



OKLAHOMA TAX COMMISSION

Date: April 2, 2010

Bulletin No. 10-03

Subject: Agricultural Conservation Land Adjustment, Valuation and Reimbursement

Dear County Assessor:

During the 2000 legislative session HB-2061 created a new sub-class of agricultural land. This sub-class defines certain agricultural conservation lands and provides for a reduction in Ad Valorem Use-Value for the land-owner and provides for reimbursement to counties for any loss in revenue. On January 3, 2001 the Ad Valorem Division issued Bulletin 01-02 which outlined the program and provided HB-2061 for review.

Legislative change...

During the 2001 legislative session HB-1203 amended the valuation portion of HB-2061. Section 17 changed “primary” to “exclusive” consideration on income production of the buffer strips for valuation purposes.

Valuation...

In most cases the income production for conservation lands will be zero due to the highly restrictive use of the land. The valuation to the taxpayer will reflect the income production value (usually zero), the reimbursement to the county will be based on the previous use-value of the land prior to enrollment in the conservation program. (Ref: 68 O.S. 2000 Supp. Sec. 2817.2)

Reimbursement...

All counties that have received applications for Conservation Land Adjustment, OTC Form 999, should immediately send the approved application forms to the Ad Valorem Division, if you have not already done so. Upon receipt of the approved applications, the Ad Valorem Division

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will send the county an OSF-3 Claim For Reimbursement Form. The County Commissioners will sign the claim form and return it to the Division as soon as possible. The reimbursement procedure is structured exactly like the exempt manufacturing program.

If you have any questions please call Personal Property Section at (405) 319-8200.

Sincerely,

OKLAHOMA TAX COMMISSION

Kenny Chuculate, Deputy Director
Ad Valorem Division

KC:jb