

**OKLAHOMA TAX COMMISSION**

**REVENUE IMPACT STATEMENT  
FIRST REGULAR SESSION, FIFTY-EIGHTH OKLAHOMA LEGISLATURE**

**DATE OF IMPACT STATEMENT:** February 6, 2021

**BILL NUMBER:** SB 243 **STATUS AND DATE OF BILL:** Introduced 1/4/2021

**AUTHORS:** House N/A Senate Montgomery

**TAX TYPE (S):** Ad Valorem **SUBJECT:** Other

**PROPOSAL:** Amendatory

SB 243 proposes to amend 62 O.S. § 193 adding claims that can be paid from the Ad Valorem Reimbursement Fund and altering the priority in which the claims are reimbursed.

**EFFECTIVE DATE:** November 1, 2021

**REVENUE IMPACT:**

FY 22: -0-

FY 23: \$22,630,000 increase in claims to the Ad Valorem Reimbursement Fund

Feb. 8, 2021  
DATE

Rick Miller  
DIVISION DIRECTOR

KLS

2/8/2021  
DATE

Huan Gong  
HUAN GONG, ECONOMIST

2/8/21  
DATE

[Signature]  
FOR THE COMMISSION

*The revenue impact provided herein is an estimate of the potential impact on the collection or apportionment of tax revenues affected by the proposed legislation. It is not intended to be an estimate of the overall fiscal impact on the state budget if the proposed legislation is enacted.*

**ATTACHMENT TO REVENUE IMPACT SB 243 [Introduced] Prepared February 6, 2021**

SB 243 proposes to amend 62 O.S. § 193 adding claims that can be paid from the Ad Valorem Reimbursement Fund (“AVRF”) and altering the priority in which the claims are reimbursed.

Currently, the monies apportioned to the AVRF shall be expended to reimburse counties for the loss of revenue for (1) the five (5) year manufacturing program, (2) the additional homestead exemption, and (3) agricultural buffer strips. This measure proposes to add reimbursements to eligible counties for loss of revenue associated with ad valorem exemptions afforded 100% disabled veterans and surviving spouses of veterans killed in the line of duty. SB 243 states that a county is qualified for reimbursement of claims related to these veteran exemptions for the most recently concluded calendar year if the number of exemptions granted exceeds 0.8% of the total county population according to the federal Decennial Census.

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 associated to the claims of counties where the number of exemptions in each county is greater than 0.8% of the county population according to the federal Decennial Census is estimated to be \$22,630,000 for FY 23.

Currently, when the AVRF is insufficient to pay all county claims relating to the above-referenced exemptions, the claims connected with the five (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. SB 243 proposes to change the priority of reimbursement such that the five (5) year manufacturing program must be paid first and then the reimbursement of claims related to these veteran exemptions, with any remaining funds to be distributed for claims due to additional homestead exemptions.

Net Revenue Impact  
FY 23:

\$22,630,000 increase in claims to the Ad Valorem Reimbursement Fund