

STATE OF OKLAHOMA

1st Session of the 58th Legislature (2021)

COMMITTEE SUBSTITUTE  
FOR ENGROSSED  
HOUSE BILL 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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