

1 ENGROSSED SENATE  
2 BILL NO. 583

By: Montgomery of the Senate

3 and

4 Hilbert of the House

5  
6 An Act relating to ad valorem exemption; amending 62  
7 O.S. 2021, Section 193, which relates to the Ad  
8 Valorem Reimbursement Fund; requiring the Oklahoma  
9 Tax Commission to submit certain report; stating  
10 deadline for submission of report; and declaring an  
11 emergency.

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

13 SECTION 1. AMENDATORY 62 O.S. 2021, Section 193, is  
14 amended to read as follows:

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

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

23 2. Beginning calendar year 2022 and all subsequent years, to  
24 reimburse qualified counties of this state for loss of revenue due  
to exemptions granted to veterans and their surviving spouses

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

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

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

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

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

1 B. The county commissioners of each county seeking  
2 reimbursement for lost revenue from the Ad Valorem Reimbursement  
3 Fund shall make claims for reimbursement on forms prescribed by the  
4 Tax Commission prior to April 30 of each year. Claims for  
5 reimbursement for loss of revenue based upon the type of exemptions  
6 authorized pursuant to subsection A of this section. Provided, the  
7 assessed valuation of a school district as stated in the claim for  
8 reimbursement shall be the same as reported to the State Department  
9 of Education on the Estimate of Need and shall include the total  
10 valuation of property exempt from taxation pursuant to Section 2902  
11 of Title 68 of the Oklahoma Statutes. The claims shall be either  
12 approved or disapproved in whole or in part by the Tax Commission by  
13 June 15 of each year. A claim for reimbursement for loss of revenue  
14 due to an exemption of ad valorem taxes for a new or expanded  
15 manufacturing or research and development facility shall be  
16 disapproved if a county or school district has received any payment  
17 in lieu of ad valorem taxes from such facility, to the extent of the  
18 amount of such reimbursement. If the Tax Commission determines that  
19 an exemption has been erroneously or unlawfully granted, it shall  
20 notify the appropriate county assessor who shall immediately value  
21 and assess the property and place it on the rolls for ad valorem  
22 taxation. Disbursements from the fund shall be made on warrants  
23 issued by the State Treasurer against claims filed by the Tax  
24 Commission with the Office of Management and Enterprise Services for

1 payment. Such disbursements shall be exempt from all agency  
2 expenditure ceilings. The county treasurer shall apportion or  
3 disburse such funds for expenditures in the same manner as other ad  
4 valorem tax collections.

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

1 2890 of Title 68 of the Oklahoma Statutes and for the loss of  
2 revenue for decreased valuation and assessment for buffer strips  
3 pursuant to Section 2817.2 of Title 68 of the Oklahoma Statutes.

4 D. Beginning in 2023, by April 15 of each year and by the end  
5 of each calendar year, the Tax Commission shall submit reports on  
6 the Ad Valorem Reimbursement Fund to the Chair of the Appropriations  
7 Committee of the Senate and the Chair of the Appropriations and  
8 Budget Committee of the House of Representatives which shall  
9 include, but not be limited to, the following:

- 10 1. Total reimbursement payments for the year;
- 11 2. Total claims remaining unpaid for each ad valorem exemption  
12 and, for the latest claim paid for each exemption, the date the  
13 claim was made; and
- 14 3. An estimate of how many unpaid claims will be paid in the  
15 next year for each ad valorem exemption.

16 SECTION 2. It being immediately necessary for the preservation  
17 of the public peace, health or safety, an emergency is hereby  
18 declared to exist, by reason whereof this act shall take effect and  
19 be in full force from and after its passage and approval.

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1 Passed the Senate the 2nd day of March, 2023.

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Presiding Officer of the Senate

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5 Passed the House of Representatives the \_\_\_\_ day of \_\_\_\_\_,

6 2023.

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Presiding Officer of the House  
of Representatives

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