

An Act

ENROLLED HOUSE
BILL NO. 1990

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

and

Montgomery of the Senate

An Act relating to the Ad Valorem Reimbursement Fund; amending 62 O.S. 2011, Section 193, as amended by Section 457, Chapter 304, O.S.L. 2012 (62 O.S. Supp. 2020, Section 193), which relates to the distribution of funds; adding category of exemption for which reimbursement may be claimed and creating qualification; providing rate for certain reimbursement; clarifying language; modifying priority for payment of claims; and providing an effective date.

SUBJECT: Ad Valorem Reimbursement Fund

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;

2. Beginning calendar year 2022 and all subsequent years, to reimburse qualified counties of this state for loss of revenue due to exemptions granted to veterans and their surviving spouses pursuant to the provisions of Sections 8D, 8E and 8F of Article X of the Oklahoma Constitution. A county is qualified for reimbursement

if the number of exemptions granted to veterans and surviving spouses for the most recently concluded calendar year exceeds eight-tenths of one percent (0.8%) of the total county population according to the latest Federal Decennial Census or most recent annual population estimate, whichever is most recent. The reimbursement provided in this paragraph shall amount to twenty-five percent (25%) of the loss of revenue claimed by the qualified county;

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

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

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

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

B. The county commissioners of each county seeking reimbursement for lost revenue from the Ad Valorem Reimbursement Fund shall make claims for reimbursement on forms prescribed by the Tax Commission prior to April 30 of each year. Claims for reimbursement for loss of revenue ~~due to exemptions of ad valorem taxes for new or expanded manufacturing or research and development facilities shall be made separately from claims for reimbursement for loss of revenue for school district and county purposes due to exemptions granted pursuant to the provisions of Section 2890 of Title 68 of the Oklahoma Statutes and separately from claims for reimbursement for loss of revenue for decreased valuation and assessment of buffer strips~~ based upon the type of exemptions authorized pursuant to subsection A of this section. Provided, the assessed valuation of a school district as stated in the claim for reimbursement shall be the same as reported to the State Department of Education on the Estimate of Need and shall include the total valuation of property exempt from taxation pursuant to Section 2902 of Title 68 of the Oklahoma Statutes. The claims shall be either

approved or disapproved in whole or in part by the Tax Commission by June 15 of each year. A claim for reimbursement for loss of revenue due to an exemption of ad valorem taxes for a new or expanded manufacturing or research and development facility shall be disapproved if a county or school district has received any payment in lieu of ad valorem taxes from such facility, to the extent of the amount of such reimbursement. If the Tax Commission determines that an exemption has been erroneously or unlawfully granted, it shall notify the appropriate county assessor who shall immediately value and assess the property and place it on the rolls for ad valorem taxation. Disbursements from the fund shall be made on warrants issued by the State Treasurer against claims filed by the Tax Commission with the Office of Management and Enterprise Services for payment. Such disbursements shall be exempt from all agency expenditure ceilings. The county treasurer shall apportion or disburse such funds for expenditures in the same manner as other ad valorem tax collections.

C. In the event monies apportioned to the Ad Valorem Reimbursement Fund are insufficient to pay all claims for reimbursement made pursuant to subsection B of this section, claims for reimbursement for loss of revenue due to exemptions of ad valorem taxes for new or expanded manufacturing or research and development facilities shall be paid first, and any remaining funds shall be distributed proportionally among the counties making claims for reimbursement for loss of revenue for school district and county purposes due to exemptions granted pursuant to the provisions of ~~Section 2890 of Title 68 of the Oklahoma Statutes~~ Sections 8D, 8E and 8F of Article X of the Oklahoma Constitution, if applicable, according to the amount of the claim made by each county. If any funds remain after paying all claims for reimbursement for loss of revenue due to exemptions of ad valorem taxation for new or expanded manufacturing or research and development facilities and for reimbursement for loss of revenue for school district and county purposes due to exemptions granted pursuant to the provisions of ~~Section 2890 of Title 68 of the Oklahoma Statutes~~ Sections 8D, 8E and 8F of Article X of the Oklahoma Constitution, the remaining funds shall be distributed proportionally among the counties making claims for reimbursement for the exemptions granted pursuant to the provisions of Section 2890 of Title 68 of the Oklahoma Statutes and for the loss of revenue for decreased valuation and assessment for buffer strips pursuant to Section 2817.2 of Title 68 of the Oklahoma Statutes.

SECTION 2. This act shall become effective November 1, 2021.

Passed the House of Representatives the 18th day of May, 2021.

Presiding Officer of the House
of Representatives

Passed the Senate the 14th day of April, 2021.

Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____
day of _____, 20_____, at _____ o'clock _____ M.
By: _____

Approved by the Governor of the State of Oklahoma this _____
day of _____, 20_____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____
day of _____, 20_____, at _____ o'clock _____ M.
By: _____