

1 STATE OF OKLAHOMA

2 1st Session of the 59th Legislature (2023)

3 SENATE BILL 583

By: Montgomery

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5  
6 AS INTRODUCED

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

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

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

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

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

24 2. Beginning calendar year 2022 and all subsequent years, to  
reimburse qualified counties of this state for loss of revenue due

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

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

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

19 Provided that it shall be the duty of the Tax Commission to  
20 assess the valuation of all property for new or expanded  
21 manufacturing or research and development facilities which are  
22 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 based upon the type of exemptions  
9 authorized pursuant to subsection A of this section. Provided, the  
10 assessed valuation of a school district as stated in the claim for  
11 reimbursement shall be the same as reported to the State Department  
12 of Education on the Estimate of Need and shall include the total  
13 valuation of property exempt from taxation pursuant to Section 2902  
14 of Title 68 of the Oklahoma Statutes. The claims shall be either  
15 approved or disapproved in whole or in part by the Tax Commission by  
16 June 15 of each year. A claim for reimbursement for loss of revenue  
17 due to an exemption of ad valorem taxes for a new or expanded  
18 manufacturing or research and development facility shall be  
19 disapproved if a county or school district has received any payment  
20 in lieu of ad valorem taxes from such facility, to the extent of the  
21 amount of such reimbursement. If the Tax Commission determines that  
22 an exemption has been erroneously or unlawfully granted, it shall  
23 notify the appropriate county assessor who shall immediately value  
24 and assess the property and place it on the rolls for ad valorem

1 taxation. Disbursements from the fund shall be made on warrants  
2 issued by the State Treasurer against claims filed by the Tax  
3 Commission with the Office of Management and Enterprise Services for  
4 payment. Such disbursements shall be exempt from all agency  
5 expenditure ceilings. The county treasurer shall apportion or  
6 disburse such funds for expenditures in the same manner as other ad  
7 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 Sections 8D, 8E and 8F of Article X of the Oklahoma Constitution, if  
18 applicable, according to the amount of the claim made by each  
19 county. If any funds remain after paying all claims for  
20 reimbursement for loss of revenue due to exemptions of ad valorem  
21 taxation for new or expanded manufacturing or research and  
22 development facilities and for reimbursement for loss of revenue for  
23 school district and county purposes due to exemptions granted  
24 pursuant to the provisions of Sections 8D, 8E and 8F of Article X of

1 the Oklahoma Constitution, the remaining funds shall be distributed  
2 proportionally among the counties making claims for reimbursement  
3 for the exemptions granted pursuant to the provisions of Section  
4 2890 of Title 68 of the Oklahoma Statutes and for the loss of  
5 revenue for decreased valuation and assessment for buffer strips  
6 pursuant to Section 2817.2 of Title 68 of the Oklahoma Statutes.

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

13 1. Total reimbursement payments for the year;

14 2. Total claims remaining unpaid for each ad valorem exemption

15 and, for the latest claim paid for each exemption, the date the  
16 claim was made; and

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

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

24 59-1-551

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