

STATE OF OKLAHOMA

1st Session of the 58th Legislature (2021)

COMMITTEE SUBSTITUTE
FOR ENGROSSED
HOUSE BILL NO. 1990

By: Caldwell (Trey), Mize, Pae
and Fugate of the House

and

Montgomery of the Senate

COMMITTEE SUBSTITUTE

[public finance - Ad Valorem Reimbursement Fund -
veteran homestead exemptions -effective date]

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

SECTION 1. AMENDATORY 62 O.S. 2011, Section 193, as
amended by Section 457, Chapter 304, O.S.L. 2012 (62 O.S. Supp.
2020, Section 193), is amended to read as follows:

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

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

1 2. Beginning calendar year 2022 and all subsequent years, to
2 reimburse qualified counties of this state for loss of revenue due
3 to exemptions granted to veterans and their surviving spouses
4 pursuant to the provisions of Sections 8D, 8E and 8F of Article X of
5 the Oklahoma Constitution. A county is qualified for reimbursement
6 if the number of exemptions granted to veterans and surviving
7 spouses for the most recently concluded calendar year exceeds eight-
8 tenths of one percent (0.8%) of the total county population
9 according to the latest Federal Decennial Census or most recent
10 annual population estimate, whichever is most recent. The
11 reimbursement provided in this paragraph shall amount to twenty-five
12 percent (25%) of the loss of revenue claimed by the qualified
13 county;

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

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

21 Provided that it shall be the duty of the Tax Commission to
22 assess the valuation of all property for new or expanded
23 manufacturing or research and development facilities which are
24 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 authorized pursuant to subsection A of this section. Provided, the
17 assessed valuation of a school district as stated in the claim for
18 reimbursement shall be the same as reported to the State Department
19 of Education on the Estimate of Need and shall include the total
20 valuation of property exempt from taxation pursuant to Section 2902
21 of Title 68 of the Oklahoma Statutes. The claims shall be either
22 approved or disapproved in whole or in part by the Tax Commission by
23 June 15 of each year. A claim for reimbursement for loss of revenue
24 due to an exemption of ad valorem taxes for a new or expanded

1 manufacturing or research and development facility shall be
2 disapproved if a county or school district has received any payment
3 in lieu of ad valorem taxes from such facility, to the extent of the
4 amount of such reimbursement. If the Tax Commission determines that
5 an exemption has been erroneously or unlawfully granted, it shall
6 notify the appropriate county assessor who shall immediately value
7 and assess the property and place it on the rolls for ad valorem
8 taxation. Disbursements from the fund shall be made on warrants
9 issued by the State Treasurer against claims filed by the Tax
10 Commission with the Office of Management and Enterprise Services for
11 payment. Such disbursements shall be exempt from all agency
12 expenditure ceilings. The county treasurer shall apportion or
13 disburse such funds for expenditures in the same manner as other ad
14 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, 2021.

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