

BILL SUMMARY
1st Session of the 58th Legislature

Bill No.:	HB 1990
Version:	INT
Request Number:	6390
Author:	Rep. T. Caldwell
Date:	2/15/2021
Impact:	Ad Valorem Reimbursement

Tax Commission:
Ad Valorem Reimbursement Estimate
\$46,200,000

Research Analysis

HB 1990 allows money from the Ad Valorem Reimbursement Fund to reimburse counties for homestead exemptions granted to 100 percent disabled veterans and surviving spouses.

Prepared By: Emily McPherson

Fiscal Analysis

The measure provides for reimbursement to counties for ad valorem exemptions granted in Sections 8E and 8F of Article X of the Oklahoma Constitution, relating to one hundred percent (100%) disabled veterans and the surviving spouses of military members who have died in the line of duty.

The Constitution provides for an exemption equal to the full fair cash value of a qualifying veteran's homestead.

Analysis provided by the Tax Commission:

Based on the exemptions granted for the current tax year, applicable property values and millage rates, additional reimbursement amounts for ad valorem exemptions afforded 100% disabled veterans and surviving spouses of veterans killed in the line of duty are estimated to be \$46,200,000. When the AVRf is insufficient to pay all county claims relating to the above-referenced exemptions, the claims connected with the 5 year manufacturing program must be paid first. Remaining funds, if any, are distributed proportionally among the counties making reimbursement claims due to additional homestead exemptions granted.

There is an increase of \$46,200,000 in claims to the Ad Valorem Reimbursement Fund associated with this measure. There are no anticipated increases in administrative costs to the Oklahoma Tax Commission associated with this measure. However, there are administrative concerns regarding the audit and verification of the reimbursement of tax revenues attributable to an exemption granted at the local level.

Prepared By: Mark Tygret

Other Considerations

None.

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