

1 **SENATE FLOOR VERSION**

2 February 24, 2016

3 **AS AMENDED**

4 SENATE BILL NO. 1305

5 By: Quinn of the Senate

6 and

7 Casey of the House

8 **[ public finance - Ad Valorem Reimbursement Fund -**  
9 **reimbursement to schools - effective date ]**

10  
11 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

12 SECTION 1. AMENDATORY 62 O.S. 2011, Section 193, as  
13 amended by Section 457, Chapter 304, O.S.L. 2012 (62 O.S. Supp.  
14 2015, Section 193), is amended to read as follows:

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

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

23 2. To reimburse counties of this state for loss of revenue for  
24 school district and county purposes due to exemptions granted

1 pursuant to the provisions of Section 2890 of Title 68 of the  
2 Oklahoma Statutes; ~~and~~

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

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

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

14 Monies apportioned to this fund also may be transferred to other  
15 state funds or otherwise expended as directed by the Legislature by  
16 law.

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

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

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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.

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

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

8            b. include the signatures of the superintendent and the  
9            auditor of the school district, and

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

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

19        **3. The Oklahoma Tax Commission shall apportion, from the**  
20 **revenues which would otherwise be apportioned to the General Revenue**  
21 **Fund pursuant to subparagraph a of paragraph 1 of Section 2352 of**  
22 **Title 68 of the Oklahoma Statutes, an amount the Tax Commission**  
23 **estimates to be necessary to pay the reimbursement claims filed**

1 against the Ad Valorem Reimbursement Fund pursuant to paragraph 1 of  
2 this subsection.

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

4 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS  
5 February 24, 2016 - DO PASS AS AMENDED  
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