

STATE OF OKLAHOMA

2nd Session of the 60th Legislature (2026)

HOUSE BILL 3972

By: Caldwell (Trey)

AS INTRODUCED

An Act relating to public finance; amending 62 O.S. 2021, Section 193, which relates to the Ad Valorem Reimbursement Fund; authorizing reimbursement to school districts of revenue losses related to certain property purchases by the state; limiting reimbursement; modifying reimbursement priority under certain circumstances; and providing an emergency.

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

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

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

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

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

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

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

21 5. To reimburse counties of this state for loss of revenue for
22 school district purposes due to a purchase by the state of property
23 located in the county for an amount greater than Three Hundred
24 Million Dollars (\$300,000,000.00); provided, such purchase occurred

1 on or after January 1, 2025; further provided, such reimbursement be
2 limited to the first two tax years following such purchase.

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

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

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

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

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

1 Article X of the Oklahoma Constitution, if applicable, according to
2 the amount of the claim made by each county. If any funds remain
3 after paying all claims for reimbursement for loss of revenue due to
4 exemptions of ad valorem taxation for new or expanded manufacturing
5 or research and development facilities and for reimbursement for
6 loss of revenue for school district and county purposes due to
7 exemptions granted pursuant to the provisions of Sections 8D, 8E and
8 8F of Article X of the Oklahoma Constitution, the remaining funds
9 shall be distributed proportionally among the counties making claims
10 for reimbursement for the exemptions granted pursuant to the
11 provisions of Section 2890 of Title 68 of the Oklahoma Statutes and
12 for the loss of revenue for decreased valuation and assessment for
13 buffer strips pursuant to Section 2817.2 of Title 68 of the Oklahoma
14 Statutes.

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

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