

1                   **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2                                   STATE OF OKLAHOMA

3                                   1st Session of the 59th Legislature (2023)

4   ENGROSSED SENATE  
5   BILL NO. 583

                                  By: Montgomery of the Senate

  and

  Hilbert of the House

10                   **[ ad valorem exemption - Ad Valorem Reimbursement**

11                                   **Fund - Oklahoma Tax Commission - report -**

12   **emergency ]**

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

17                   SECTION 1.            AMENDATORY            62 O.S. 2021, Section 193, is

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

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

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

24

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

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

8        B. The county commissioners of each county seeking  
9 reimbursement for lost revenue from the Ad Valorem Reimbursement  
10 Fund shall make claims for reimbursement on forms prescribed by the  
11 Tax Commission prior to April 30 of each year. Claims for  
12 reimbursement for loss of revenue based upon the type of exemptions  
13 authorized pursuant to subsection A of this section. Provided, the  
14 assessed valuation of a school district as stated in the claim for  
15 reimbursement shall be the same as reported to the State Department  
16 of Education on the Estimate of Need and shall include the total  
17 valuation of property exempt from taxation pursuant to Section 2902  
18 of Title 68 of the Oklahoma Statutes. The claims shall be either  
19 approved or disapproved in whole or in part by the Tax Commission by  
20 June 15 of each year. A claim for reimbursement for loss of revenue  
21 due to an exemption of ad valorem taxes for a new or expanded  
22 manufacturing or research and development facility shall be  
23 disapproved if a county or school district has received any payment  
24 in lieu of ad valorem taxes from such facility, to the extent of the

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

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

1 taxation for new or expanded manufacturing or research and  
2 development facilities and for reimbursement for loss of revenue for  
3 school district and county purposes due to exemptions granted  
4 pursuant to the provisions of Sections 8D, 8E and 8F of Article X of  
5 the Oklahoma Constitution, the remaining funds shall be distributed  
6 proportionally among the counties making claims for reimbursement  
7 for the exemptions granted pursuant to the provisions of Section  
8 2890 of Title 68 of the Oklahoma Statutes and for the loss of  
9 revenue for decreased valuation and assessment for buffer strips  
10 pursuant to Section 2817.2 of Title 68 of the Oklahoma Statutes.

11 D. Beginning in 2023, by April 15 of each year and by the end  
12 of each calendar year, the Tax Commission shall submit reports on  
13 the Ad Valorem Reimbursement Fund to the Chair of the Appropriations  
14 Committee of the Senate and the Chair of the Appropriations and  
15 Budget Committee of the House of Representatives which shall  
16 include, but not be limited to, the following:

17 1. Total reimbursement payments for the year;

18 2. Total claims remaining unpaid for each ad valorem exemption  
19 and, for the latest claim paid for each exemption, the date the  
20 claim was made; and

21 3. An estimate of how many unpaid claims will be paid in the  
22 next year for each ad valorem exemption.

23 SECTION 2. It being immediately necessary for the preservation  
24 of the public peace, health or safety, an emergency is hereby

1 declared to exist, by reason whereof this act shall take effect and  
2 be in full force from and after its passage and approval.

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4 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated  
5 04/05/2023 - DO PASS, As Amended.

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