

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.

Oklahoma Ad Valorem

FORUM

Director's Notes:

It's Thanksgiving time again. At the Ad Valorem Division we're working hard on finishing the Personal Property Schedule, the Equalization Study, and preparing for the next meeting of the State Board of Equalization in December.

It seems like we just finished the 2008 study, but the Public Service Section has begun preparation for our 2009 Capitalization Rate Study. We've received comments from several companies about issues in the valuation area, and we've met with a few company representatives on their concerns. (We'll be holding a formal Capitalization Rate Conference in March 2009.)

This is a busy time of year for county government, and I know at most of the county assessors' offices this can be a stressful month when the tax bills are out on the streets, especially with the present state of the economy. Good taxpayer service and assistance is a tough job, and sometimes the "thanksgiving time" part of the effort comes later.

We enjoyed the County Assessors' Association Convention. It was a good session, and we're looking forward to working with the new officers. As I said last month, the County Assessors' Association officers have been great to work with.

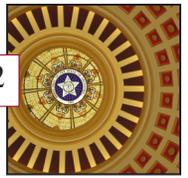
I'd also like to thank the county assessors for their help this year in working so well with our staff in completing the annual Equalization Study and the various legislative reports we're required to complete during the fall. Thanks.

Week before last some of our staff attended the National Conference on Unit Value States (NCUVS). NCUVS recently celebrated its twenty-fifth anniversary and Oklahoma Tax Commission, Ad Valorem Division personnel (Robert Hartman and Cathy Gibson) were instrumental in establishing the organization. It represents a gathering of nearly forty states that use the unit valuation process for their centrally assessed property. It was a good conference and provided our staff an opportunity to meet with other states with similar responsibilities and challenges.

As some of you may recall, I've included this message in the last five or six November newsletters. I always enjoy it. Be sure and thank all the people that you work with some time during the Thanksgiving season. It's a great tradition.

We'll see everyone at the State Board of Equalization meeting. Thanks to the county assessors and their staffs this year for all their hard work. I know that many assessors and staffs don't always get a "thank-you",

[Continued on page 2...](#)



Continued from page 1 “Director’s Letter”...

but remember that some people who don’t express their appreciation do realize how important the job is. Have a good Thanksgiving.

Sincerely,

Jeff Spelman, CAE

P.S. “The fox knows many things. The hedgehog knows, but one thing, but he knows it exceedingly well.” Gaywood A. Woods, Jr. who borrowed the quote from the ancient Greek poet Archilochus. The point of this quote is that the fox is very intelligent, much smarter than the hedgehog, who’s not very bright, but the fox often ends up with quills in his mouth. Watch out for a person with one thing on their mind, no matter how smart you are.



While I have been visiting different counties and meeting new assessors, there has been a common issue. These new assessors have this wonderful little account that all their fee monies go into. They are being told how they should spend this money on bottled water, wall border, income taxes, etc. by well meaning folks that have not taken the time to look up the statutes themselves.

The “County Assessor Fee Revolving Fund” was created by statute in 1994. This language has not changed during the last fourteen years! Title 68, Article 28, Section 2829.1 reads:

“There is hereby created in the office of the county treasurer a revolving fund for the office of the county assessor, to be designated the “County Assessor Fee Revolving Fund”. The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all fees collected by the assessor and all monies accruing to the fund. Monies deposited to the fund shall be expended by the county assessor and shall not be transferred to any other account for a purpose other than:

1. For maintenance, replacement and upgrade of computer hardware and software associated with county assessor databases and geographic information systems; and
2. To provide products and services generated from the database and geographic information system to both public and private parties.

The intent of this section is to increase the net funding level available to the county assessor to maintain electronic databases and geographic information systems as required pursuant to Section 2829 of this title.”

If you have questions, please call us. Call me with any mapping questions. We are here to help you!

Remember: Usually, the only thing holding us back is ourselves (but, sometimes others help).

Receive the “Forum” by Email:

To receive the “Ad Valorem Forum” by email, please forward your email address to Cyndi Heath at cheath@tax.ok.gov.





“Assessing A Hot Button”

By Katherine Barrett and Richard Green
Governing, printed July, 2008

Some words are so joined at the hip that you barely hear one without the other. Forest fires are always raging, gas prices are sky-rocketing and infrastructure, sad to say, does few things better than crumble.

Then there's the property tax. When newspaper reporters get their hands on these two words, they add a third, “rebellion”. And they're not far from the mark. Florida, which has been a tumult over this issue for years, started to whittle away at property taxes in 2007, and citizens will vote on a deeper cut in November.

Homeowners in several states and dozens of localities are hot under the collar about this particular stream of revenue.

In fact, there's a lot less property tax than there used to be. It accounted for 21.9 percent of general state and local revenue in 1977 but only 16.6 percent in 2005. Nonetheless, the rebellion continues because there are a lot of problems that irk citizens – sudden changes in assessments, perplexity over differences in taxes levied on similar homes, frustration at the appeals process. Curiously, some irritants are the result of policy solutions that went askew. Efforts to stem pain for some homeowners – through Florida's 1992 Save Our Home constitutional amend, for instance – create more pain for others.

At least some of the problems with property taxes could be solved on the management end. That is, having state and local tax collectors concentrate on the nitty-gritty details of how property taxes are administered could dissipate some of the heat.

One solution is to make the tax clearer and more comprehensible through taxpayer education. “The big problem with the property tax is its opacity,” Nancy Augustine of The George Washington University tells us. With sales taxes, for instance it's easy to calculate exactly what you'll be paying if you just know the rate and the value of the purchase. Nothing is so easy with property taxes, “even though I've done extensive research on property tax systems, I cannot possibly discern how my tax bill stacks up against those of my neighbors.”

Guy Griscom, President of the International Association of Assessing Officers”, suggests that localities should emphasize “truth in taxation” to help property owners understand what they pay. That might also help local leaders better understand that the pain of rising values could be mitigated by falling rates.

There are annoyances that stem from the way property tax bills are delivered. For someone who has a mortgage, the visibility of the property tax may be masked because the tax is spread out in mortgage payments. But for the people who have paid off their mortgage – often those who have retired and may be on a fixed income – the bills may come once a year in one distressingly large chunk. Also, in many jurisdictions, timing is unfortunate. The bill comes just when residents are doing their Christmas shopping.

[Continued on page 4...](#)





Continued from page 3 “Assessing A Hot Button”...

Inconsistencies abound and infuriate taxpayers. In Marion County, Indiana, the 2006 assessment sparked outrage among the residential taxpayers who felt commercial taxpayers got off lightly. The governor threw out the assessment in 2007, but it is being followed by a new one that is likely to be greeted with considerable outrage from businesses since it shows a 30 percent increase in commercial and industrial values.

Greg Mowes, the Marion County Assessor, is gearing up for the appeals, which are bound to start coming in when bills are delivered in several weeks. The biggest legitimate complaint that taxpayers have had in Marion County, he says, “is sticker shock based on the four-year gap in revising the assessments. The lesson is that this should be done more frequently.”

British Columbia has been held up as something of a model property tax management. Back in the 1970s, it shifted to annual assessments and replaced 140 separate property assessment entities with the British Columbia Assessment Authority, which insists on professional training of assessors and the skillful use of technology. Many states also have oversight bodies to ensure that local jurisdictions use compatible software, have standards for appraiser training and experience, set up appraisal districts (as opposed to multiple local appraisers) and establish truth-in-taxation laws.

When it comes to property taxes, fixing the management boondoggles should be first on state and municipal lists. This is a lot less painful than cutting funding for education and other services in order to carry out new property tax exemptions. Although property tax rebellions may be raging – particularly when citizens are strained by skyrocketing gas prices and concerned by crumbling infrastructure – improved management and clarity may well be of enormous help.



The mission of IAAO is to promote innovation and excellence in property appraisal, property tax policy and administration through professional development, education, research, and technical assistance.



IAAO Oklahoma Chapter Meets

The Oklahoma Chapter of IAAO met on October 23, 2008, in conjunction with the County Assessors' Association Conference at the Biltmore Hotel in Oklahoma City.

Chapter members had a luncheon while listening to the guest speaker, Kim Lauffer, who is the appraiser in Comanche County, Kansas. Kim provided an update on current events of the IAAO. She is currently a member of the IAAO Executive Board.

New chapter officers were nominated and elected for the coming year.

President:	Mike Morrison (Oklahoma County)
Vice-Pres:	Melissa Anderson (Rogers County)
Sec-Treas:	Keith Hulsizer (Tulsa County)
Exec Board:	Doug Warr, AAS (OSU/CLGT)
Exec Board:	Todd Mathes (Washington County)

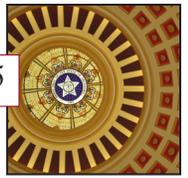
Doug Warr is running for the IAAO Executive Board, Region I, and he would appreciate your support.

Gary Snyder thanked the chapter for allowing him to serve two years as chapter president which he said was a rewarding opportunity.



Have a Safe and Happy Thanksgiving!





Four State Questions Pass

Oklahoma voters decided in favor of 4 state questions which were on the ballot during the November general election:

- SQ 742: Oklahomans have the right to hunt, trap and fish subject to reasonable regulation approved by the Oklahoma Wildlife Conservation Commission. The measure is a step to prevent outside groups from interfering with Oklahoma's hunting and fishing laws.
- SQ 743: Winemakers in Oklahoma can sell wine directly to liquor stores and restaurants with some restrictions. The intent is to increase the profit margin for small Oklahoma wineries. Previously, wineries were limited to sales at fairs and festivals unless they went through a liquor store.
- SQ 735: A household personal property tax exemption is provided to veterans and their spouses if the veteran is 100 % disabled because of an injury that occurred during military action or through a disease contracted while in active service. This measure takes effect January 1.
- SQ 741: A person or business must file an application with the county assessor to get an exemption from property taxes. No exemption can be granted prior to filing an application.

Ad Valorem Tax Laws Complete Reprint Coming

The updated Ad Valorem Tax Laws will be available before long. A complete reprinting of the full document is being done which will include the updates for the 2008 legislative session.

The full reprint of the tax code will be done on white paper. Yearly updates are printed on colored paper for ease of recognition and replacement.

The tax laws will be provided in three formats:

- Online access at www.tax.ok.gov
- DVD by request
- Hard copy

It is expected that the new printing will be available by the end of the year.

October "4C" Meeting

The County Computer Coordination Committee held its monthly meeting on October 22, 2008.

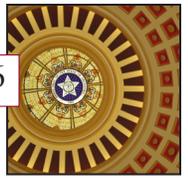
A lengthy discussion took place regarding the Picture Maintenance Utility Program written by Troy Frazier which is to be included as an option on the CAMA Utility Program menu. Troy explained the software was designed to assist the counties with the various picture edit and maintenance issues that need to be done on an ongoing basis. The software will work with both CAMA and AA picture maintenance. Testing has been done to work out certain difficulties.

Parcel labels, numbers and date, along with sizing and saving to both CAMA and AA picture folders automatically are available in the software being written. The program does have an automatic resize for existing pictures so that this doesn't have to be done individually as in the past.

The picture does not have to be re-linked since it is still named the same way. What was previously done picture-by-picture is now automated. Resolution size options allows from three sizes and picture quality settings.

Continued on page 6...





Continued from page 5 "October '4C' Meeting"...

The general consensus of the group was that there is a need for a program like this to reduce the amount of time involved to maintain pictures in the counties. Several other software programs are currently used now to do what this one can do as a stand alone program.

A demonstration will be provided to the committee at its December "4C" meeting. At that time the group can see if there are any additional features needed in the program or if any problems are detected with the current software design.

Johnny Caldwell advised that a Linux software program called Image Magic is currently installed in 16 county servers. His group has been testing it. The program is strictly a resizing program as opposed to any of the other edit or maintenance functions that are included in the Picture Maintenance Utility Program that Troy developed. Johnny said they would continue to test the Linux picture sizing program in some counties to see what issues might come up.

Joe Hapgood spoke of the CAMA update the OTC field staff recently received to install in the counties as they make their rounds in the State. There are 8 or 9 different program changes mainly to clean up or fix known problems.

The CAMA draw program was placing the wrong square footage on drawings on the draw screen, but it was correct when going to F9. This issue is being addressed. One draw program issue was a missing line in some of the drawings, and the fix for that is in the most recent update. The Ad Valorem Division will report on the draw screen again at the December "4C" meeting.

The committee opted not to meet in November. The next meeting date will be held on December 2, 2008, at 10:00 a.m. in the Ad Valorem Division office.

Focus on Cleveland County

After the passage of the Organic Act of 1890, Cleveland County was organized as County Three and for a short time was known as "Little River County". Residents voted on the name Cleveland County after President Grover Cleveland.

In 1870, the United States Land Office contracted with a young surveyor, Abner E. Norman, to survey much of Oklahoma territory. His crew burned the words "Norman's Camp" into an elm tree near a watering hole to taunt their younger supervisor. When the "Sooners" and the other settlers arrived in the heart of Oklahoma, they kept the name "Norman".



The present courthouse was constructed in 1939 with additions built in 1979 and 1980. It is listed on the National Register of Historic Places.

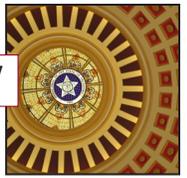
The county's early economy was based on agriculture, and now includes manufacturing and other industries.

Norman city mayor, T.R. Waggoner, directed a bill through the Territorial Legislature in 1890 to form the University of Oklahoma which opened a few years later with 100 students. Residents had to pass bonds to construct a building and donate 40 acres of land for a campus site. Higher education could also be received at High Gate College which opened in 1890. Since 1972, the Moore Norman Technology Center has offered programs in business administration, computer technology and health careers.

Norman is a prominent center of meteorological research, specifically severe weather. The National Weather Center, located on OU's Research Campus, houses several NOAA organizations, including the

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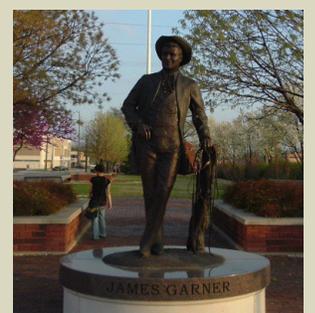


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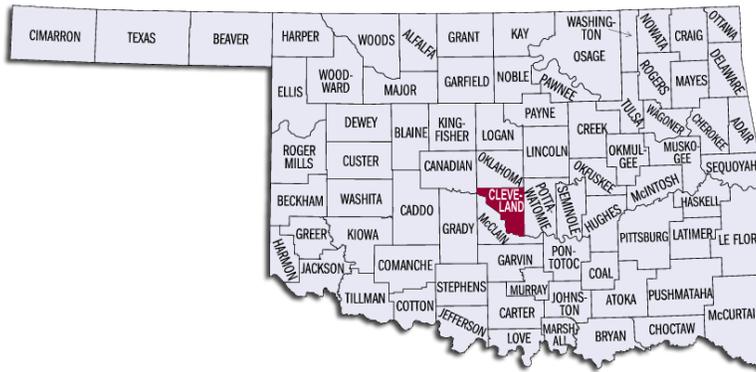
Storm Prediction Center and the National Severe Storms Laboratory, along with the University’s weather-related units including the College of Atmospheric and Geographic Sciences and the Center for Analysis and Prediction of Storms. Private sector meteorological companies are located alongside the 2006 facility at “Partners Place”.

The following are a few of Cleveland County’s attractions of interest:

- Stanley Draper Lake and Lake Thunderbird
- Little River State Park
- Fred Jones Jr. Museum of Art and the Firehouse Art Center
- Sam Noble Oklahoma Museum of Natural History
- Jacobsen House Native American Arts Center
- National Register of Historic Places including:
 - Cleveland County Courthouse
 - Murdock Mission (SE of Stella)
 - Beta Theta Pi Fraternity House
 - The President’s House
 - OU Sooner Theater Building



Actor James Garner hails from Norman and was honored in 2006 when a 10’ statue was unveiled at the Norman High School depicting him in his role as a young “Maverick”.



Cleveland County Demographics

Population: 208,016

Area: 529 square miles

2007 Real Property Assessed Valuation: \$1,243,048,395

2007 Personal Property Assessed Valuation: \$99,492,344



Statue of Abner Norman, for whom the county seat was named, stands outside Norman’s City Hall

Health Watch

Earl Pierce, Ad Valorem Division field staff member, had an unfortunate accident recently involving one of his horses. Earl suffered some injuries which will cause him to be off work for an extended period of time.

Our best wishes to Earl for a speedy recovery.

