

1 STATE OF OKLAHOMA

2 2nd Session of the 55th Legislature (2016)

3 SENATE BILL 1305

By: Quinn

4
5
6 AS INTRODUCED

7 An Act relating to public finance; amending 62 O.S.
8 2011, Section 193, as amended by Section 457, Chapter
9 304, O.S.L. 2012 (62 O.S. Supp. 2015, Section 193),
10 which relates to the Ad Valorem Reimbursement Fund;
11 authorizing reimbursement to schools for certain loss
12 of revenue under specified circumstances; authorizing
13 school districts to make claim for specified amount
14 under certain circumstances; providing for contents
15 of certain declaration; requiring Oklahoma Tax
16 Commission to make reimbursement upon certain
17 verification; and providing an effective date.

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

19 SECTION 1. AMENDATORY 62 O.S. 2011, Section 193, as
20 amended by Section 457, Chapter 304, O.S.L. 2012 (62 O.S. Supp.
21 2015, Section 193), is amended to read as follows:

22 Section 193. A. There is hereby created in the State Treasury
23 a revolving fund for the Oklahoma Tax Commission to be designated
24 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 1. To reimburse counties of this state for loss of revenue due
2 to exemptions of ad valorem taxes for new or expanded manufacturing
3 or research and development facilities;

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

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

11 4. To reimburse school districts for loss of revenue due to
12 exemptions of ad valorem taxes for new or expanded manufacturing or
13 research and development facilities when a funding emergency exists
14 pursuant to subsection D of this section.

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

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

22 B. The county commissioners of each county seeking
23 reimbursement for lost revenue from the Ad Valorem Reimbursement
24 Fund shall make claims for reimbursement on forms prescribed by the

1 Tax Commission prior to April 30 of each year. Claims for
2 reimbursement for loss of revenue due to exemptions of ad valorem
3 taxes for new or expanded manufacturing or research and development
4 facilities shall be made separately from claims for reimbursement
5 for loss of revenue for school district and county purposes due to
6 exemptions granted pursuant to the provisions of Section 2890 of
7 Title 68 of the Oklahoma Statutes and separately from claims for
8 reimbursement for loss of revenue for decreased valuation and
9 assessment of buffer strips. Provided, the assessed valuation of a
10 school district as stated in the claim for reimbursement shall be
11 the same as reported to the State Department of Education on the
12 Estimate of Need and shall include the total valuation of property
13 exempt from taxation pursuant to Section 2902 of Title 68 of the
14 Oklahoma Statutes. The claims shall be either approved or
15 disapproved in whole or in part by the Tax Commission by June 15 of
16 each year. A claim for reimbursement for loss of revenue due to an
17 exemption of ad valorem taxes for a new or expanded manufacturing or
18 research and development facility shall be disapproved if a county
19 or school district has received any payment in lieu of ad valorem
20 taxes from such facility, to the extent of the amount of such
21 reimbursement. If the Tax Commission determines that an exemption
22 has been erroneously or unlawfully granted, it shall notify the
23 appropriate county assessor who shall immediately value and assess
24 the property and place it on the rolls for ad valorem taxation.

1 Disbursements from the fund shall be made on warrants issued by the
2 State Treasurer against claims filed by the Tax Commission with the
3 Office 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, according to the
17 amount of the claim made by each county. If any funds remain after
18 paying all claims for reimbursement for loss of revenue due to
19 exemptions of ad valorem taxation for new or expanded manufacturing
20 or research and development facilities and for reimbursement for
21 loss of revenue for school district and county purposes due to
22 exemptions granted pursuant to the provisions of Section 2890 of
23 Title 68 of the Oklahoma Statutes, the remaining funds shall be
24 distributed proportionally among the counties making claims for

1 reimbursement for loss of revenue for decreased valuation and
2 assessment for buffer strips pursuant to Section 2817.2 of Title 68
3 of the Oklahoma Statutes.

4 D. 1. Notwithstanding the provisions of subsections B and C of
5 this section, a school district may claim an early reimbursement for
6 fifty percent (50%) of the amount of the reimbursement made in the
7 prior calendar year if a declaration of a funding emergency is
8 provided to the Oklahoma Tax Commission. Such declaration shall:

9 a. be submitted on or before February 1 of the year for
10 which the claim is being made,

11 b. include the signatures of the superintendent and the
12 auditor of the school district, and

13 c. demonstrate that at least thirty-three percent (33%)
14 of the funding expected for the current school year is
15 affected by the reimbursement provided by this
16 section.

17 2. Upon verification that the claim for early reimbursement
18 meets the funding emergency requirements pursuant to paragraph 1 of
19 this subsection, the Tax Commission shall make a reimbursement on or
20 before the next March 1 immediately following the date the claim is
21 filed.

22 SECTION 2. This act shall become effective November 1, 2016.

23
24 55-2-2339 JCR 1/21/2016 10:40:01 AM