

1 STATE OF OKLAHOMA

2 1st Session of the 58th Legislature (2021)

3 SENATE BILL 243

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 2020, Section 193), which relates to the distribution  
11 of funds; adding category of exemption for which  
reimbursement may be claimed and creating  
12 qualification; clarifying language; modifying  
13 priority for payment of claims; and providing an  
effective date.

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

15 SECTION 1. AMENDATORY 62 O.S. 2011, Section 193, as  
16 amended by Section 457, Chapter 304, O.S.L. 2012 (62 O.S. Supp.  
17 2020, Section 193), is amended to read as follows:

18 Section 193. A. There is hereby created in the State Treasury  
19 a revolving fund for the Oklahoma Tax Commission to be designated  
20 the "Ad Valorem Reimbursement Fund". The fund shall be a continuing  
21 fund, not subject to fiscal year limitations. Monies apportioned to  
22 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. Beginning calendar year 2022 and all subsequent years, to  
5 reimburse qualified counties of this state for loss of revenue due  
6 to exemptions granted to veterans and their surviving spouses  
7 pursuant to the provisions of Sections 8D, 8E and 8F of Article X of  
8 the Oklahoma Constitution. A county is qualified for reimbursement  
9 if the number of exemptions granted to veterans and surviving  
10 spouses for the most recently concluded calendar year exceeds eight-  
11 tenths of one percent (0.8%) of the total county population  
12 according to the most recent Federal Decennial Census;

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

17 ~~3.~~ 4. To reimburse counties of this state for loss of revenue  
18 due to decreased valuation and assessment for buffer strips pursuant  
19 to Section 2817.2 of Title 68 of the Oklahoma Statutes.

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

1 Monies apportioned to this fund also may be transferred to other  
2 state funds or otherwise expended as directed by the Legislature by  
3 law.

4 B. The county commissioners of each county seeking  
5 reimbursement for lost revenue from the Ad Valorem Reimbursement  
6 Fund shall make claims for reimbursement on forms prescribed by the  
7 Tax Commission prior to April 30 of each year. Claims for  
8 reimbursement for loss of revenue ~~due to exemptions of ad valorem~~  
9 ~~taxes for new or expanded manufacturing or research and development~~  
10 ~~facilities shall be made separately from claims for reimbursement~~  
11 ~~for loss of revenue for school district and county purposes due to~~  
12 ~~exemptions granted pursuant to the provisions of Section 2890 of~~  
13 ~~Title 68 of the Oklahoma Statutes and separately from claims for~~  
14 ~~reimbursement for loss of revenue for decreased valuation and~~  
15 ~~assessment of buffer strips~~ based upon the type of exemptions  
16 authorized pursuant to subsection A of this section. Provided, the  
17 assessed valuation of a school district as stated in the claim for  
18 reimbursement shall be the same as reported to the State Department  
19 of Education on the Estimate of Need and shall include the total  
20 valuation of property exempt from taxation pursuant to Section 2902  
21 of Title 68 of the Oklahoma Statutes. The claims shall be either  
22 approved or disapproved in whole or in part by the Tax Commission by  
23 June 15 of each year. A claim for reimbursement for loss of revenue  
24 due to an exemption of ad valorem taxes for a new or expanded

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

15 C. In the event monies apportioned to the Ad Valorem  
16 Reimbursement Fund are insufficient to pay all claims for  
17 reimbursement made pursuant to subsection B of this section, claims  
18 for reimbursement for loss of revenue due to exemptions of ad  
19 valorem taxes for new or expanded manufacturing or research and  
20 development facilities shall be paid first, and any remaining funds  
21 shall be distributed proportionally among the counties making claims  
22 for reimbursement for loss of revenue for school district and county  
23 purposes due to exemptions granted pursuant to the provisions of  
24 ~~Section 2890 of Title 68 of the Oklahoma Statutes~~ Sections 8D, 8E

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

16 SECTION 2. This act shall become effective November 1, 2021.

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