

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 58th Legislature (2021)

4 HOUSE BILL 1990

By: Caldwell (Trey) of the
House

5
6 and

7 **Montgomery** of the Senate

8
9 AS INTRODUCED

10 **[public finance - Ad Valorem Reimbursement Fund -**

11 **veteran homestead exemptions - effective date -**

12 **emergency]**

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

16 SECTION 1. AMENDATORY 62 O.S. 2011, Section 193, as
17 amended by Section 457, Chapter 304, O.S.L. 2012 (62 O.S. Supp.
18 2020, Section 193), is amended to read as follows:

19 Section 193. A. There is hereby created in the State Treasury
20 a revolving fund for the Oklahoma Tax Commission to be designated
21 the "Ad Valorem Reimbursement Fund". The fund shall be a continuing
22 fund, not subject to fiscal year limitations. Monies apportioned to
23 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. To reimburse counties of this state for loss of revenue for
5 school district and county purposes due to exemptions granted
6 pursuant to the provisions of Section 2890 of Title 68 of the
7 Oklahoma Statutes; ~~and~~

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

11 4. To reimburse counties of this state for loss of revenue due
12 to the exemptions authorized by Sections 8E and 8F of Article X of
13 the Oklahoma Constitution.

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

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

21 B. The county commissioners of each county seeking
22 reimbursement for lost revenue from the Ad Valorem Reimbursement
23 Fund shall make claims for reimbursement on forms prescribed by the
24 Tax Commission prior to April 30 of each year. Claims for

1 reimbursement for loss of revenue due to exemptions of ad valorem
2 taxes for new or expanded manufacturing or research and development
3 facilities shall be made separately from claims for reimbursement
4 for loss of revenue for school district and county purposes due to
5 exemptions granted pursuant to the provisions of Section 2890 of
6 Title 68 of the Oklahoma Statutes and separately from claims for
7 reimbursement for loss of revenue for decreased valuation and
8 assessment of buffer strips and from claims for loss of revenue due
9 to the provisions of Sections 8E and 8F of Article X of the Oklahoma
10 Constitution. Provided, the assessed valuation of a school district
11 as stated in the claim for reimbursement shall be the same as
12 reported to the State Department of Education on the Estimate of
13 Need and shall include the total valuation of property exempt from
14 taxation pursuant to Section 2902 of Title 68 of the Oklahoma
15 Statutes. The claims shall be either approved or disapproved in
16 whole or in part by the Tax Commission by June 15 of each year. A
17 claim for reimbursement for loss of revenue due to an exemption of
18 ad valorem taxes for a new or expanded manufacturing or research and
19 development facility shall be disapproved if a county or school
20 district has received any payment in lieu of ad valorem taxes from
21 such facility, to the extent of the amount of such reimbursement.
22 If the Tax Commission determines that an exemption has been
23 erroneously or unlawfully granted, it shall notify the appropriate
24 county assessor who shall immediately value and assess the property

1 and place it on the rolls for ad valorem taxation. Disbursements
2 from the fund shall be made on warrants issued by the State
3 Treasurer against claims filed by the Tax Commission with the Office
4 of Management and Enterprise Services for payment. Such
5 disbursements shall be exempt from all agency expenditure ceilings.
6 The county treasurer shall apportion or disburse such funds for
7 expenditures in the same manner as other ad valorem tax collections.

8 C. In the event monies apportioned to the Ad Valorem
9 Reimbursement Fund are insufficient to pay all claims for
10 reimbursement made pursuant to subsection B of this section, claims
11 for reimbursement for loss of revenue due to exemptions of ad
12 valorem taxes for new or expanded manufacturing or research and
13 development facilities shall be paid first, and any remaining funds
14 shall be distributed proportionally among the counties making claims
15 for reimbursement for loss of revenue for school district and county
16 purposes due to exemptions granted pursuant to the provisions of
17 Section 2890 of Title 68 of the Oklahoma Statutes, according to the
18 amount of the claim made by each county. If any funds remain after
19 paying all claims for reimbursement for loss of revenue due to
20 exemptions of ad valorem taxation for new or expanded manufacturing
21 or research and development facilities and for reimbursement for
22 loss of revenue for school district and county purposes due to
23 exemptions granted pursuant to the provisions of Section 2890 of
24 Title 68 of the Oklahoma Statutes, the remaining funds shall be

1 distributed proportionally among the counties making claims for
2 reimbursement for loss of revenue for decreased valuation and
3 assessment for buffer strips pursuant to Section 2817.2 of Title 68
4 of the Oklahoma Statutes.

5 SECTION 2. This act shall become effective July 1, 2021.

6 SECTION 3. It being immediately necessary for the preservation
7 of the public peace, health or safety, an emergency is hereby
8 declared to exist, by reason whereof this act shall take effect and
9 be in full force from and after its passage and approval.

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11 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated
12 02/18/2021 - DO PASS, As Amended and Coauthored.

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