duties imposed pursuant to 19 O.S. §§ 130.1 thru 130.7 and 1500 and 68 O.S. § 3006

¹ Oklahoma Tax Commission – Revenue Forecast for FY 20 issued February 15, 2018.

- 88.5% to the OSU-CLGT for duties imposed pursuant to 68 O.S. §§ 2816 and 2862 related to training, support, professional development, and additional software necessary for county assessors, treasurers and boards of equalization and the acquisition and administration of a CAMA software system for county governments.

After acquisition of the CAMA software counties which elect not to participate in the OSU-CLGT CAMA system may apply for a refund of up to 10% of its deposit. If funds are insufficient to pay full rebates, claims will be prorated for payment purposes.

Section 7 provides that a reserve account shall be established within the County Government Education-Technical Revolving Fund to consist of any revenue not otherwise apportioned. The maximum reserve amount shall not exceed \$2,000,000 at the end of each fiscal year. Any amounts in excess of the \$2,000,000 limitation are to be transferred to the General Revenue Fund.