

1 STATE OF OKLAHOMA

2 2nd Session of the 57th Legislature (2020)

3 SENATE BILL 1305

By: Montgomery

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5
6 AS INTRODUCED

7 An Act relating to the Ad Valorem Reimbursement Fund;
8 amending 62 O.S. 2011, Section 193, as amended by
9 Section 457, Chapter 304, O.S.L. 2012 (62 O.S. Supp.
10 2019, Section 193), which relates to the distribution
11 of funds; adding category of exemption for which
reimbursement may be claimed and creating
12 qualification; clarifying language; modifying
13 priority for payment of claims; and providing an
effective date.

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

15 SECTION 1. AMENDATORY 62 O.S. 2011, Section 193, as
16 amended by Section 457, Chapter 304, O.S.L. 2012 (62 O.S. Supp.
17 2019, Section 193), is amended to read as follows:

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

1 1. To reimburse counties of this state for loss of revenue due
2 to exemptions of ad valorem taxes for new or expanded manufacturing
3 or research and development facilities;

4 2. For claims for calendar year 2021 and all subsequent years,
5 to reimburse qualified counties of this state for loss of revenue
6 due to exemptions granted to certain veterans and their surviving
7 spouses pursuant to the provisions of Sections 8D, 8E and 8F of
8 Article X of the Oklahoma Constitution. A county is qualified for
9 reimbursement if the number of exemptions granted to veterans and
10 surviving spouses for the most recently concluded calendar year
11 exceeds eight-tenths of one percent (0.8%) of the total county
12 population according to the most recent Federal Decennial Census;

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

17 ~~3.~~ 4. To reimburse counties of this state for loss of revenue
18 due to decreased valuation and assessment for buffer strips pursuant
19 to Section 2817.2 of Title 68 of the Oklahoma Statutes.

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

1 Monies apportioned to this fund also may be transferred to other
2 state funds or otherwise expended as directed by the Legislature by
3 law.

4 B. The county commissioners of each county seeking
5 reimbursement for lost revenue from the Ad Valorem Reimbursement
6 Fund shall make claims for reimbursement on forms prescribed by the
7 Tax Commission prior to April 30 of each year. Claims for
8 reimbursement for loss of revenue ~~due to exemptions of ad valorem~~
9 ~~taxes for new or expanded manufacturing or research and development~~
10 ~~facilities shall be made separately from claims for reimbursement~~
11 ~~for loss of revenue for school district and county purposes due to~~
12 ~~exemptions granted pursuant to the provisions of Section 2890 of~~
13 ~~Title 68 of the Oklahoma Statutes and separately from claims for~~
14 ~~reimbursement for loss of revenue for decreased valuation and~~
15 ~~assessment of buffer strips~~ based upon the type of exemptions
16 enumerated in paragraph 1, 2, 3 or 4 of subsection A of this
17 section. Provided, the assessed valuation of a school district as
18 stated in the claim for reimbursement shall be the same as reported
19 to the State Department of Education on the Estimate of Need and
20 shall include the total valuation of property exempt from taxation
21 pursuant to Section 2902 of Title 68 of the Oklahoma Statutes. The
22 claims shall be either approved or disapproved in whole or in part
23 by the Tax Commission by June 15 of each year. A claim for
24 reimbursement for loss of revenue due to an exemption of ad valorem

1 taxes for a new or expanded manufacturing or research and
2 development facility shall be disapproved if a county or school
3 district has received any payment in lieu of ad valorem taxes from
4 such facility, to the extent of the amount of such reimbursement.
5 If the Tax Commission determines that an exemption has been
6 erroneously or unlawfully granted, it shall notify the appropriate
7 county assessor who shall immediately value and assess the property
8 and place it on the rolls for ad valorem taxation. Disbursements
9 from the fund shall be made on warrants issued by the State
10 Treasurer against claims filed by the Tax Commission with the Office
11 of Management and Enterprise Services for payment. Such
12 disbursements shall be exempt from all agency expenditure ceilings.
13 The county treasurer shall apportion or disburse such funds for
14 expenditures in the same manner as other ad valorem tax collections.

15 C. In the event monies apportioned to the Ad Valorem
16 Reimbursement Fund are insufficient to pay all claims for
17 reimbursement made pursuant to subsection B of this section, claims
18 for reimbursement for loss of revenue due to exemptions of ad
19 valorem taxes for new or expanded manufacturing or research and
20 development facilities shall be paid first, and any remaining funds
21 shall be distributed proportionally among the counties making claims
22 for reimbursement for loss of revenue for school district and county
23 purposes due to exemptions granted pursuant to the provisions of
24 ~~Section 2890 of Title 68 of the Oklahoma Statutes~~ Sections 8D, 8E

1 and 8F of Article X of the Oklahoma Constitution, if applicable,
2 according to the amount of the claim made by each county. If any
3 funds remain after paying all claims for reimbursement for loss of
4 revenue due to exemptions of ad valorem taxation for new or expanded
5 manufacturing or research and development facilities and for
6 reimbursement for loss of revenue for school district and county
7 purposes due to exemptions granted pursuant to the provisions of
8 ~~Section 2890 of Title 68 of the Oklahoma Statutes~~ Sections 8D, 8E
9 and 8F of Article X of the Oklahoma Constitution, the remaining
10 funds shall be distributed proportionally among the counties making
11 claims for reimbursement for the exemptions granted pursuant to the
12 provisions of Section 2890 of Title 68 of the Oklahoma Statutes and
13 for the loss of revenue for decreased valuation and assessment for
14 buffer strips pursuant to Section 2817.2 of Title 68 of the Oklahoma
15 Statutes.

16 SECTION 2. This act shall become effective November 1, 2020.

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