

1 ENGROSSED SENATE AMENDMENTS
TO

2 ENGROSSED HOUSE
BILL NO. 2776

By: Pfeiffer of the House

3
4 and

5 Montgomery of the Senate
6
7

8 An Act relating to school funding; creating the
9 Protecting Revenues for Oklahoma Teachers,
10 Educators and Students (PROTEST) Fund; describing
11 type and contents of fund; providing purpose of
12 fund; providing for expenditures; providing for
13 reimbursement of claims; directing disbursement
14 of funds; requiring repayment of disbursed funds;
15 authorizing State Department of Education to
16 promulgate rules; amending 62 O.S. 2011, Section
17 193, as amended by Section 457, Chapter 304,
18 O.S.L. 2012 (62 O.S. Supp. 2020, Section 193),
19 which relates to the Ad Valorem Reimbursement
20 Fund; modifying apportionment of funds; providing
21 for codification; providing an effective date;
22 and declaring an emergency.

23
24
25 AMENDMENT NO. 1. Page 1, line 21; page 2, line 1; page 2, lines 4
26 and 5; page 2, lines 13 and 14; page 2, lines 14
27 and 15; and page 2, line 19, delete "State
28 Department of Education" and replace with
29 "Oklahoma Tax Commission"

30 AMENDMENT NO. 2. Page 2, line 14, insert, after the period and
31 before the word "If", a new sentence as follows:
32 "A claim for reimbursement shall not exceed fifty
33 percent (50%) of the amount of ad valorem funds
34 under protest pursuant to Section 2884 of Title 68
35 of the Oklahoma Statutes."

1 AMENDMENT NO. 3. Pages 2 through 6, remove Section 2 in its
entirety and renumber subsequent sections

2
3 AMENDMENT NO. 4. Page 1, strike the title to read

4 "[school funding - Protecting Revenues for Oklahoma
5 Teachers, Educators and Students (PROTEST) Fund - Ad
6 Valorem Reimbursement Fund - codification - effective
7 date

emergency]"

8
9 and when the title is restored, amend the title to
10 conform

11 Passed the Senate the 19th day of April, 2021.

12
13 _____
Presiding Officer of the Senate

14 Passed the House of Representatives the ____ day of _____,
15 2021.

16
17
18 _____
19 Presiding Officer of the House
of Representatives

1 ENGROSSED HOUSE
2 BILL NO. 2776

By: Pfeiffer of the House

3 and

4 Montgomery of the Senate

5
6
7 An Act relating to school funding; creating the
8 Protecting Revenues for Oklahoma Teachers,
9 Educators and Students (PROTEST) Fund; describing
10 type and contents of fund; providing purpose of
11 fund; providing for expenditures; providing for
12 reimbursement of claims; directing disbursement
13 of funds; requiring repayment of disbursed funds;
14 authorizing State Department of Education to
15 promulgate rules; amending 62 O.S. 2011, Section
16 193, as amended by Section 457, Chapter 304,
17 O.S.L. 2012 (62 O.S. Supp. 2020, Section 193),
18 which relates to the Ad Valorem Reimbursement
19 Fund; modifying apportionment of funds; providing
20 for codification; providing an effective date;
21 and declaring an emergency.

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

23 SECTION 1. NEW LAW A new section of law to be codified
24 in the Oklahoma Statutes as Section 3-111.1 of Title 70, unless
there is created a duplication in numbering, reads as follows:

A. There is hereby created in the State Treasury a revolving
fund for the State Department of Education to be designated the
"Protecting Revenues for Oklahoma Teachers, Educators and Students
(PROTEST) Fund". The fund shall be a continuing fund, not subject
to fiscal year limitations, and shall consist of all monies received

1 by the State Department of Education from ad valorem funds which are
2 under protest pursuant to Section 2884 of Title 68 of the Oklahoma
3 Statutes. All monies accruing to the credit of said fund are hereby
4 appropriated and may be budgeted and expended by the State
5 Department of Education for the purpose of providing funding to
6 school districts which are affected by protested ad valorem taxes.
7 Expenditures from said fund shall be made upon warrants issued by
8 the State Treasurer against claims filed as prescribed by law for
9 approval and payment.

10 B. The board of education of each school district seeking
11 reimbursement for lost revenue from the Protecting Revenues for
12 Oklahoma Teachers, Educators and Students (PROTEST) Fund shall make
13 claims for reimbursement on forms prescribed by the State Department
14 of Education. If the claim is approved by the State Department of
15 Education, funds shall be disbursed to the school district board of
16 education. Once the ad valorem funds which are under protest are
17 settled and disbursed to the school district, the school district
18 board of education shall reimburse the PROTEST Fund.

19 C. The State Department of Education may promulgate rules to
20 implement the provisions of this act.

21 SECTION 2. AMENDATORY 62 O.S. 2011, Section 193, as
22 amended by Section 457, Chapter 304, O.S.L. 2012 (62 O.S. Supp.
23 2020, Section 193), is amended to read as follows:

24

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

6 1. ~~To~~ For the fiscal year ending June 30, 2022, the first Five
7 Million Dollars (\$5,000,000.00) of revenue derived pursuant to the
8 provisions of Section 1 of this act shall be apportioned to the
9 Protecting Revenues for Oklahoma Teachers, Educators and Students
10 (PROTEST) Fund.

11 2. The remainder of such revenue for the fiscal year ending
12 June 30, 2022, and all such revenue for each fiscal year thereafter
13 shall be expended as follows:

14 a. to reimburse school districts of this state for loss
15 of revenue due to ad valorem funds which are under
16 protest pursuant to Section 2884 of Title 68 of the
17 Oklahoma Statutes by apportioning an amount to ensure
18 the PROTEST Fund balance is not less than Five Million
19 Dollars (\$5,000,000.00),

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

24 ~~2. To~~

1 c. to reimburse counties of this state for loss of
2 revenue for school district and county purposes due to
3 exemptions granted pursuant to the provisions of
4 Section 2890 of Title 68 of the Oklahoma Statutes~~7,1~~
5 and

6 ~~3. To~~

7 d. to reimburse counties of this state for loss of
8 revenue due to decreased valuation and assessment for
9 buffer strips pursuant to Section 2817.2 of Title 68
10 of the Oklahoma Statutes.

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

15 Monies apportioned to ~~this fund~~ the Ad Valorem Reimbursement
16 Fund also may be transferred to other state funds or otherwise
17 expended as directed by the Legislature by law.

18 B. The county commissioners of each county seeking
19 reimbursement for lost revenue from the Ad Valorem Reimbursement
20 Fund shall make claims for reimbursement on forms prescribed by the
21 Tax Commission prior to April 30 of each year. Claims for
22 reimbursement for loss of revenue due to exemptions of ad valorem
23 taxes for new or expanded manufacturing or research and development
24 facilities shall be made separately from claims for reimbursement

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

1 The county treasurer shall apportion or disburse such funds for
2 expenditures in the same manner as other ad valorem tax collections.

3 C. In the event monies apportioned to the Ad Valorem
4 Reimbursement Fund are insufficient to pay all claims for
5 reimbursement made pursuant to subsection B of this section, claims
6 for reimbursement for loss of revenue due to exemptions of ad
7 valorem taxes for new or expanded manufacturing or research and
8 development facilities shall be paid first, and any remaining funds
9 shall be distributed proportionally among the counties making claims
10 for reimbursement for loss of revenue for school district and county
11 purposes due to exemptions granted pursuant to the provisions of
12 Section 2890 of Title 68 of the Oklahoma Statutes, according to the
13 amount of the claim made by each county. If any funds remain after
14 paying all claims for reimbursement for loss of revenue due to
15 exemptions of ad valorem taxation for new or expanded manufacturing
16 or research and development facilities and for reimbursement for
17 loss of revenue for school district and county purposes due to
18 exemptions granted pursuant to the provisions of Section 2890 of
19 Title 68 of the Oklahoma Statutes, the remaining funds shall be
20 distributed proportionally among the counties making claims for
21 reimbursement for loss of revenue for decreased valuation and
22 assessment for buffer strips pursuant to Section 2817.2 of Title 68
23 of the Oklahoma Statutes.

24 SECTION 3. This act shall become effective July 1, 2021.

