

The mission of the Ad Valorem Division of the Oklahoma Tax Commission is to promote an ad valorem property tax system which is fair and equitable to all taxpayers by implementing standard valuation methodology, tax law conformity, and assessment administration compliance.

“IAAO Zangerle Award Winner:
1997 and 2010”



Oklahoma Ad Valorem

FORUM

Director’s Notes:

Happy Holidays and Merry Christmas to everyone.

This is the last newsletter of the year and in this season we traditionally look back at what’s happened the last twelve months in the ad valorem world. I like to review the December newsletters all the way back to 1994 when we got the Ad Valorem Forum going on a regular basis.

Most December newsletters catalogue major events that happened in the ad valorem system for that calendar year. Many years were astonishing with a frenzy of activity---Ad Valorem Reform, Y2K, SQ 669, software upgrades, IQ regional training, conversion to Windows, new legislation, protests, etc.

For example, one of the interesting comments in 1994 newsletter was a discussion of the new performance audit presented to the State Board that year. That’s not the current performance audit, but the 1994 “new” performance audit which according to the newsletter was “more flexible and gives county assessors credit for their progress in ad valorem reform.” Nineteen counties were out of compliance the year before, and the new audit dropped that number to six counties. This year 2013 of course was the first year for the new performance audit with an entirely new grading system that seems to be working out well.

Another amazing year was 1996 which saw a major discussion of ad valorem at the ballot box. The first of that SQ 669, which would have gone to an “acquisition” system, was considered and defeated at the election. This was followed later that summer with a big debate over a package of three state questions that changed the system dramatically by freezing assessment levels, establishing the first “cap” and setting up a Senior Freeze. Ad valorem issues were in the headlines most of that year with a great deal of debate before the passage of the three state questions in November of that year.

Things were not always that exciting. Some December newsletters had articles on forms updates, personal property workshops, IAAO training classes, and funding issues. One year that was “much to do about nothing” was the excitement and tension in 1999 over the Y2K—the year when all the computers were supposed to stop working. As a result of some hard work and some additional funding from the state for the state CAMA system, Y2K turned out to be a non-event.

Some of these “big” issues resulted in major changes, but in looking back, often the most important things that happened were the larger than life events that changed the world for not just the ad valorem system but also for our country and for the lives of our families, relatives, and friends.

In Oklahoma, who can forget the Murrah bombing in 1995? Our December newsletter that year had a lot of discussion on the aftermath of that cowardly act and tragedy.

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In 1999 the "first" Moore tornado was a major event that affected the entire state just like the terrible event in 2013.

In 2001, we wrote, "The year 2001 has been like no other. Our year-end reflections look toward the vision we've seen of a terrible heart of darkness challenging our country, family, and friends. It will be forever impossible to think of 2001 without the unforgettable linkage to the tragedies in New York and Washington D.C."

We appreciate the hard work and conscientious effort of all county assessors and deputies out there working for our taxpayers to improve the Oklahoma ad valorem system and making it better than it was given to us. Like Tom Cusack says, "keep in mind, we should be the guardian of fairness."

Merry Christmas and Happy New Year.

P.S. Dayla Sue Pugh, Beaver County Assessor retired this month after 30 years in the office with about eight as assessor. We appreciated her service and most of all her great philosophy: "Stay on the positive side" and "Improvement in the office starts with the Assessor." She was always quick to thank our field analysts for their help and did a great job for her county.



As we start a new year, here are some reminders explaining the mapping portion of the annual performance audit.

The mapping component of the performance audit was developed to emphasize how mapping should be used in the assessor's office. The 25 point question dealing with the Analysis of Cadastral Mapping was broken into five categories worth five points each.

Question 3A: Is the ownership completely mapped?

Title 68, Section 282 I, paragraph D: "In order to conduct the visual inspections of real property during the four-year cycle, each county assessor shall acquire and maintain cadastral maps and a parcel identification system. The standards for the cadastral maps and the parcel identification system shall be uniform for each county of the state and shall be in such form as developed by the Ad Valorem Task Force."

We test the completeness of the cadastral mapping by looking at the percentage of parcels mapped. In MIMS, we test this by running a DOS utility at the F:\MIMS DOS prompt. The usual DOS command would be: report map\parcel. This function gives us a total mapping parcel count. In ArcGIS, we open the parcel layer's attribute table (which looks like an Excel spreadsheet). In the bottom-left corner of the attribute table screen is the record/parcel count.

Question 3B: Is ownership up to date?

This is still related to Title 68, Section 282 I. What good is a cadastral map if it is not being currently maintained?

Our test for this question is the production of paper maps highlighting a relatively new parcel split in each map. This approach for measuring is uniform for any mapping software in use and ensures that the county can use their software to produce paper maps upon request.

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Question 3C: Can a county produce a parcel map with current school district boundaries?

Title 68, Section 2815.2: "The county assessor shall maintain and use the current boundary descriptions of each and every school district or part of a district in the county furnished by the State Department of Education pursuant to Section 4-104 of Title 70 of the Oklahoma Statutes."

Each year, we supply your county with a current school district mapping layer. To see if you use this layer, our test is the production of paper section maps highlighting the school district boundaries with parcel mapping.

Question 3D: Can a county produce a parcel map with current city boundaries?

Even though the inclusion of city boundary mapping is not specifically listed in statute, it only makes sense for the assessor to track current city boundaries. City boundaries can affect fair cash values, and cities can have millage rates.

Our test for this question is the production of paper maps highlighting city/town's current boundaries with parcel mapping. We then take this map and compare it to the OTC's municipal boundary mapping (as authorized by Title 68, Section 1375, paragraph A). This approach for measuring is uniform for any mapping software in use and ensures that the county can use their software to produce paper maps upon request.

Question 3E: Can a county produce a parcel map with current OTC approved soils and current land use?

Title 68, Section 2817, paragraph C lists NRCS soil maps and agricultural use categories in the calculation of ag land values. In most cases, counties not using digital mapping to calculate ag land values are using paper books published 40+ years ago. NRCS has modified some of the soil boundary lines since then. In most cases, counties using these old books are also relying on the aerial photos included in those books to estimate current land use.

A computerized, mass appraisal approach allows for using current soil boundaries and current aerial photography. MIMS has been able to transfer automated ag land values to the State-provided CAMA system for nearly twenty years. ArcView has been able to accomplish this for over five years.

Our test for this question is the production of paper section maps highlighting soil types, land use types, and parcels on each map. This approach for measuring is uniform for any mapping software in use and ensures that the county can use their software to produce paper maps upon request.

I hope this helps. If you have any further questions, please let me know. Also, if you need mapping assistance, contact me. I will try to visit you as soon as I can.

Remember: The use of computers will make our lives easier?!

Notice!

Agricultural Exemption Applications Method of Transmission to OTC

The Oklahoma Tax Commission will no longer accept Agricultural Exemption Permit applications by fax.

All applications whether new, renewal or closing an account, must be submitted through the online method of Oklahoma Taxpayer Access Point (OkTAP) or by mail.

If your county is currently not registered in OkTAP, registration forms can be found on the County Assessors' page of the Oklahoma Tax Commission Ad Valorem website. If your county is not registered for OkTAP, then applications and any changes will need to be made by paper and mailed to the OTC.

For assistance contact Paula Johnson at (405) 521-4614 in the Taxpayer Assistance Division.





“Let’s Get Personal” Property

by Doug Brydon

The five-year exempt manufacturing inspections are completed. The second set of printouts will be mailed the week of December 13, 2013. These printouts are to be balanced to the actual tax bill. Please verify the school district as well as the tax liability. If there are any discrepancies, contact Patty Heath at 405-319-8200. All responses must be returned to the Ad Valorem Division by December 23, 2013.

Remember, according to Rules 710:10-7-18 through 710:10-7-20, a separate account is required for each exemption, and there could be a real and personal bill for one printout. Due to rounding differences between the State and Assessor’s offices, corrections may be needed on the tax bill.

The projected payouts of the total reimbursement amounts by property type are as follows:

- Electric Wind Generation - 50%
- Traditional Manufacturing - 28%
- Large Manufacturing - 15%
- Data Computer Processing - 6%
- Distribution - 1%

The Personal Property Schedule Draft is on the web for comments. Here is the remainder of the timeline process for the Personal Property Schedule:

Second Ten-Day Comment Period: Parties wishing to submit written comments on the changes may do so within the ten-day period ending December 13, 2013. The division will post all comments received during the second comment period.

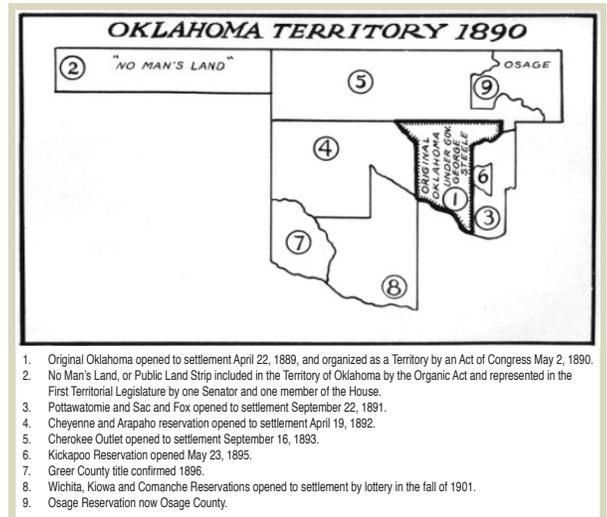
January 2, 2014: Upon approval of the Oklahoma Tax Commissioners, the Business Personal Property Schedule for 2014 will be posted on the website and available for use. Hard copies will not be printed for 2014; the Schedule will only be available through the website.

What is it you want, Mary? What do you want? You want the moon? Just say the word, and I’ll throw a lasso around it and pull it down. Hey, that’s a pretty good idea. I’ll give you the moon, Mary. – George Bailey in “It’s a Wonderful Life”

The Governors of Oklahoma Territory

An amendment inserted in the Appropriation Act of Congress of March 2, 1889 released a portion of the Oklahoma country to settlement and President Benjamin Harrison on March 23 by proclamation fixed the date of the actual opening as April 22, 1889. Since there was no provision for local government, a condition approaching chaos arose. The laws of the United States as they applied to unorganized territory were the sole statutory regulations to protect the early settlers. These laws, vague and inadequate, were reinforced by self-imposed regulations which were enforced by an overwhelming public sentiment or by the cool prowess of gunmen.

This situation was relieved when Congress passed the Organic Act of May 2, 1890 which featured the formation of the Territory of Oklahoma. Nine men served as territorial governors before Oklahoma became a state. On May 22, 1890, Major George W. Steele assumed the task of organizing the new territory as its first governor.



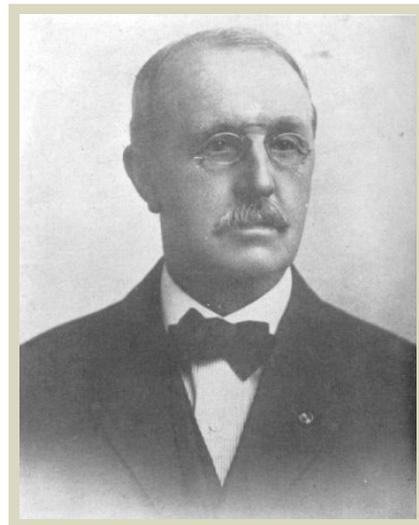


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The Governor was directed, under the provisions of the Organic Act, to divide the territory into seven counties and to fix the county lines; and also, to appoint all county, township and district officers to hold their offices until the adjournment of the first session of the First Legislature.

George Washington Steele May 22, 1890 - October 18, 1891

The first territorial governor was born in Indiana in 1839 and was educated in the local public schools later completing his academic studies at the Ohio Wesleyan University. He was admitted to the Ohio bar and practiced law at Hartford City, Indiana until the outbreak of the Civil War when he was mustered into the 12th Indiana Regiment in the Union Army as a volunteer on May 2, 1861, and later transferred to the 101st Indiana Regiment and served until the conclusion of the war. After being with Sherman in his "March to the Sea" he was mustered out as a Lieutenant Colonel in July, 1865 and later commissioned and served as a Major in the 14th Regiment of United States Infantry in the regular army in the West from 1866 to 1876. At the conclusion of this service, he returned to Indiana and established himself in business at Marion where, as a Republican, he was elected to Congress serving from 1883 to 1889.



Upon hearing reports of disorder and chaos in the new territory, President Benjamin Harrison wanted a former military officer to serve as the territory's first governor. Harrison appointed Steele as the initial governor of the Territory of Oklahoma on May 22, 1890. The oath of office was administered in Guthrie where a rather elaborate inauguration service was held. The task committed to Governor Steele was difficult and unusual as he enforced the orderly processes of government for the disorderly situation which confronted him. His extended experience in military affairs capably prepared him for the assignment.

The First Territorial Legislature provoked further trouble for the governor by using the major portion of its time in efforts to remove the capital from Guthrie. Bills to effect such removal, first to Oklahoma City and then to Kingfisher, were promptly vetoed by the governor.

He encouraged and supported education in the form of the University established at Norman, the Normal School at Edmond, the A&M College at Stillwater, as well as the instigation of a public school system.

Governor Steele resigned as governor effective on October 18, 1891 and returned to Marion, Indiana where again he was elected to Congress serving from 1895 to 1903.

Major Steele married Marietta E. Swayzee in 1866. Death closed his engaging life at Marion, Grant County, Indiana on July 12, 1922. He rests in the Odd Fellows Cemetery near that city.

The first governor of Oklahoma was a major character and enjoyed a highly distinguished career. His brief tenure of seventeen months as Governor of the Territory of Oklahoma was just another incident in his engaging life. Steele's most enduring legacy is not to be found in his home state of Indiana or in national politics, but in Oklahoma. One observer noted his tenure as Governor this way: "He was a most capable executive and his unafraid service to the territory must not be minimized."

Excerpt from The Chronicles of Oklahoma



It's time to start filling our calendars with upcoming events for 2014. The dates for Oklahoma Tax Commission's Annual Conference will be **August 5 - 8, 2014**. The location is the Tulsa Marriott Southern Hills.