

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 60<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB3972</b>
<b>Version:</b>	<b>INT</b>
<b>Request Number:</b>	<b>14191</b>
<b>Author:</b>	<b>Rep. Trey Caldwell</b>
<b>Date:</b>	<b>2/23/2026</b>
<b>Impact:</b>	<b>See OTC Analysis Below</b>

**Research Analysis**

HB3972, as introduced, allows the Ad Valorem Reimbursement Fund to cover lost school district revenue when the state purchases property valued at over \$300 million in a county on or after January 1, 2025. Reimbursements apply for the first two tax years following the purchase and take priority over other claims if the fund experiences a shortfall.

Prepared By: Quyen Do

**Fiscal Analysis**

As introduced, HB3972 authorizes reimbursement to counties for school district ad valorem tax revenue losses brought forth by certain state purchases.

Officials from the Oklahoma Tax Commission (OTC) have provided the following analysis:

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**ESTIMATED REVENUE IMPACT: None.**

**ESTIMATED APPORTIONMENT IMPACT:**

**FY26 & FY27: \$318,000 - \$595,000 apportioned each fiscal year to local taxing jurisdictions from the Ad Valorem Reimbursement Fund.<sup>1</sup>**

**ANALYSIS:** HB 3972 amends 62 O.S. § 193 to expand and prioritize uses of the Ad Valorem Reimbursement Fund. The bill authorizes reimbursement to counties for school district ad valorem revenue losses resulting from state purchases of property above \$300 million, if the purchase occurred on or after January 1, 2025, and limits such reimbursement to the first two tax years following the purchase.

The bill also specifies that claims related to qualifying state property purchases (proposed by HB 3972) are paid after new or expanded manufacturing or research and development facilities (i.e., the 5-year manufacturing exemption) and before the proportional payments for exemptions granted per sections 8D, 8E, and 8F of Article X of the Constitution.

Based on information from OMES, one qualifying state property purchase exceeding \$300 million has occurred since January 1, 2025. Using historical tax data for this property and assuming the typical 70% is allocated to common education, HB 3972 would require an estimated annual reimbursement of approximately \$318,000-\$595,000 in each FY26 and FY27.<sup>2</sup> Reimbursement obligations could increase if additional qualifying purchases occur; however, no information currently indicates that such purchases are planned.

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<sup>1</sup> If insufficient funds are available in the Ad Valorem Reimbursement Fund to reimburse claims related to the five-year exemption, and under this measure, qualifying state property purchases, the Legislature has historically appropriated additional funds to cover these obligations. However, due to ongoing fund insufficiencies, losses in local ad valorem tax revenues attributable to other exemptions, such as the additional homestead exemption, have generally not been reimbursed from the fund since 2002. The Legislature has, on occasion, provided separate appropriations for these exemptions.

<sup>2</sup> The final reimbursement amount is dependent upon the actual reimbursement claim filed with the OTC by the county.

Prepared By: House Fiscal Staff

### **Other Considerations**

None.