

1 STATE OF OKLAHOMA

2 1st Session of the 57th Legislature (2019)

3 SENATE BILL NO.657

By: Montgomery

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5
6 AS INTRODUCED

7 An Act relating to the Ad Valorem Reimbursement Fund;
8 amending 62 O.S. 2011, Section 193, as amended by
9 Section 457, Chapter 304, O.S.L. 2012 (62 O.S. Supp.
10 2018, Section 193), which relates to the distribution
11 of funds; adding category of exemption for which
reimbursement may be claimed; clarifying language;
12 modifying priority for payment of claims; and
providing an effective date.

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

14 SECTION 1. AMENDATORY 62 O.S. 2011, Section 193, as
15 amended by Section 457, Chapter 304, O.S.L. 2012 (62 O.S. Supp.
16 2018, Section 193), is amended to read as follows:

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

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

1 2. For claims for calendar year 2020 and all subsequent years,
2 to reimburse counties of this state for loss of revenue due to
3 exemptions granted to certain veterans and their surviving spouses
4 pursuant to the provisions of Sections 8D, 8E and 8F of Article X of
5 the Oklahoma Constitution;

6 3. To reimburse counties of this state for loss of revenue for
7 school district and county purposes due to exemptions granted
8 pursuant to the provisions of Section 2890 of Title 68 of the
9 Oklahoma Statutes; and

10 ~~3.~~ 4. To reimburse counties of this state for loss of revenue
11 due to decreased valuation and assessment for buffer strips pursuant
12 to Section 2817.2 of Title 68 of the Oklahoma Statutes.

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

17 Monies apportioned to this fund also may be transferred to other
18 state funds or otherwise expended as directed by the Legislature by
19 law.

20 B. The county commissioners of each county seeking
21 reimbursement for lost revenue from the Ad Valorem Reimbursement
22 Fund shall make claims for reimbursement on forms prescribed by the
23 Tax Commission prior to April 30 of each year. Claims for
24 reimbursement for loss of revenue ~~due to exemptions of ad valorem~~

1 ~~taxes for new or expanded manufacturing or research and development~~
2 ~~facilities shall be made separately from claims for reimbursement~~
3 ~~for loss of revenue for school district and county purposes due to~~
4 ~~exemptions granted pursuant to the provisions of Section 2890 of~~
5 ~~Title 68 of the Oklahoma Statutes and separately from claims for~~
6 ~~reimbursement for loss of revenue for decreased valuation and~~
7 ~~assessment of buffer strips~~ based upon the type of exemptions
8 enumerated in paragraph 1, 2, 3 or 4 of subsection A of this
9 section. Provided, the assessed valuation of a school district as
10 stated in the claim for reimbursement shall be the same as reported
11 to the State Department of Education on the Estimate of Need and
12 shall include the total valuation of property exempt from taxation
13 pursuant to Section 2902 of Title 68 of the Oklahoma Statutes. The
14 claims shall be either approved or disapproved in whole or in part
15 by the Tax Commission by June 15 of each year. A claim for
16 reimbursement for loss of revenue due to an exemption of ad valorem
17 taxes for a new or expanded manufacturing or research and
18 development facility shall be disapproved if a county or school
19 district has received any payment in lieu of ad valorem taxes from
20 such facility, to the extent of the amount of such reimbursement.
21 If the Tax Commission determines that an exemption has been
22 erroneously or unlawfully granted, it shall notify the appropriate
23 county assessor who shall immediately value and assess the property
24 and place it on the rolls for ad valorem taxation. Disbursements

1 from the fund shall be made on warrants issued by the State
2 Treasurer against claims filed by the Tax Commission with the Office
3 of Management and Enterprise Services for payment. Such
4 disbursements shall be exempt from all agency expenditure ceilings.
5 The county treasurer shall apportion or disburse such funds for
6 expenditures in the same manner as other ad valorem tax collections.

7 C. In the event monies apportioned to the Ad Valorem
8 Reimbursement Fund are insufficient to pay all claims for
9 reimbursement made pursuant to subsection B of this section, claims
10 for reimbursement for loss of revenue due to exemptions of ad
11 valorem taxes for new or expanded manufacturing or research and
12 development facilities shall be paid first, and any remaining funds
13 shall be distributed proportionally among the counties making claims
14 for reimbursement for loss of revenue for school district and county
15 purposes due to exemptions granted pursuant to the provisions of
16 ~~Section 2890 of Title 68 of the Oklahoma Statutes~~ Sections 8D, 8E
17 and 8F of the Oklahoma Constitution, if applicable, according to the
18 amount of the claim made by each county. If any funds remain after
19 paying all claims for reimbursement for loss of revenue due to
20 exemptions of ad valorem taxation for new or expanded manufacturing
21 or research and development facilities and for reimbursement for
22 loss of revenue for school district and county purposes due to
23 exemptions granted pursuant to the provisions of ~~Section 2890 of~~
24 ~~Title 68 of the Oklahoma Statutes~~ Sections 8D, 8E and 8F of the

1 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 SECTION 2. This act shall become effective November 1, 2019.

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