

**2010
ANNUAL EDUCATIONAL
CONFERENCE**

**ADMINISTRATIVE
SESSIONS**

BUILDER LOT

Valuation of Developer Lots

Moderator:

Kenny Chuculate

Panelists:

Leisa Weintraub, Tulsa

David Tinsley, Cleveland

Todd Mathes, Washington

Wade Patterson, Garfield

Larry Stein, Oklahoma

Objective:

- Familiarize
- Discuss
- Can Not Answer All Questions
- Infinite Number of Scenarios
- Review Past 2 Years

Changes in Valuation:

- Oklahoma Supreme Court (2007)
- AG Opinion 07-34 (2007)
- SB-958 (2008)

Oklahoma Supreme Court

- Liddell vs. Heavner Jan. 2008
- Undervaluation of Developer Lots
- May not “Lock” Value Indefinitely
- Lots Valued Annually
- Platted Lots
- Not Retroactive
- Subject to 5% Cap
- Platted Agricultural Land
- Court Directed Valuation Procedures

Attorney General Opinion 07-34

- January 1 Assessment Date
- Valuation of Lots and Buildings
- Opinion Clarified 68 O.S. § 2817(I)
- Did Not Address 68 O.S. § 2817 (F) "New"
- Lots with Buildings under Construction
- Before Building Completion, Lot Value Only
- May Not Value for Materials until Completed
- Complete Not Defined
- After Completed, Lot and Materials
- FCV when conveyed, leased or occupied

Senate Bill 958

- Adds New Language, Section F
- Deletes language in 2817-I (Now Sub. J)
- Defines “Use Value” of lots in platted subdivisions
- Residential and Commercial lots
- Number of lots divided by value
- Not restricted to builders or developers
- Annual valuation of the lots
- May not “lock” lot value indefinitely
- May not value “public use” improvements
- If no construction in 2 yrs, FCV for lot
- 2 Years Lot Only W/O Building

What Changed?

- Valuation of lots
- Valuation of buildings
- Valuation timelines

Ag. Land Platted, No Ownership Change

- No Construction in Progress
- Agricultural Use Value
- 5% Cap in Place
- Must Value Lot(s) Each Year
- May Not “Lock In” Value

Platted Lots With Construction In Progress

- Must Value Lot(s) Each Year
- Value as Similar Platted Lots
- Lots Subject to 5% Cap
- May Not Add Development Costs
- May Not Add Material Costs

No Construction In Two Years

- Must Value Lot(s) Each Year
- Two Years Following Jan. 1 Assessment Date
- Lots Valued Full Fair Cash Value

Building Under Construction On Assessment Date

- Must Value Lot(s) Each Year
- No Added Value For Building
- Do Not Value For Materials
- Unimproved Lot Value Only

Building “Complete” On Assessment Date, But Not Sold

- Must Value Lot(s) Each Year
- No Definition of Complete
- Building Not Sold, Occupied, or Leased
- Developer/Builder Lot Value
- Add Value of the Materials
- Until Sold, Occupied, or Leased

Building Sold, Occupied, or Leased

- First Jan. 1 After Sale, Occupancy or Lease
- Value at Full FCV Land & Building

Goals:

- Uniform valuation methods
- Consistency among counties

Changes In Future Requirements

- New court cases
- Additional A.G. Opinions
- New legislation
- Future Directives Unknown

Thought for the Day:

- "This country has come to feel the same when congress is in session as when the baby gets a hold of a hammer."
- Will Rogers

**CEDL
TAX INCREMENT
FINANCING**

TAX INCREMENT FINANCING: **Strategic Considerations for Development**



By Dan Batchelor
Center for Economic Development Law

301 N. Harvey, Ste. 200 ∪ Oklahoma City, OK 73102 ∪ (405) 232-4606
danbatchelor@econlaw.com

Local Redevelopment Using TIFs

- A local Governing Body may implement a TIF in an area that is unproductive, undeveloped, underdeveloped or blighted (OK Constitution).
- The Local Development Act provides tools to be used in areas where investment, development, and economic growth are difficult but possible if the Act is used.



What is a TIF?

- A TIF allows a Governing Body to direct the apportionment of an increment of certain local taxes and fees to finance public project costs in order to stimulate development in the area.
- The increment is the portion of the *ad valorem* taxes produced by the increased value of the property in the TIF district
 - As measured from the effective date of the TIF and/or the portion of sales taxes collected each year that are generated by the projects in the TIF district (the formula must be approved by the Governing Body).



What is a TIF?

- The TIF district is established by the preparation and approval of a project plan (must specify the boundaries of the district, the objectives of the project area, the projects to be carried out in furtherance of those objectives and the cost).



Oklahoma examples of TIFs

- TIF districts have been validated by court proceedings involving:
 - The two TIF districts in Oklahoma City (for economic development projects at the *Oklahoma Health Center* and for the *Downtown/MAPS project*) and,
 - The TIF district in Guymon, OK (for the *Guymon-Seaboard Economic Development project*).



Steps for Considering and Creating a TIF district:

- **The Governing Body Initiates Process:**
 - Governing Body passes resolution establishing review committee and appoints its representative
 - **The Review Committee consists of:**
 - A representative of the Governing Body, to serve as chairperson;
 - A representative of the Planning Commission;
 - A representative designated by each taxing jurisdiction within the proposed district whose ad valorem taxes might be impacted according to the plan; and
 - Three members representing the public at-large and selected by the other committee members form a list of seven names submitted by the chairperson of the review committee.



Review Committee Consideration

- Committee elects at-large members
- Committee studies proposed project and makes findings on eligibility of proposed project area and district
- Committee makes finding on financial impact of proposed district upon affected taxing entities
- Committee makes a recommendation regarding approval of proposed project and creation of district.



Planning Commission Review

- The applicable Planning Commission(s) determines whether proposed project plan conforms with comprehensive (master) plan for the Governing Body.
- Planning Commission makes a recommendation regarding approval of proposed project plan.



Governing Body Consideration and Approval I

- The Governing Body must hold **two public hearings** before adoption of a project plan— one to provide information and to answer questions, and a second to give interested persons the opportunity to express their views on the proposed plan.
- The Governing Body considers the findings and recommendation of the Review Committee and the resolution and recommendation of the Planning Commission.
- The Governing Body makes final determination that the proposed district **meets the eligibility criteria of the statute**, including that the project area is an enterprise area, an historic preservation area, or a reinvestment area.



Governing Body Consideration and Approval II

- The Governing Body makes finding that the improvement of the area is likely to enhance the value of other real property in the area and to promote the general public interest.
- The Governing Body adopts ordinance approving the project and establishing the increment district.



Examples of Successful TIF Districts

- Guymon-Seaboard Economic Development Project – Increment District No. 1, City of Guymon
 - (Economic Development Project)
- Oklahoma Health Center Economic Development Project Plan – Increment District No. 1, The City of Oklahoma City
 - (Blighted Area Redevelopment – Presbyterian Health Foundation Research Park)
- Downtown/MAPS Economic Development Project Plan – Increment District Nos. 2, 3, and 8, The City of Oklahoma City
 - (Historic Restoration of the Skirvin Hotel – World Headquarters for Devon Energy)
- Oklahoma Riverfront Redevelopment Project – Increment District Nos. 4 and 5, The City of Oklahoma City
 - (Blighted Area Redevelopment – Dell Business Center)
- Midwest City Downtown Redevelopment Plan – Increment District No. 1, City of Midwest City
 - (Blighted Area Redevelopment – Downtown Redevelopment)
- Seminole-Sigma Economic Development Project Plan – Increment District No. 1, City of Seminole
 - (Economic Development Project)
- Lawton Downtown Economic Development Project Plan – Increment District Nos. 1 and 2, City of Lawton
 - (Blighted Area Redevelopment - Economic Development Project)

Forms and Annual Reporting

**REQUEST FOR DETERMINATION OF
TOTAL ASSESSED VALUE OF ALL TAXABLE PROPERTY
WITHIN INCREMENT DISTRICT NUMBER ONE, CITY OF XYZ, AND
CERTIFICATION OF THAT AMOUNT AS THE BASE ASSESSED VALUE**

TO: County Assessor
ABC County
200 Elm Street
XYZ, Oklahoma 73501

Date: _____, 20__

On _____, 20__, the City Council of the City of XYZ adopted Ordinance No. XXX, approving the XYZ Economic Development Project Plan and establishing Increment District Number One, City of XYZ, with an effective date of _____. A certified copy of Ordinance No. 0X-0X is enclosed for your files.

Section 13 of the Local Development Act (62 O.S. § 862(A)) provides that upon establishment of a tax increment district (by municipal ordinance), the county assessor shall, within 90 days, determine the total assessed value of all taxable real property and all taxable personal property within the increment district. This amount shall be certified by the county assessor as the "base assessed value" of the property within the district. The Act further provides that after the county assessor has certified the "base assessed value" of the increment district, the county assessor or any other official required by law to ascertain the amount of the equalized assessed value of all taxable property within the increment district shall do so by using the certified "base assessed value" of all taxable property in the increment district *in lieu of* the equalized assessed value of all taxable property in the increment district for the purpose of computing the tax levy, calculating the general state school aid formula, or computing any debt limitation. See 62 O.S. § 862(C).

The legal description of Increment District Number One, City of XYZ, is contained in Section 6 of the Ordinance. Also enclosed is a form for reporting to the City of XYZ your determination of the total assessed value of all taxable property within the increment district and certification of that amount as the "base assessed value" of the increment district. The enclosed form should be completed and returned to the undersigned within 90 days of _____, 20__, (*i.e.*, on or before _____, 20__).

Please make your determination and certification as indicated on the enclosed form. If you have any questions about this request or any of your obligations with respect to the increment district, please contact me so that I may be of assistance to you. Thank you for your assistance in implementing Increment District Number One, City of XYZ.

Jane Doe
CITY CLERK, CITY OF XYZ

**DETERMINATION OF TOTAL ASSESSED VALUE OF ALL TAXABLE PROPERTY
WITHIN INCREMENT DISTRICT NUMBER ONE, CITY OF XYZ, AND
CERTIFICATION OF THAT AMOUNT AS THE BASE ASSESSED VALUE**

TO: Jane Doe, City Clerk
City of XYZ
101 Main Street
XYZ, Oklahoma

Date: _____

The total assessed value as of _____, 20__, of all taxable real and personal property within Increment District Number One, City of XYZ, as more particularly described on the attached Exhibit "A," is hereby determined to be \$_____.

The assessed value has been determined in accordance with 62 O.S. § 862.

I, John Smith, the County Assessor of ABC County, hereby certify \$_____ as the "base assessed value" of Increment District Number One, City of XYZ, which is the total assessed value of all taxable real and personal property therein.

John Smith
ABC COUNTY ASSESSOR

NOTICE OF CERTIFICATION OF THE "BASED ASSESSED VALUE" OF
INCREMENT DISTRICT NO. 1, CITY OF XYZ

To:

Superintendent
XYZ Public Schools
P.O. Box 101
XYZ, Oklahoma 77777

Date: July 1, 20__

The Council of the City of Okmulgee adopted Ordinance No. 1000, on March 27, 2008, approving the XYZ Economic Development Project Plan ("Project Plan"). The Project Plan established Increment District No. 1, City of XYZ ("Increment District No. 1"). One June 23, 2008, the county assessor has now determined the "base assessed value" of all taxable real and personal property within Increment District No. 1. A certified copy of the county assessor's "base assessed value" of Increment District No. 1 is enclosed for your files.

The Local Development Act, Title 62, Oklahoma Statutes, Section 862(B), provides school districts located within the boundaries of an increment district the opportunity to file a protest regarding the amount certified as the "base assessed value" with the government entity establishing the increment district. Pursuant to section 862(B), a school district may file a protest (a request for re-determination) within thirty (30) days. In this instance, if the XYZ School District files a protest with the City by July 23, 2008, the City will then notify the county assessor. The county assessor will re-determine the "base assessed value" within thirty (30) days of notification of the school district's protest.

Section 862(C) of the Local Development Act explains how the "base assessed value" is to be used by the county assessor and other taxing entities within the increment district. Section 862(C) is reproduced below; pertinent language has been underlined to emphasize the importance of the "base assessed value" to school districts:

After the county assessor has certified the "base assessed value" of the taxable real property and the taxable personal property in such increment district, then in respect to every taxing jurisdiction receiving taxes levied in the increment district, the county assessor or any other official required by law to ascertain the amount of the equalized assessed value of all taxable property within such increment district for the purpose of computing the tax levy to be extended upon taxable property within such increment district, for the purpose of calculating the general state school aid formula, or for the purpose of computing any debt limitation, shall in every year that the tax apportionment is in effect ascertain the

amount of value of taxable property in such increment district by including in such amount the certified "base assessed value" of all taxable real property and all taxable personal property in such increment district in lieu of the equalized assessed value of all taxable real property and all taxable personal property in such increment district. The tax levy determined shall be extended to the current equalized assessed value of all property in the increment district in the same manner as the tax levy is extended to all other taxable property in the increment district. The method of extending taxes established under the provisions of this section shall terminate when the governing body adopts an ordinance or resolution dissolving the tax apportionment financing. The provisions of this act shall not be construed as relieving property owners within an increment district from paying a uniform rate of taxes upon the current equalized assessed value of their taxable property as required by Section 5 of Article X of the Oklahoma Constitution.

If you have any questions, please contact me or the City Manager so that we may provide you with assistance.

City Clerk
City of XYZ

ADVISORY REPORT

CURRENT INCREMENTAL ASSESSED VALUE, TAX LEVY,
AND PROJECTED INCREMENTAL TAXES
TAX INCREMENT DISTRICT NO. 1, CITY OF XYZ

PLEASE RETURN TO:

City Clerk
City of XYZ
P.O. Box 101
XYZ, OK 77777

FISCAL YEAR July 1, 20__ - June 30, 20__

1. Current Incremental Assessed Value

A. Current Total Assessed Value. The total assessed value of all taxable real property and all taxable personal property within Increment District Number One, City of XYZ, is:

\$ _____.

B. Current Incremental Assessed Value. The current total assessed value less the Base Assessed Value of \$ _____ yields the current Incremental Assessed Value, which is:

\$ _____.

2. Current Tax Levy

The tax levy imposed on all taxable property in the Increment District, as determined in accordance with 62 O.S. § 862(C) and other applicable law, for this year is:

_____.

3. Projected Incremental Taxes

Based on the current incremental assessed value and the current tax levy, the projected incremental taxes from the Increment District are estimated to be:

\$ _____.

4. Valuation Date

All assessed values on this form are determined as of _____, 20__.

Dated: _____
COUNTY ASSESSOR
ABC COUNTY

Dated: _____
COUNTY TREASURER
ABC COUNTY

CERTIFICATION OF ASSESSED VALUES
INCREMENT DISTRICT NO. 1, CITY OF XYZ
as of January 1, 20__

(Applicable for ad valorem taxes payable during the reporting period: July 1, 20__ through June 30, 20__)

I, *John Smith*, the County Assessor of *ABC* County, hereby certifies that the following amounts are the base, increment and total assessed values of all real and personal property of Increment District No. 1, City of *XYZ*, as determined for the ad valorem tax bills for the reporting Period: July 1, 20__ through June 30, 20__.

<u>LINE:</u>		
(a)	Base Assessed Value	\$ _____
(b)	Increment Assessed Value	\$ _____
(c)	Total Assessed Value	\$ _____

Date: October ____, 20__

ABC County Assessor

PUBLIC NOTICE

The following is a summary of relevant financial information for Increment District Number One, City of XYZ for the fiscal year ending June 30, 20____. The report is available for public inspection during business hours in the office of the City Clerk, 101 Main Street, XYZ, Oklahoma.

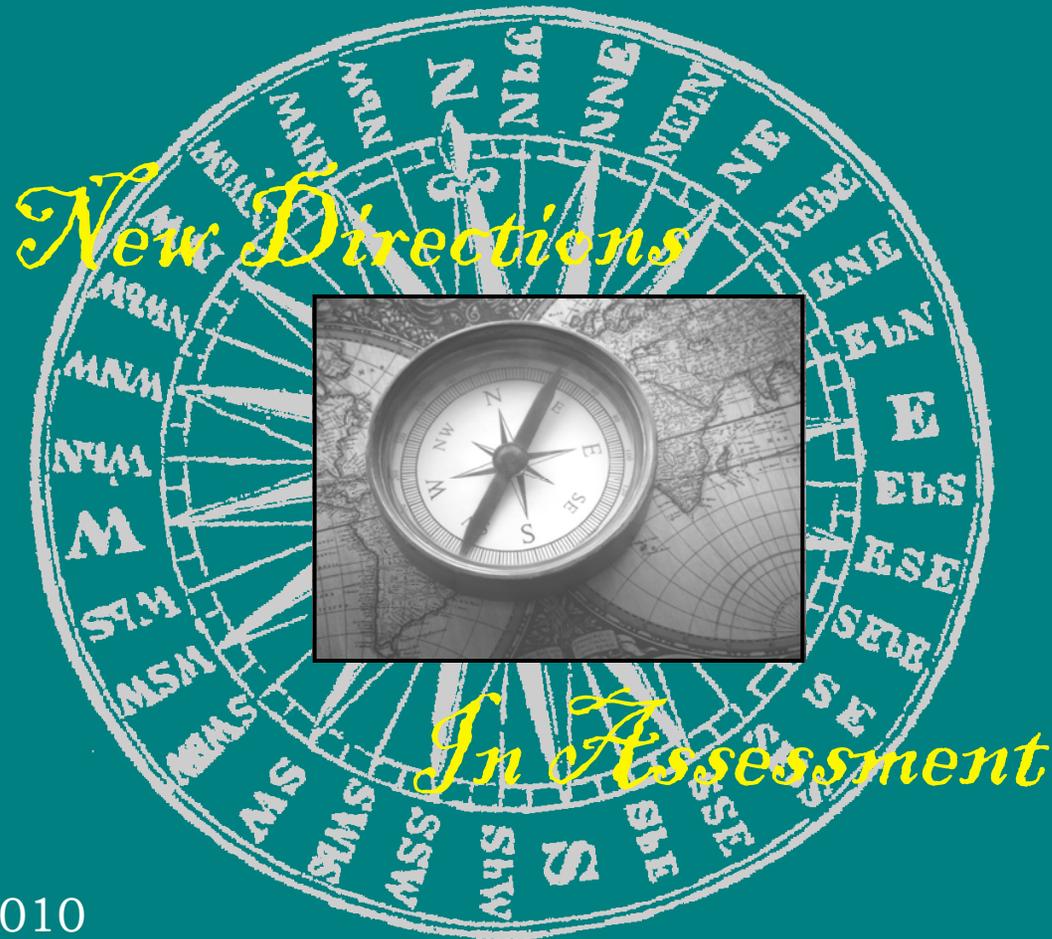
 Ronnia Andrews, City Clerk

FISCAL YEAR REPORT
PURSUANT TO THE LOCAL DEVELOPMENT ACT, 62 O.S. 850, et seq.
INCREMENT DISTRICT NUMBER 1,
CITY OF XYZ, STATE OF OKLAHOMA
 (Reporting Period: July 1, 20____ through June 30, 20____)

	Source	Amount(s)	Total(s)
62 O.S. § 867A.1. Increments (including revenues in lieu of taxes) Collected: + Increments Collected Prior this Reporting Period: + Increments Collected this Reporting Period: = Total Collected Increments:	Ad Valorem _____ Ad Valorem _____		_____
62 O.S. § 867A.2. Expenditures, Amount and Purpose: = Total Expenditures for Reporting Period:		_____	_____
62 O.S. § 867A.3. Bonded indebtedness as of the end of the respective Reporting Period: + Principal balance of District indebtedness pursuant to the Local Development Act: = Total principal indebtedness of Tax Increment District:		_____	_____
+ Interest Accrued (unpaid) on indebtedness pursuant to the Local Development Act: = Total Interest Accrued (unpaid) on indebtedness:		_____	_____
62 O.S. § 867A.4. Assessed tax base and increment applicable to the respective Reporting Period: + Base assessed value: + Increment assessed value for Reporting Period: = Total assessed tax base and increment:		_____	_____
62 O.S. § 867A.6. Person in charge of plan implementation during the Reporting Period:	City Manager of the City of XYZ		
62 O.S. § 867A.7. Interests disclosed pursuant to 62 O.S. § 857:	NONE		

LEGISLATIVE UPDATE

Oklahoma Tax Commission
66th Annual Educational Conference
For Assessing Officers



August 10—13, 2010
Tulsa, Oklahoma
Southern Hills Marriott

LEGISLATIVE UPDATE

Legislative Update

Kenny Chuculate

Jim Kelley

HB-1888

Amending: 19 O.S. § 1201 thru 1221 Ambulance Service Districts

- Creates Ambulance Service District Act
- Deletes definition of “Rural Area”
- Districts not restricted the rural
- State Department of Health to administer
- No change in constitutional millage of 3 mills
- **Effective June 7, 2010**

HB-1889

Amending: 74 O.S. § 913.4

Retirement Computation Factors

- New officers retirement computation factors
- Must elect a rate, 1.9% or 4%
- If no election 4% will be used
- Beginning in 1994 6 different rates
- November 2010 2 different rates
- Familiarize with the changes
- Very important to your retirement plan
- **Effective: November 1, 2010**

HB-2573

Amending 19 O.S. § 180.63 and 180.75

Salary of County Officers

- In Response to AG Op. 10-05
- Does the base salary change?
- Changes language from “May” to “Shall”
- Salary still based on statutory scale
- Adjusts for HHPP factor
- May mandate salary increases
- Adjustments made within the scale
- All officers paid the same
- **Effective November 1, 2010**

HB-2615

Amending 60 O.S. § 178.6 and 68 O.S. § 2887 Financing of Exempt Projects by Public Trusts

- Financing or refinancing with “tax free bonds”
- Current exempt properties will stay exempt
- Taxable properties will stay taxable
- Financing alone will not change taxable status
- Financing or refinancing with “tax free bonds”
- Current exempt properties will stay exempt
- Taxable properties will stay taxable
- Financing alone will not change taxable status
- **Effective: November 1, 2010**

HB-2717

Amending: 63 O.S. § 1057

Indian Housing Authority, In Lieu Tax Payments

- Affects all tribes
- Tribal housing authority residential property
- Local in lieu agreements with counties
- Agreements signed by the county commissioners
- Allows for federal impact aid to local school districts
- **Effective: April 27, 2010**

HB-2935

Amending: 68 O.S. § 3106 and 3127

County Treasurer to use Assessor Records

- Tax sale property
- Record owner as of December 31
- Ownership as reflected by County Assessor
- **Effective: November 1, 2010**

SB-2113 (Section 69)
Amending: 68 O.S. § 2902
Five-Year Manufacturing Qualification

- Revokes qualification language amended in 2009
- Provided for payroll waiver
- Only for certain marine engine manufacturers
- **Effective: March 3, 2010**

SB-2270

Amending: 58 O.S. § 1252 Transfer Upon Death Deeds

- Now requires a death certificate filed
- May also file a notarized affidavit
- Beneficiary shall file the affidavit or related documents
- Filed with county clerk where the property is located
- **Effective: November 1, 2010**

SJR-61

New Law: Non-codified Task Force to Study Intangibles, Business Activity Tax (BAT)

- Creates a 21 member task force, comprehensive tax reform
- Moratorium on franchise tax
- Adds a tax in lieu of ad valorem on “intangibles”
- Adds a new Business Activity Tax (BAT)
- Business Activity Tax will expire December 31, 2010
- Legislature may make the BAT permanent
- Final task force report due January 1, 2012
- **Effective: November 1, 2010**

**TIF DISTRICT
REPORTABLE
ASSESSED VALUE**

TIF Districts

Determination of

Assessed Values and

Annual Reporting

State Board of Equalization
Presented by Nancy Grantham
2300 N. Lincoln Blvd
State Capitol, Room 100
Oklahoma City, OK 73105
Tel: (405) 521-3495
Email: ngrantham@sai.ok.gov

Definitions and Determinations

Base Assessed Value (BAV)

BAV means the assessed value of all taxable real and personal property located within the TIF District as of the effective date of the TIF District established by the governing body.

- The County Assessor is to receive notification from the governing body of the establishment of the TIF District. The County Assessor has 90 days from the establishment date to determine and certify the Base Assessed Value (BAV). Once the BAV has been determined the County Assessor shall notify the governing body.
- If a taxing jurisdiction covers only a portion of the TIF District, the BAV for such taxing jurisdiction must also be determined by the County Assessor for the portion of the taxing jurisdiction affected by the TIF District.

Increment Assessed Value (IAV)

IAV means the portion of the annual assessed value of all taxable real and personal property within the TIF District in excess of the BAV.

- Annually, following the close of each fiscal year, the County Assessor shall provide the person in charge of the TIF District annual certification of the BAV and the value above the BAV, which is the IAV.

Reportable Assessed Value (RAV)

Reportable Assessed Value (RAV) is the total assessed value of all personal and real property outside of the Increment District (TIF) **plus** the **lesser** of:

- (a) the base assessed value of the TIF,
or
- (b) the current assessed value of the
TIF.

Annually, the County Assessor shall determine the Reportable Assessed Value (RAV) for ad valorem tax purposes.

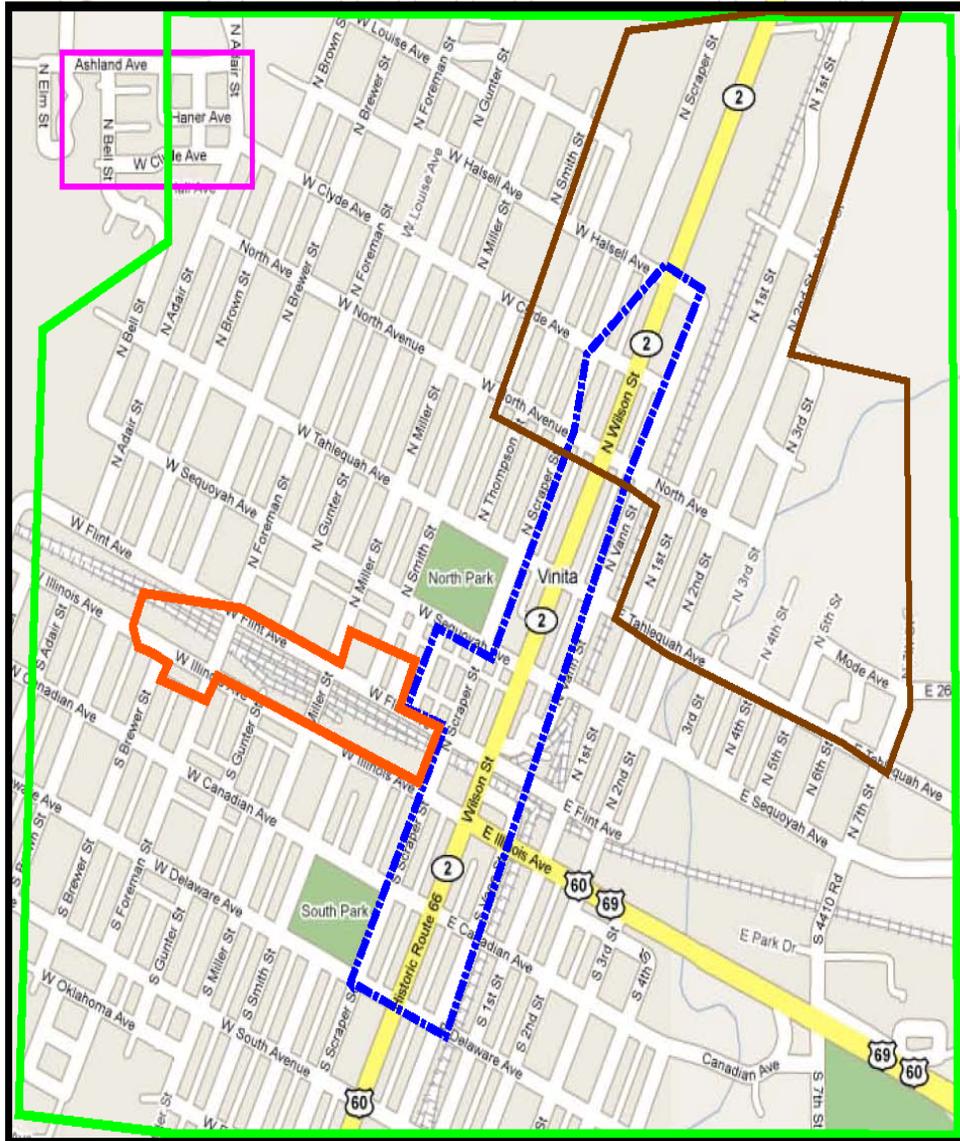
Importance of RAV

RAV is to be used in lieu of the total assessed values for each affected taxing jurisdiction in the TIF District for:

- **Equalization Board Budgets**
- **Calculation of Levies**
- **Determination of Debt Limitations**
- **Calculation of State School Aid**

Determination of RAV

Example – City of Vinita, Craig County, Oklahoma



LEGEND

	CITY OF VINITA
	SCHOOL DISTRICT
	VO-TECH DISTRICT
	TIF No. 1
	TIF No. 2
	TIF No. 3

NOTE: The map is intended to only be an example of how taxing jurisdictions and TIF Districts geographically interface. Neither the map or the following examples are indicative of the any TIF Districts established by the City of Vinita, nor the determination of assessed values by the Craig County Assessor.

Determination of RAV

Example: City of Vinita

	<u>BAV</u>	<u>TOTAL</u>	<u>IAV</u>
TIF No. 1	\$ 5,000.00	\$ 65,000.00	\$ 60,000.00
TIF No. 2	25,000.00	50,000.00	25,000.00
TIF No. 3	100,000.00	250,000.00	<u>150,000.00</u>
			235,000.00
			Clerk Cert
Total County	\$ 10,000,000.00		
Less TIFS	\$ <u>235,000.00</u>		\$ <u>235,000.00</u>
RAV	\$ <u>9,765,000.00</u>		

Determination of RAV
for
Each Affected Taxing Jurisdiction

Scenario A
City of Vinita

School District

	<u>Personal</u>	<u>Real</u>	<u>Total</u>
(+) Total Assessed Value of School District	\$ 75,000	\$175,000	\$ 250,000
(-) TIF No. 3 BAV (School District)	<u>\$ 25,000</u>	<u>\$ 75,000</u>	<u>\$100,000</u>
(=) IAV	<u>\$ 50,000</u>	<u>\$100,000</u>	<u>\$ 150,000</u>

Note: For simplicity, in this example it is assumed that the school district covers the entire area of TIF District No. 3. However, sometimes affected taxing jurisdictions cover only a portion of a TIF District. See next slide.

Determination of RAV
for
Each Affected Taxing Jurisdiction, *continued*

Scenario B
City of Vinita

Vo-Tech District

	<u>Personal</u>	<u>Real</u>	<u>Total</u>
(+) Total Assessed Value of Vo-Tech District	\$ 10,000	\$ 35,000	\$ 45,000
(-) TIF No. 3 BAV (Vo-Tech District)	<u>\$ 5,000</u>	<u>\$ 10,000</u>	<u>\$ 15,000</u>
(=) IAV	<u>\$ 5,000</u>	<u>\$ 25,000</u>	<u>\$ 30,000</u>

Note: In this example the Vo-Tech District does not cover the entire area of TIF District No. 3.

Mutual Understanding

- The County Assessor may choose to enter into a memorandum of understanding with the governing body and the County Treasurer regarding their respective duties for making annual determinations, certifications, and the maintaining of TIF accounts.

Summary and Review

- Definition of BAV and IAV
 - **BAV** means the assessed value of all real and personal property located within the TIF District as of the effective date of the TIF District established by the governing body.
 - **IAV** means the portion of the annual assessed value of real and personal property located within the TIF District, which is in excess of the BAV.
- Definition of RAV
 - **RAV** is the total assessed value of all real and personal property outside the TIF District plus the lesser of the:
 - a. base assessed value of the TIF District.
 - or
 - b. Current assessed value of the TIF District.
- Annually Determine the Reportable Assessed Value (RAV) and Increment Assessed Value (IAV), if any.
- RAV is to be used in lieu of the total assessed values for each affected taxing jurisdiction in the TIF for:
 - Equalization Board Budgets
 - Calculation of Levies
 - Determination of Debt Limitations
 - Calculations of State School Aid

**PERSONAL PROPERTY
MOBILE HOMES**

Oklahoma Tax Commission
66th Annual Educational Conference
For Assessing Officers



August 10—13, 2010
Tulsa, Oklahoma
Southern Hills Marriott

MANUFACTURED HOMES

- Kenny Chuculate, Ad Valorem Division
- Vicki McCartney, Motor Vehicle Division
- Charles Dry, Motor Vehicle Division
- Carla Hames, Motor Vehicle Division
- Sonny Newton, Motor Vehicle Division

This One's REALLY Mobile!



FreakingNews.com

There's No Place Like Home...



You Won't Find THESE In The OTC Manual...



“Scenic View” (Location, Location, Location)



This One Fits Right In!



FreakingNews.com

“Taking It To A Whole New Level”



“Top 10” Manufactured Home Counties

● Oklahoma	8,810
● Cleveland	7,366
● Delaware	6,838
● Creek	6,348
● Tulsa	6,079
● Cherokee	5,091
● Rogers	4,544
● Wagoner	4,630
● McIntosh	4,269
● Muskogee	4,192

Manufactured Home Statistics

- 64,482 Homes on Personal Property, or 40%
- 97,030 Homes on Real Property, or 60%
- 161,512 Homes Total
- 103 Decrease From 2009
- Total FCV for 2010 \$3.02 Billion
- Estimated Tax for 2010 \$30,436,179
- Increase of 1.3% From 2009

Modular Homes

- Not Subject to Title and Registration
- Subject to Sales Tax
- First 45% of Sales Price is Exempt
- Classify a Real Property
- No 936 Needed to Transport
- Taxable Ad Valorem as Other Improvements

Issuing New Original Titles

- Law Effective November 1, 2007
- Reinstatement of Cancelled Titles
- For Homes with Titles Previously and Properly Cancelled
- Affidavit of Ownership

- Title to the Real Property
- No Security Interest or Liens on the Home
- Current Title Opinion
- Application on OTC Form 701-45
- No Requirement to Notify Assessor When Issued

Using the 936

- 936 Helps You
- Sometimes It Is Not Easy
- Future Reference Document
- Taxpayers Depend on the 936
- Tag Agents Depend on the 936
- Dealers Depend on the 936
- Counties Depend on the 936
- You Depend on the 936

Paying Tax in Another County

- Any County Treasurer shall Collect All Ad Valorem Tax
- Current and Previous Calendar Years Tax
- Mail or Fax Documents (Scanned Documents Also)
- Shall Issue a 936 and Current Year Decal
- 68 O.S. § 2813(C) is Very Clear
- Payments By Mail Or In Person Only

License Plates on Personal Property Homes

- SB-503 (2009) Removes Affixed Tag On Pers. Prop. Homes
- Amends 47 O.S. § 1113 Motor Vehicle Code
- Decals Issued Upon Payment
- Decal Affixed Inside the Window Closest to the Front Door
- No Hard Tag Display is Required
- Effective November 1, 2009

Reinstatement of Cancelled Titles

- Application for Mfg. Home Reinstatement of Cancelled Title
- Required Attachments to OTC Form 701-45 include:
 - Affidavit of Ownership
 - No Security Interests or Liens Against the Home
 - Title Opinion Less Than 30 Days Old

- Submitted to OTC Motor Vehicle Division
- If Approved Title is Issued
- Registration Fee Collected for Balance of Year
- Form 936 Is Not Required
- Excise Tax Is Not Collected

MSO vs. Bill of Sale

- The MSO or Title is a Statement of Ownership Transfer
- New Title Will Be in the Exact Name on the MSO or Title
- A Bill of Sale is Only to Establish Sale Price

Used Homes on Dealers Lots

January 1st

- Required to be Titled in the Dealers Name
- Must be Registered for the Coming Year
- These Homes Are Not Required to Have a Tax Stamp

Tribal Titles

- No Charge For Back Taxes on Tribal Titled Vehicles
- Only Tribal Members May Register With The Tribe
- Must Provide Proof of Tribal Membership
Could Include One or More of The Following:
 - Branded title
 - Tribal I.D. Card
 - BIA Card stating tribal affiliation
 - Certificate of tribal membership

- Tribal Titles are Treated The Same as Out of State Titles
- If Proper Certification is Not Provided, Delinquent Taxes and Penalties Are Assessed Back to the Date of the Tribal Title Issuance

Motor Vehicle Tax Stamps

- Tax Stamps are Required to be Affixed by the Dealer
- Includes M-H, Cars, Trucks, ATV's, Motorcycles etc.
- Evidence of Payment of In Lieu of Ad Valorem Tax
- Covers Inventories of New and Used Vehicles
- Tax Stamps Are Not Required For Used M-H, Comm. Trailers or Salvage Vehicles
- Inventories Subject to Tax Stamps Are Not Taxable Ad Valorem

Repossessions

- Repo. Affidavit Required
- 30 Days to Pay Tax From Issue Of S/W Permit
- No Title Work Done W/O Current 936
- Repossessor May Not “Jump” Title
- Repo. Title Is Issued \$46 Fee
- Repo. Affidavit Is Required For Repo. Title
- If Back Tax Is Due, MV Flag VIN



Thought For The Day:

- “Motivation is like taking a bath— It may not last, but it is still a good idea now and then.”

**PERSONAL PROPERTY
VETERANS**

Oklahoma Tax Commission
66th Annual Educational Conference
For Assessing Officers



August 10—13, 2010
Tulsa, Oklahoma
Southern Hills Marriott

100% Veteran's Exemption

- **Kenny Chuculate**

Deputy Director, Ad Valorem Division

- **Carl Boyes, Mgr. Claims & Benefits**

ODVA

- **Jerry Davidson, USDVA, Public Contact**

House Joint Resolution 1044

- 2004 legislative Session
- State Question 715
- Passed November 2004
- Effective January 2006
- State Question 735
- Passed November 2008
- Effective January 1, 2009
- 2010 is the 5th Year of Base Exemption
- 2010 is the 2nd Year of Personal Property

General Provision

- Exempts 100% FCV of Homestead and Household Personal Property
- Must Make Application
- OTC Form 998 (Real)
- OTC Form 998-A (Personal)
- Certified Benefits Letter

Qualifications

- Head of Household
- Honorably Discharged
- 100% Disability Benefits
- Surviving Spouses
- USDVA Qualification Letter
- Different Letter for Spouses

Household Personal Property

- SQ-735 (2008)
- HHPP 100% Compensated Veterans
- Article 10 § 8D
- Must Prove Residency
- Not Tied to Homestead
- File Same as Real Property Exemption
- Will Affect 10 Counties

Qualifications Continued:

- Rule #1:
Must be Eligible For Homestead Exemption
on the Current Residence
- Rule # 2:
When in Doubt Refer to Rule Number One

Two Most Asked Questions:

- **#1:** If the Property Sells During the Year is it Still Exempt For the Remainder of the year?
 - * Yes! January 1 is the Assessment Date
- **#2:** Can I apply my exemption on my new house?
 - * Maybe! Only if the qualified applicant was eligible for Homestead Exemption for the Current year on the "New" house.

Application

- OTC Form 998
- USDVA 100% Benefits Qualification Letter
- January 1 to March 15 (Recommended)
- Can Apply Anytime During the Current Year
- Must File in the Same Year as Requested (SQ-741)
- May Not File For Any Previous Year(s)

Current Enrollment

- 16,228 Total Exemptions
- FCV \$1.44 Billion Dollars
- Total Assessed: \$163 Million Dollars
- Average Tax: \$958 Dollars
- Total Tax Exempt: \$15.5 Million Dollars
- Increase Number 1,052
- Increase Tax Dollars \$1.8 Million Dollars

Leading Counties

- Oklahoma 2,236
- Comanche 1,795
- Tulsa 1,307
- Cleveland 944
- Muskogee 608

Protest Procedure

- Informal Protest
- Formal Protest to CBOE
- Protest to District Court
- Same Protest Procedure as Homestead Exemption

Duration and Termination

- Owned and Occupied Homestead Property Only
- Qualified Household Personal Property
- If Transfer of Title Exemption Terminates
- Any Qualifying Conditions are not Maintained
- Home Purchase After January 1
- If Benefits are Rescinded by USDVA

New Surviving Spouse Qualification Letters

- New Letters Effective June 1, 2010
- Issued By USDVA
- Better Reflect the Constitutional Qualifying Language
- Affects Surviving Spouses Only

What Has Changed?

- Nothing For The Assessor
- VA Has Reviewed Qualifications
- New Letters Will Reflect Qualifications
- Seamless To The Assessor

What About Existing Spouse Exemptions?

- “Grandfathered” According To The VA
- No Need To Review VA Eligibility For Existing Exemptions
- Does Not Require The Assessor To Do Anything New

Obtaining Certification

- Contact USDVA In Muskogee Oklahoma
- Verification of Eligibility:

www.va.gov

- Go To "*Contact Us*"
- Click on "*Ask A Question*"

Questions

Thought For The Day:

“Remember that a kick in the a is a step forward”**

- John Chaucer

PUBLIC SERVICE TIMELINE

Public Service

A County Perspective

What is all this stuff they're
sending me?

**OKLAHOMA TAX COMMISSION - AD VALOREM DIVISION
COUNTY SUMMARY - PUBLIC SERVICE APPORTIONMENT**

**TAX YEAR
2010**

(P:\PU\Current\DataBase\ps00.MDB\SB County Summary - All)

OTC AD VALOREM REFERENCE NUMBER	COUNTY SCHOOL DISTRICT NUMBER	CITY / TOWN / RFPD NAME OR RURAL	COUNTY JOINT DIS	CAREER TECH NUMBER	ASSESSED VALUE
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COUNTY: CIMARRON (13)

COMPANY: RED ROCK INTERSTATE GAS COMPANY (G414)

AGENT: JOE WALSH
P.O. BOX 4372
H
7

PUBLIC SERVICE APPORTIONMENT

13/112/00/1354					143,583
13/113/00/0000					159,585
13/115/00/0000					333,231

**** TOTAL COMPANY **** **5,236,399**

COMPANY: STANZA PIPELINE CO, L. P. (G415)

AGENT: JUNIOR SAMPLES
200 S. 10TH ST.
NASHVILLE, TN 37135
BR-549

13/568/00/0000	Ji-1	YARBROUGH		00	17,361
13/113/00/0000	I-2	BOISE CITY		00	719,896
13/114/00/0000	I-10	FELT		00	1,231,022
13/115/00/0000	I-11	KEYES		00	317,501

**** TOTAL COMPANY **** **2,285,780**

OTC Form 913-D	OKLAHOMA TAX COMMISSION AD VALOREM DIVISION COUNTY DETAIL	TAX YEAR 2010
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COMPANY NAME: RED ROCK INTERSTATE GAS COMPANY					COUNTY NAME: CIMARRON	
OTC AD VALOREM REFERENCE NUMBER	SCHOOL DISTRICT NAME	COUNTY SCHOOL DISTRICT NUMBER	CITY/TOWN/RFPD NAME OR RURAL	COUNTY JOINT DISTRICT	PIECES AND/OR QUANTITY WITH DESCRIPTION OF ASSETS AND PROPERTY DESCRIPTION	
13/112/00/1354	PLAINVIEW	D-1	PLAINVIEW		17.264	
					Pinkerton	
					Kerrick Mica	
13/113/00/0000						
13/115/00/0000	Keyes	P11	Rural		50 Acres, Keyes Compressor Station (17-5n-7e), Materials & Supplies	
					CWIP (Keyes Air Blending Purchase)	
					4 Cooper Bessemer Compressors - 5,400 HP	
					Sturgis Field Compressor Station (3-4n-8e)	
					56.025 miles Transmission Pipe	
					Keyes Discharge Check Meter & Lateral Check Meter Stations (17-5n-7e)	
					Keyes Sales Meter Station (23-4n-7e)	
					Cimarron One Sales Meter Station (10/11-4n-7e)	

COUNTY DETAIL

NOTE:

1. List in detail all non-exempt property in the county by ad valorem reference number, in numerical order. Include county, school district, career-tech district and city, town, rural or Rural Fire Protection District Numbers.
2. Include legal description for all land and structures. Please show enough detail to enable the Assessor to identify the property.
3. Always include company and county name to each page while restricting input to just one county per page.
4. This page will be forwarded to the above identified county.

Oklahoma Tax Commission - Ad Valorem Division Cimarron County 2010 Public Service Review

A005	ABX Air, Inc. Company deleted, No longer providing scheduled service in Oklahoma
G414	Red Rock Interstate Gas Company Fair Cash Value up 13.58% with no additional investment in school districts D-11) proportionally enough to pull some value away from those jurisdictions with investment did increase in other jurisdictions (I-
G415	Stanza Pipeline Co., LP Fair cash value as certified down 5.82%, Company also reports the retirement/replacement of engines in SD I-10
T172	Crossroads Wireless Holding LLC Company no longer operational, filed for bankruptcy in 2009 and will not emerge from bankruptcy and all property situated at those sites were rejected/abandoned with the approval of the Bankruptcy Court or sold to
T508	WWC Acquired January 8, 2009 and merged into (1504) Verizon wireless dba Celco Partnership

PUBLIC SERVICE COUNTY REVIEW

**2010
DIRECTORY
PUBLIC SERVICE COMPANIES**



**OKLAHOMA TAX COMMISSION
2501 LINCOLN BLVD.
OKLAHOMA CITY, OK. 73194**

**JEFF SPELMAN, CAE, DIRECTOR
AD VALOREM DIVISION**

PUBLICATION No. 10-02-PSD-01

And why now?

- With an extension, Public Service returns are due April 30th, coinciding with the posting of our Capitalization Rate Study

- The Section has to have values ready for certification by the State Board of Equalization (S.B.O.E.) on the third Monday in June - This year that was June 21st

- Notice of certification goes out from the S.B.O.E to each company presented before them, beginning the twenty (calendar) day protest period

- The protest period expired this year on Sunday, July 11th. Giving the 12th and three mail days for any notices of protest to get through - assessed values were mailed out Friday, July 16

**Values are now in the Assessors Office,
each Assessor should have**

- **Public Service Apportionment**
- **County Details (913D)**
- **County Review Worksheet**
- **Public Service Directory (e-mail)**

**For 2011, Look for all materials to be
delivered together**

OK, Now that I have all
this stuff, What Now?









Case #1

Case of The Missing Airline!!

**OKLAHOMA TAX COMMISSION - AD VALOREM DIVISION
COUNTY SUMMARY - PUBLIC SERVICE APPORTIONMENT**

TAX YEAR 2009

(P:\PU\Current\DataBase\ps00.MDB\SB County Summary - All)

OTC AD VALOREM REFERENCE NUMBER	COUNTY SCHOOL DISTRICT NUMBER	CITY / TOWN / RFPD NAME OR RURAL	COUNTY JOINT DISTRICT	CAREER TECH NUMBER	ASSESSED VALUE
COUNTY: CIMARRON (13)					
COMPANY: ABX AIR, INC. (A005)					
AGENT: CHUCK YEAGER MACH 1 DRIVE, SUITE X1 DESERT SPRINGS, CA 77210 4372					
13/113/00/0165	I-2	BOISE CITY		00	245,300
** TOTAL COMPANY **					245,300
COMPANY: RED ROCK INTERSTATE GAS COMPANY (G414)					
AGENT: JOE WALSH P O BOX 4372 HOUSTON TX 77210 4372 719-555-3355					
13/112/00/1354	D-1	PLAINVIEW		00	150,183
13/113/00/0000	I-2	RURAL		00	166,921
13/115/00/0000	I-11	RURAL		00	3,077,980
** TOTAL COMPANY **					3,395,084
COMPANY: STANZA PIPELINE CO, L. P. (G415)					
AGENT: JUNIOR SAMPLES 200 S. 10TH ST. NASHVILLE, TN 37135 BR-549					
13/568/00/0000	J1-1	YARBROUGH		00	17,889
13/113/00/0000	I-2	BOISE CITY		00	745,928
13/114/00/0000	I-10	FELT		00	1,469,320
13/115/00/0000	I-11	KEYES		00	328,982
** TOTAL COMPANY **					2,562,219

OKLAHOMA TAX COMMISSION - AD VALOREM DIVISION
COUNTY SUMMARY - PUBLIC SERVICE APPORTIONMENT

TAX YEAR 2010

(P:\PU\Current\DataBase\ps00.MDB\SB County Summary - All)

OTC AD VALOREM REFERENCE NUMBER	COUNTY SCHOOL DISTRICT NUMBER	CITY / TOWN / RFPD NAME OR RURAL	COUNTY JOINT DISTRICT	CAREER TECH NUMBER	ASSESSED VALUE
COUNTY: CIMARRON (13)					
COMPANY: RED ROCK INTERSTATE GAS COMPANY (G414)					
AGENT: JOE WALSH					
P O BOX 4372					
HOUSTON TX 77210 4372					
719-555-3355					
13/112/00/1354	D-1	PLAINVIEW		00	143,583
13/113/00/0000	I-2	RURAL		00	159,585
13/115/00/0000	I-11	RURAL		00	4,933,231
** TOTAL COMPANY **					5,236,399
COMPANY: STANZA PIPELINE CO, L. P. (G415)					
AGENT: JUNIOR SAMPLES					
200 S. 10TH ST.					
NASHVILLE, TN 37135					
BR-549					
13/569/00/0000	Ji-1	YARBROUGH		00	17,361
13/113/00/0000	I-2	BOISE CITY		00	719,896
13/114/00/0000	I-10	FELT		00	1,231,022
13/115/00/0000	I-11	KEYES		00	317,501
** TOTAL COMPANY **					2,285,780

OKLAHOMA TAX COMMISSION - AD VALOREM DIVISION
COUNTY SUMMARY - PUBLIC SERVICE APPORTIONMENT

TAX YEAR
2009

(P:\PU\CurrentDataBase\ps00.MDB\SSB County Summary - All)

OTC AD VALOREM REFERENCE NUMBER	COUNTY SCHOOL DISTRICT NUMBER	CITY / TOWN / RFPD NAME OR RURAL	COUNTY JOINT DISTRICT	CAREER TECH NUMBER	ASSESSED VALUE
COUNTY: CIMARRON (13)					
COMPANY: ABX AIR, INC. (A005)					
AGENT: CHUCK YEAGER MACH 1 DRIVE, SUITE X1 DESERT SPRINGS, CA 77210 4372					
13/113/00/0165	I-2	BOISE CITY		00	245,300
** TOTAL COMPANY **					245,300
COMPANY: RED ROCK INTERSTATE GAS COMPANY (G414)					
AGENT: JOE WALSH P O BOX 4372 HOUSTON TX 77210 4372 719-555-3355					
13/112/00/1354	D-1	PLAINVIEW		00	150,183
13/113/00/0000	I-2	RURAL		00	166,321
13/115/00/0000	I-11	RURAL		00	3,977,360
** TOTAL COMPANY **					3,395,084
COMPANY: STANZA PIPELINE CO, L. P. (G415)					
AGENT: JUNIOR SAMPLES 200 S. 10TH ST. NASHVILLE, TN 37135 BR-549					
13/569/00/0000	Ji-1	YARBROUGH		00	17,589
13/113/00/0000	I-2	BOISE CITY		00	745,928
13/114/00/0000	I-10	FELT		00	1,469,320
13/115/00/0000	I-11	KEYES		00	328,582
** TOTAL COMPANY **					2,562,219

OKLAHOMA TAX COMMISSION - AD VALOREM DIVISION
COUNTY SUMMARY - PUBLIC SERVICE APPORTIONMENT

TAX YEAR
2010

(P:\PU\CurrentDataBase\ps00.MDB\SSB County Summary - All)

OTC AD VALOREM REFERENCE NUMBER	COUNTY SCHOOL DISTRICT NUMBER	CITY / TOWN / RFPD NAME OR RURAL	COUNTY JOINT DISTRICT	CAREER TECH NUMBER	ASSESSED VALUE
COUNTY: CIMARRON (13)					
COMPANY: RED ROCK INTERSTATE GAS COMPANY (G414)					
AGENT: JOE WALSH P O BOX 4372 HOUSTON TX 77210 4372 719-555-3355					
13/112/00/1354	D-1	PLAINVIEW		00	143,583
13/113/00/0000	I-2	RURAL		00	150,585
13/115/00/0000	I-11	RURAL		00	4,333,231
** TOTAL COMPANY **					5,236,399
COMPANY: STANZA PIPELINE CO, L. P. (G415)					
AGENT: JUNIOR SAMPLES 200 S. 10TH ST. NASHVILLE, TN 37135 BR-549					
13/569/00/0000	Ji-1	YARBROUGH		00	17,561
13/113/00/0000	I-2	BOISE CITY		00	719,896
13/114/00/0000	I-10	FELT		00	1,231,022
13/115/00/0000	I-11	KEYES		00	317,501
** TOTAL COMPANY **					2,285,780

ABX Air, Inc. (A005) is missing from 2010 Apportionment

Oklahoma Tax Commission - Ad Valorem Division
Cimarron County 2010 Public Service Review

- A005 ABX Air, Inc.
Company deleted, No longer providing scheduled service in Oklahoma
- G414 Red Rock Interstate Gas Company
Fair Cash Value up 13.58% with no additional investment in school districts D-1 or I-2, capital investment did increase in other jurisdictions (I-11) proportionally enough to pull some value away from those jurisdictions with no activity.
- G415 Stanza Pipeline Co., LP
Fair cash value as certified down 5.82%, Company also reports the retirement/removal of four compressor engines in SD I-10
- T172 Crossroads Wireless Holding LLC
Company no longer operational, filed for bankruptcy in 2009 and will not emerge from such. All leased tower sites and all property situated at those sites were rejected/abandoned with the approval of the Bankruptcy Court or by operation of law. Those sites owned by Crossroads were sold to American Tower (Locally Valued).
- T508 WWC License, LLC
Acquired January 9, 2009 and merged into (T504) Verizon Wireless dba Cellco Partnership

A005 ABX Air, Inc. Company deleted, no longer providing scheduled service in Oklahoma

**2010
DIRECTORY
PUBLIC SERVICE COMPANIES**



2010

DELETIONS, NAME CHANGES, & NEW COMPANIES

PUBLIC SERVICE COMPANIES

OKLAHOMA TAX COMMISSION

AD VALOREM

ID	COMPANY	COMMENTS
A005	ABX AIR	DELETION - NO LONGER PROVIDES SCHEDULED SERVICE IN OKLAHOMA
A011	AIR TRANSPORT INTL. LLC	DELETION - NO FLIGHTS INTO OKLAHOMA IN 2009
A071	FREEDOM AIRLINES	NEW - NEW PUBLIC SERVICE COMPANY
A103	MESABA AVIATION INC	NEW - NEW PUBLIC SERVICE COMPANY
A118	SIERRA PACIFIC AIRLINES	NEW - NEW PUBLIC SERVICE COMPANY
G348	MARKWEST PIPELINE LLC	NEW - NEW PUBLIC SERVICE COMPANY
G349	MID-CONTINENT EXPRESS PIPELINE	NEW - NEW PUBLIC SERVICE COMPANY
T008	ACCESSLINE COMM.	DELETION - NO SITU'S PROPERTY IN OKLAHOMA
T017	ALTELL LLC	DELETION - PURCHASED AND MERGED INTO (T304) CELLCO PTNRSH. (VERIZON WIRELESS)
T172	CROSSROADS WIRELESS HOLDINGS LLC	DELETION - FILED FOR CHAPTER 11 BANKRUPTCY; OKLAHOMA ASSETS REMOVED
T205	FORT SMITH MSA	DELETION - PURCHASED AND MERGED INTO (T304) CELLCO PTNRSH. (VERIZON WIRELESS)
T207	ECHO SERVICES, INC	DELETION - NO LONGER IN BUSINESS
T231	DART PHONE	NEW - NEW PUBLIC SERVICE COMPANY
T269	MCLEOD USA NETWORK SERVICES	DELETION - ALL ASSETS WERE TRANSFERRED INTO MCLEOD TELECOMM. SRVCS. (T269)
T323	OKLAHOMA RSA #4 SOUTH PARTNERSHIP	DELETION - PURCHASED AND MERGED INTO (T304) CELLCO PTNRSH. (VERIZON WIRELESS)
T375	POPLAR PCS	DELETION - NO PROPERTY IN OKLAHOMA
T425	EXCEL PIPELINE LLC	NEW - NEW PUBLIC SERVICE COMPANY

Public Service Directory - provides contact information plus a list of deletions, name changes, and new public service companies for current and past years - See A005 ABX Air

Case #2

Mystery of the Expanding Gas Company

OKLAHOMA TAX COMMISSION - AD VALOREM DIVISION
COUNTY SUMMARY - PUBLIC SERVICE APPORTIONMENT
(P:\PU\CurrentDataBase\pe00.MDB\SB County Summary - All)

TAX YEAR
2009

OTC AD VALOREM REFERENCE NUMBER	COUNTY SCHOOL DISTRICT NUMBER	CITY / TOWN / RFPD NAME OR RURAL	COUNTY JOINT DISTRICT	CAREER TECH NUMBER	ASSESSED VALUE
COUNTY: CIMARRON (13)					
COMPANY: ABX AIR, INC. (4605)					
AGENT: CHUCK YEAGER MACH 1 DRIVE, SUITE X1 DESERT SPRINGS, CA 77210 4372					
13/113/00/0165	I-2	BOISE CITY		00	245,300
** TOTAL COMPANY **					245,300
COMPANY: RED ROCK INTERSTATE GAS COMPANY (G414)					
AGENT: JOE WALSH P O BOX 4372 HOUSTON TX 77210 4372 719-555-3355					
13/112/00/1354	D-1	PLAINVIEW		00	150,183
13/113/00/0000	I-2	RURAL		00	150,921
13/115/00/0000	I-11	RURAL		00	3,077,580
** TOTAL COMPANY **					3,385,684
COMPANY: STANZA PIPELINE CO, L. P. (G415)					
AGENT: JUNIOR SAMPLES 200 S. 10TH ST. NASHVILLE, TN 37135 BR-549					
13/568/00/0000	Ji-1	YARBROUGH		00	17,989
13/113/00/0000	I-2	BOISE CITY		00	745,828
13/114/00/0000	I-10	FELT		00	1,489,320
13/115/00/0000	I-11	KEYES		00	328,382
** TOTAL COMPANY **					2,562,219

OKLAHOMA TAX COMMISSION - AD VALOREM DIVISION
COUNTY SUMMARY - PUBLIC SERVICE APPORTIONMENT
(P:\PU\CurrentDataBase\pe00.MDB\SB County Summary - All)

TAX YEAR
2010

OTC AD VALOREM REFERENCE NUMBER	COUNTY SCHOOL DISTRICT NUMBER	CITY / TOWN / RFPD NAME OR RURAL	COUNTY JOINT DISTRICT	CAREER TECH NUMBER	ASSESSED VALUE
COUNTY: CIMARRON (13)					
COMPANY: RED ROCK INTERSTATE GAS COMPANY (G414)					
AGENT: JOE WALSH P O BOX 4372 HOUSTON TX 77210 4372 719-555-3355					
13/112/00/1354	D-1	PLAINVIEW		00	143,583
13/113/00/0000	I-2	RURAL		00	155,585
13/115/00/0000	I-11	RURAL		00	4,333,231
** TOTAL COMPANY **					5,236,399
COMPANY: STANZA PIPELINE CO, L. P. (G415)					
AGENT: JUNIOR SAMPLES 200 S. 10TH ST. NASHVILLE, TN 37135 BR-549					
13/568/00/0000	Ji-1	YARBROUGH		00	17,961
13/113/00/0000	I-2	BOISE CITY		00	719,856
13/114/00/0000	I-10	FELT		00	1,231,022
13/115/00/0000	I-11	KEYES		00	317,501
** TOTAL COMPANY **					2,285,780

Red Rock Interstate Gas Company (G414) 2010 Apportionment is up over 1.8 million but with small decreases in districts D-1 & I-2 and a large increase in school district I-11

OTC Form 913-D	OKLAHOMA TAX COMMISSION AD VALOREM DIVISION COUNTY DETAIL	TAX YEAR 2009
---------------------------	--	--------------------------

COMPANY NAME: RED ROCK INTERSTATE GAS COMPANY					COUNTY NAME: CIMARRON
OTC AD VALOREM REFERENCE NUMBER	SCHOOL DISTRICT NAME	COUNTY SCHOOL DISTRICT NUMBER	CITY/TOWN/RFPD NAME OR RURAL	COUNTY JOINT DISTRICT	PIECES AND/OR QUANTITY WITH DESCRIPTION OF ASSETS AND PROPERTY DESCRIPTION
13/112/00/1354	PLAINVIEW	D-1	PLAINVIEW		17.264 Miles Transmission Pipe
					Pinkerton Sales Meter Station (09-2n-8e)
					Kerrick Microwave & Sales Meter Stations (31-1n-8e)
13/113/00/0000	Boise City	I-2	Rural		6.363 miles Transmission Pipe
13/115/00/0000	Keyes	I-11	Rural		80 Acres, Keyes Compressor Station (17-5n-7e), Materials & Supplies
					4 Cooper Bessemer Compressors - 5,400 HP
					Sturgis Field Compressor Station (3-4n-8e)
					56.025 miles Transmission Pipe
					Keyes Discharge Check Meter & Lateral Check Meter Stations (17-5n-7e)
					Keyes Sales Meter Station (23-4n-7e)
					Cimarron One Sales Meter Station (10/11-4n-7e)

NOTE:

1. List in detail all non-exempt property in the county by ad valorem reference number, in numerical order. Include county, school district, career-tech district and city, town, rural or Rural Fire Protection District Numbers.
2. Include legal description for all land and structures. Please show enough detail to enable the Assessor to identify the property.
3. Always include company and county name to each page while restricting input to just one county per page.
4. This page will be forwarded to the above identified county.

OTC Form 913-D	OKLAHOMA TAX COMMISSION AD VALOREM DIVISION COUNTY DETAIL	TAX YEAR 2010
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COMPANY NAME: RED ROCK INTERSTATE GAS COMPANY					COUNTY NAME: CIMARRON
OTC AD VALOREM REFERENCE NUMBER	SCHOOL DISTRICT NAME	COUNTY SCHOOL DISTRICT NUMBER	CITY/TOWN/RFPD NAME OR RURAL	COUNTY JOINT DISTRICT	PIECES AND/OR QUANTITY WITH DESCRIPTION OF ASSETS AND PROPERTY DESCRIPTION
13/112/00/1354	PLAINVIEW	D-1	PLAINVIEW		17.264 Miles Transmission Pipe
					Pinkerton Sales Meter Station (09-2n-8e)
					Kerrick Microwave & Sales Meter Stations (31-1n-8e)
13/113/00/0000	Boise City	I-2	Rural		6.363 miles Transmission Pipe
13/115/00/0000	Keyes	I-11	Rural		80 Acres, Keyes Compressor Station (17-5n-7e), Materials & Supplies
					CWIP (Keyes Air Blending Purchase)
					4 Cooper Bessemer Compressors - 5,400 HP
					Sturgis Field Compressor Station (3-4n-8e)
					56.025 miles Transmission Pipe
					Keyes Discharge Check Meter & Lateral Check Meter Stations (17-5n-7e)
					Keyes Sales Meter Station (23-4n-7e)
					Cimarron One Sales Meter Station (10/11-4n-7e)

NOTE:

1. List in detail all non-exempt property in the county by ad valorem reference number, in numerical order. Include county, school district, career-tech district and city, town, rural or Rural Fire Protection District Numbers.
2. Include legal description for all land and structures. Please show enough detail to enable the Assessor to identify the property.
3. Always include company and county name to each page while restricting input to just one county per page.
4. This page will be forwarded to the above identified county.

OTC Form 913-D	OKLAHOMA TAX COMMISSION AD VALOREM DIVISION COUNTY DETAIL	TAX YEAR 2009
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COMPANY NAME: RED ROCK INTERSTATE GAS COMPANY					COUNTY NAME: CIMARRON
OTC AD VALOREM REFERENCE NUMBER	SCHOOL DISTRICT NAME	COUNTY SCHOOL DISTRICT NUMBER	CITY/TOWN/RFPD NAME OR RURAL	COUNTY JOINT DISTRICT	PIECES AND/OR QUANTITY WITH DESCRIPTION OF ASSETS AND PROPERTY DESCRIPTION
13/112/00/1354	PLAINVIEW	D-1	PLAINVIEW		17.264 Miles Transmission Pipe
					Pinkerton Sales Meter Station (09-2n-8e)
					Kerrick Microwave & Sales Meter Stations (31-1n-8e)
13/113/00/0000	Boise City	I-2	Rural		6.363 miles Transmission Pipe
13/115/00/0000	Keyes	I-11	Rural		80 Acres, Keyes Compressor Station (17-5n-7e), Materials & Supplies
					4 Cooper Bessemer Compressors - 5,400 HP
					Sturgis Field Compressor Station (3-4n-8e)
					56.025 miles Transmission Pipe
					Keyes Discharge Check Meter & Lateral Check Meter Stations (17-5n-7e)
					Keyes Sales Meter Station (23-4n-7e)
					Cimarron One Sales Meter Station (10/11-4n-7e)

- NOTE:**
- List in detail all non-exempt property in the county by ad valorem reference number, in numerical order. Include county, school district, career-tech district and city, town, rural or Rural Fire Protection District Numbers.
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OTC Form 913-D	OKLAHOMA TAX COMMISSION AD VALOREM DIVISION COUNTY DETAIL	TAX YEAR 2010
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COMPANY NAME: RED ROCK INTERSTATE GAS COMPANY					COUNTY NAME: CIMARRON
OTC AD VALOREM REFERENCE NUMBER	SCHOOL DISTRICT NAME	COUNTY SCHOOL DISTRICT NUMBER	CITY/TOWN/RFPD NAME OR RURAL	COUNTY JOINT DISTRICT	PIECES AND/OR QUANTITY WITH DESCRIPTION OF ASSETS AND PROPERTY DESCRIPTION
13/112/00/1354	PLAINVIEW	D-1	PLAINVIEW		17.264 Miles Transmission Pipe
					Pinkerton Sales Meter Station (09-2n-8e)
					Kerrick Microwave & Sales Meter Stations (31-1n-8e)
13/113/00/0000	Boise City	I-2	Rural		6.363 miles Transmission Pipe
13/115/00/0000	Keyes	I-11	Rural		80 Acres, Keyes Compressor Station (17-5n-7e), Materials & Supplies
					CWIP (Keyes Air Blending Purchase)
					4 Cooper Bessemer Compressors - 5,400 HP
					Sturgis Field Compressor Station (3-4n-8e)
					56.025 miles Transmission Pipe
					Keyes Discharge Check Meter & Lateral Check Meter Stations (17-5n-7e)
					Keyes Sales Meter Station (23-4n-7e)
					Cimarron One Sales Meter Station (10/11-4n-7e)

- NOTE:**
- List in detail all non-exempt property in the county by ad valorem reference number, in numerical order. Include county, school district, career-tech district and city, town, rural or Rural Fire Protection District Numbers.
 - Include legal description for all land and structures. Please show enough detail to enable the Assessor to identify the property.
 - Always include company and county name to each page while restricting input to just one county per page.
 - This page will be forwarded to the above identified county.

County Detail reports no change in property for districts D-1 & I-2, however district I-11 shows Construction Work in Progress (CWIP) and a purchase of the Keyes Air Blending Station

Oklahoma Tax Commission - Ad Valorem Division Cimarron County 2010 Public Service Review

- A005 ABX Air, Inc.
Company deleted. No longer providing scheduled service in Oklahoma
- G414 Red Rock Interstate Gas Company
Fair Cash Value up 13.58% with no additional investment in school districts D-1 or I-2, capital investment did increase in other jurisdictions (I-11) proportionally enough to pull some value away from those jurisdictions with no activity.
- G415 Stanza Pipeline Co., LP
Fair cash value as certified down 5.82%. Company also reports the retirement/removal of four compressor engines in SD I-10
- T172 Crossroads Wireless Holding LLC
Company no longer operational, filed for bankruptcy in 2009 and will not emerge from such. All leased tower sites and all property situated at those sites were rejected/abandoned with the approval of the Bankruptcy Court or by operation of law. Those sites owned by Crossroads were sold to American Tower (Locally Valued).

G414 Red Rock Interstate Gas Company Fair Cash Value up 13.58% with no additional investment in school districts D-1 or I-2, capital investment did increase in other jurisdictions (I-11) proportionally enough to pull some value away from those jurisdictions with no activity

Case #3

The Case of the Shrinking Pipeline!!

OKLAHOMA TAX COMMISSION - AD VALOREM DIVISION
COUNTY SUMMARY - PUBLIC SERVICE APPORTIONMENT

TAX YEAR
2009

(P:\PU\CurrentData\Bases\ps00.MDB\ISB County Summary - All)

OTC AD VALOREM REFERENCE NUMBER	COUNTY SCHOOL DISTRICT NUMBER	CITY / TOWN / RFPD NAME OR RURAL	COUNTY JOINT DISTRICT	CAREER TECH NUMBER	ASSESSED VALUE
COUNTY: CIMARRON (13)					
COMPANY: ABX AIR, INC. (A005)					
AGENT: CHUCK YEAGER MACH 1 DRIVE, SUITE X1 DESERT SPRINGS, CA 77210 4372					
13/113/00/0165	I-2	BOISE CITY		00	245,300
** TOTAL COMPANY **					245,300
COMPANY: RED ROCK INTERSTATE GAS COMPANY (G414)					
AGENT: JOE WALSH P O BOX 4372 HOUSTON TX 77210 4372 719-555-3355					
13/112/00/1354	D-1	PLAINVIEW		00	150,183
13/113/00/0000	I-2	RURAL		00	166,321
13/115/00/0000	I-11	RURAL		00	3,077,580
** TOTAL COMPANY **					3,335,084
COMPANY: STANZA PIPELINE CO, L. P. (G415)					
AGENT: JUNIOR SAMPLES 200 S. 10TH ST. NASHVILLE, TN 37135 BR-549					
13/568/00/0000	J-1	YARBROUGH		00	17,589
13/113/00/0000	I-2	BOISE CITY		00	745,928
13/114/00/0000	I-10	FELT		00	1,468,320
13/118/00/0000	I-11	KEYES		00	328,582
** TOTAL COMPANY **					2,562,219

OKLAHOMA TAX COMMISSION - AD VALOREM DIVISION
COUNTY SUMMARY - PUBLIC SERVICE APPORTIONMENT

TAX YEAR
2010

(P:\PU\CurrentData\Bases\ps00.MDB\ISB County Summary - All)

OTC AD VALOREM REFERENCE NUMBER	COUNTY SCHOOL DISTRICT NUMBER	CITY / TOWN / RFPD NAME OR RURAL	COUNTY JOINT DISTRICT	CAREER TECH NUMBER	ASSESSED VALUE
COUNTY: CIMARRON (13)					
COMPANY: RED ROCK INTERSTATE GAS COMPANY (G414)					
AGENT: JOE WALSH P O BOX 4372 HOUSTON TX 77210 4372 719-555-3355					
13/112/00/1354	D-1	PLAINVIEW		00	143,383
13/113/00/0000	I-2	RURAL		00	159,585
13/115/00/0000	I-11	RURAL		00	4,933,231
** TOTAL COMPANY **					5,236,199
COMPANY: STANZA PIPELINE CO, L. P. (G415)					
AGENT: JUNIOR SAMPLES 200 S. 10TH ST. NASHVILLE, TN 37135 BR-549					
13/568/00/0000	J-1	YARBROUGH		00	17,361
13/113/00/0000	I-2	BOISE CITY		00	719,896
13/114/00/0000	I-10	FELT		00	1,231,922
13/118/00/0000	I-11	KEYES		00	317,591
** TOTAL COMPANY **					2,285,780

Stanza Pipeline Co., L.P. (G415) 2010 Apportionment is down almost 300k in total with decreases throughout but most notably in I-10 Felt

OTC Form 913-D	OKLAHOMA TAX COMMISSION AD VALOREM DIVISION COUNTY DETAIL	TAX YEAR 2009
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COMPANY NAME: STANZA PIPELINE CO., L.P.					COUNTY NAME: CIMARRON
OTC AD VALOREM REFERENCE NUMBER	SCHOOL DISTRICT NAME	COUNTY SCHOOL DISTRICT NUMBER	CITY/TOWN/RFPD NAME OR RURAL	COUNTY JOINT DISTRICT	PIECES AND/OR QUANTITY WITH DESCRIPTION OF ASSETS AND PROPERTY DESCRIPTION
13/566/00/0000	Yarborough	J1-1	Rural	Texas	2.14 Miles Pipeline
13/113/00/0000	Boise City	I-2	Rural		16.892 Miles Pipeline
13/114/00/0000	Felt	I-10	Rural		Compressor Station: Cimarron #1 Compressor Station, 12 Compressor Engines
					Materials & Supplies
					22.15 Miles Pipeline
13/115/00/0000	Keyes	I-11	Rural		7.45 Miles Pipeline

NOTE:

1. List in detail all non-exempt property in the county by ad valorem reference number, in numerical order. Include county, school district, career-tech district and city, town, rural or Rural Fire Protection District Numbers.
2. Include legal description for all land and structures. Please show enough detail to enable the Assessor to identify the property.
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OTC Form 913-D	OKLAHOMA TAX COMMISSION AD VALOREM DIVISION COUNTY DETAIL	TAX YEAR 2010
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COMPANY NAME: STANZA PIPELINE CO., L.P.					COUNTY NAME: CIMARRON
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13/566/00/0000	Yarborough	J1-1	Rural	Texas	2.14 Miles Pipeline
13/113/00/0000	Boise City	I-2	Rural		16.892 Miles Pipeline
13/114/00/0000	Felt	I-10	Rural		Compressor Station: Cimarron #1 Compressor Station, 8 Compressor engines
					Materials & Supplies
					22.15 Miles Pipeline
13/115/00/0000	Keyes	I-11	Rural		7.45 Miles Pipeline

NOTE:

1. List in detail all non-exempt property in the county by ad valorem reference number, in numerical order. Include county, school district, career-tech district and city, town, rural or Rural Fire Protection District Numbers.
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OTC Form 913-D	OKLAHOMA TAX COMMISSION AD VALOREM DIVISION COUNTY DETAIL	TAX YEAR 2009
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COMPANY NAME: STANZA PIPELINE CO., L.P.					COUNTY NAME: CIMARRON
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13/555/00/0000	Yarborough	Ji-1	Rural	Texas	2.14 Miles Pipeline
13/113/00/0000	Boise City	I-2	Rural		16.892 Miles Pipeline
13/114/00/0000	Fell	I-10	Rural		Compressor Station, Cimarron #1 Compressor Station, 12 Compressor Engines Materials & Supplies 22.15 Miles Pipeline
13/115/00/0000	Keyes	I-11	Rural		7.45 Miles Pipeline

NOTE:

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13/115/00/0000	Keyes	I-11	Rural		7.45 Miles Pipeline

NOTE:

- List in detail all non-exempt property in the county by ad valorem reference number, in numerical order. Include county, school district, career-tech district and city, town, rural or Rural Fire Protection District Numbers.
- Include legal description for all land and structures. Please show enough detail to enable the Assessor to identify the property.
- Always include company and county name to each page while restricting input to just one county per page.
- This page will be forwarded to the above identified county.

County Detail reports no change in property for districts JI-1, I-2, & I-11, however in district I-10 the company reports 8 compressor engines in 2010, a reduction from the 12 reported in 2009

Oklahoma Tax Commission - Ad Valorem Division
Cimarron County 2010 Public Service Review

- A005 ABX Air, Inc.
Company deleted, No longer providing scheduled service in Oklahoma
- G414 Red Rock Interstate Gas Company
Fair Cash Value up 13.58% with no additional investment in school districts D-1 or I-2, capital investment did increase in other jurisdictions (I-11) proportionally enough to pull some value away from those jurisdictions with no activity.
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Company no longer operational, filed for bankruptcy in 2009 and will not emerge from such. All leased tower sites and all property situated at those sites were rejected/abandoned with the approval of the Bankruptcy Court or by operation of law. Those sites owned by Crossroads were sold to American Tower (Locally Valued).

G415 Stanza Pipeline Co., L.P. Fair Cash Value as certified down 5.82%, Company also reports the retirement/removal of four (4) compressor engines in school district I-10

If you can't make a determination

Call the Public Service Section





**What Are They Doing?
That Can't be Right!!!**

What do You Have?

An Apportioned Value

How did you get that?

- Based on the Company Certified Fair Cash Value (Oklahoma Taxable Unit)
- The Companies *capitalized investment* activity throughout the state, county, and school districts - *their original cost*

Fair Cash Value

- Determine the Oklahoma Taxable Unit by utilizing Income, Cost & Market Indicators
- That value is synergistic
- Available on the OTC Website

What about the Rendered Value?

The companies do render a value on what they perceive to be the value of the Oklahoma portion of their company

View at [OTC Website](#)

Not by County or School District

Capitalized Investment?

The Companies *original cost*, no depreciation, no obsolescence - the amount they carry on their balance sheets

Did You say Obsolescence?

Any functional or economic obsolescence that may exist would be recognized in the financial statements of the company

Remember, these companies are trying to *grow value*

OK, So You Have Original Cost

We have original cost by taxing jurisdiction for each company

We have the total original cost for each company



How?

The appropriate assessment ratio is applied to each company to find its total assessed value

By company, their original cost by taxing jurisdiction is divided by their total original cost

That percentage is multiplied by the companies total assessed value

What About the County Detail?

All 913-D County Details are prepared by
the reporting companies

Look for any change in property - increase
or decrease

OK, Central or Local?



Title 68, Section 2808, C

- Any real or personal property used by any company, corporation, trustee, receiver, or other person owning, leasing, or operating for hire any pipeline or oil and gas gathering system which was assessed by the State Board of Equalization after January 1, 1997, shall continue to be assessed by the State Board of Equalization through ad valorem tax year 1998.





Waterworks and Water Power Companies

68 § 2808

1. "Public service corporation" means...

...waterworks and water Power companies, and all persons authorized to exercise the right of eminent domain or to use or occupy any right-of-way, street, alley, or public highway, along, over or under the same in a manner not permitted the general public; ...

...4. "Person" means individuals, partnerships, associations, and corporations in the singular as well as plural number...

Water Districts

are not Public Service Corporations



Rural Water, ... Districts Act (See 82 § 1324.2)

A public nonprofit company with governing body of a district being the "Board". The board of county commissioners and county clerk.

Regional Water Distribution District Act (See 82 § 1266)

- A public company with the governing body of a district being a "public agency".
- Political subdivision of this state
- Agency of the state government or of the United States
- Public Trust of this state (whether municipality, county or State of Oklahoma)
- Political subdivision of another state

Districts are exempt from taxes and assessments

Electric Transmission and Distribution

Transmission is from the generating plant to a sub-station.



Distribution is from the substation to the end user.



Transmission and distribution lines are centrally valued.

Electric Generation & Transmission



Local Valuation

- Ownership interest of the activities must be separate
- Ownership of the electric generation is different than the ownership of the transmission and/or distribution



Electric Generation & Transmission



Central Valuation

- Ownership interest of the activities is the same
- The business entity is engaged in **both**, the generation and transmission/distribution of electricity



Rural Electric Cooperatives



Are not Public
Service

In - Lieu - of Tax

68 § 1801, 68 § 1803 and 68 § 1806

Rural Electric Cooperative Corporations

68 § 1803 Tax levied - In lieu of other taxes (Ad Valorem)

- Annual tax
- Payable monthly
- (2%) of the gross receipts from the sale and distribution of electric energy

68 § 1806 Proceeds of tax, how applied.

5% State Treasurer credit of the General Revenue Fund
95% School Treasurers or School districts of the respective counties in which the remitting cooperative owns and operates property



Transmission Broadcasting

68 § 2808 Definitions -
Certain property to be assessed by
State Board of Equalization.

... A.3. "Transmission company" means any company, corporation, trustee, receiver, or other person owning, leasing or operating *for hire* any telegraph or telephone line or radio broadcasting system; ...

Radio and Television are not for hire

... B. As used in the Ad Valorem Tax Code, "transmission company" and "public service corporation" *shall not be construed to include* cable television companies ...

Cable Television - specifically exempt per Statute

New for 2010 - Video Services Provider

- **Cell Towers,** unless owned by a cellular provider, are locally valued





Questions & Answers

What is the Time Table for Counties Receiving Public Service Materials?

- S.B.O.E. always meets on the third Monday in June
- Twenty calendar day protest period begins with mail out of value by S.B.O.E.
- Will allow a grace period of a few days for mail delivery
- Mail out by S.B.O.E. to the Counties

What is the County Detail For?

- The Company to list their taxable property by jurisdiction
- The Assessor to review and compare the current to previous years

Try to get companies to be more literal in descriptions

The Apportionment, What did you Learn?

The percentage of assessed value for any company, by taxing jurisdiction, of its total assessed value is equal to its percentage of original cost (less exempt property) for the same taxing jurisdiction of its total original cost.

Central or Local

- If we value the company centrally - none of that company should be filed at the county level
- If you aren't sure - call Public Service Section

More Questions?

PUBLIC SERVICE UPDATE



Public Service Update

Oklahoma Tax Commission
Ad Valorem Division
August 2010











2010 Public Service Valuations

- Difficult Year
- Economic Challenges
- Video Service Providers
- Overall Increase in 2010 (5.90%)

Public Service Valuation

- Receive approximately 262 company renditions (255 Last Year)
- Valuation of \$12.9 Billion FCV
- Assessed Value \$2.8 Billion
- Approximately \$284 Million tax dollars
 - @ State-wide Avg Millage 101.37

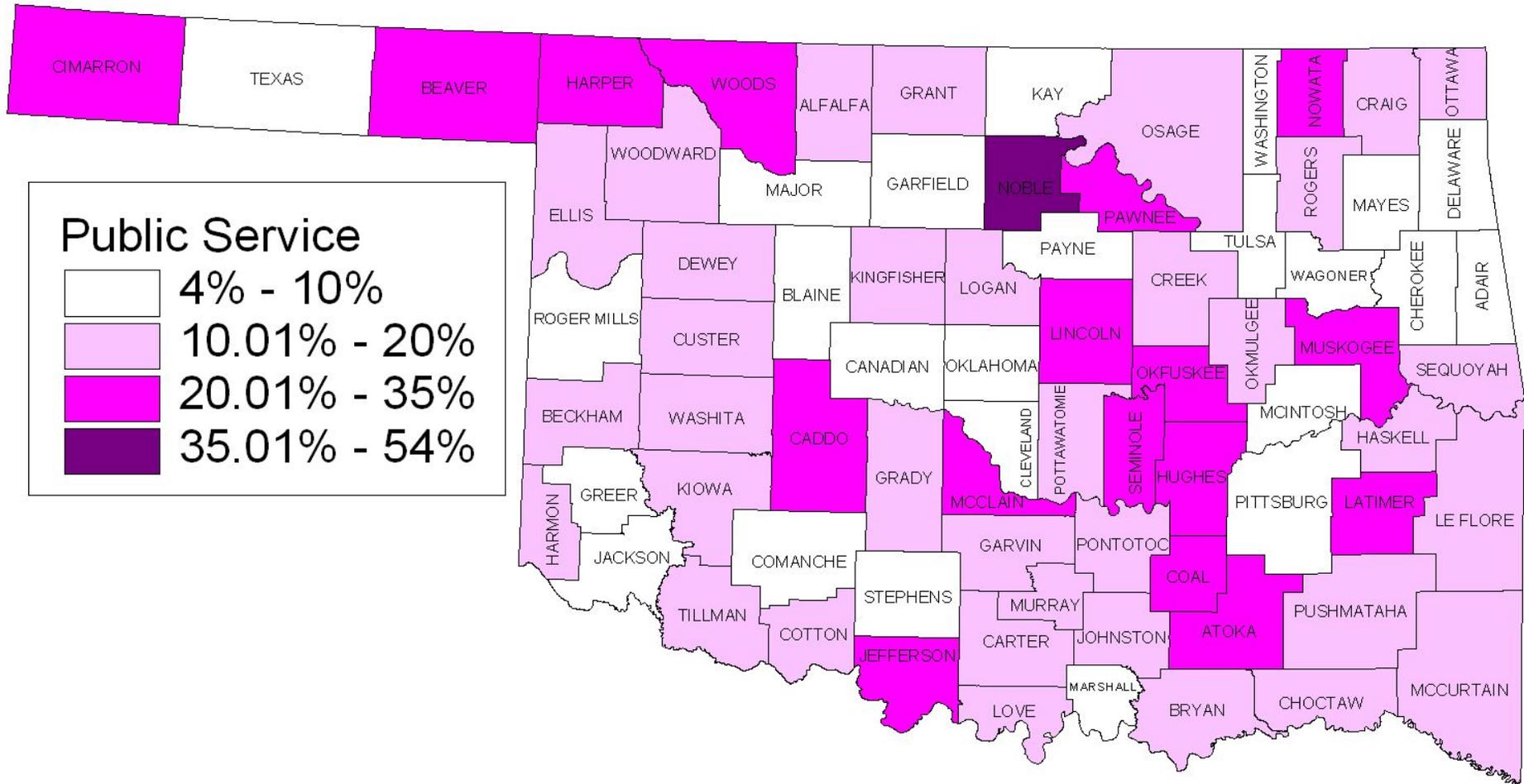
Public Service Valuation

- Public Service—10.63% of State Ad Valorem Tax Base. (13.5% last Year)
- Compares to Tax Base of Cleveland, Canadian, and Comanche Combined.
- Larger than Tax Base of 43 Counties

Public Service Valuation

- Public Service Valuation larger than any county except: Tulsa and Oklahoma
- Public Service Valuation significant portion of county tax bases.
- Many counties it is largest portion of tax base

Percentage of Total Tax Roll



Map created by the Ad Valorem Division of OTC, July 20, 2009
 Jeff Spelman, CAE, Director - Phone (405) 319-8200

2010 Public Service Returns

- Penalty (68, Section 2857)
- Encouraged *any* filing in past.
- Need Complete Return

2010 Public Service Returns

- Letters of Insufficient Information
- Incomplete Returns
- Some returns didn't include distribution

Video Services Provider

- Video Service assessed 12%
- Video Service FCV \$26.9 Million
 - Reduced Assessed Value 47%
- HB 1589 Vetoed

Video Service Providers v. Cell Phones

- 2009 Section 2847 video services shall be assessed at same level as cable TV (assumed to be 12%)
- Proposed Legislation to assess cell phones at 12% was vetoed. (2010)
- Twelve percent (12%) **only** applies to video services

2010 Protests

- SBC (Advanced Solutions)
 - 37% Paid Under Protest
- Southwestern Bell Telephone, LC (Land Line)
 - 43% Paid Under Protest (includes video services)
- Assessed Value in protest: \$113, 765, 840

SBC Escrow (Intangibles)

■ 2005	\$5.480 M
■ 2006	\$4.743 M
■ 2007	\$4.770 M
■ Total:	<i>\$14.994 M</i>

Distribution Quote

■ Arlo Woolery, CAE

- Unit Value is difficult. Distribution is simpler, but sometimes more controversial.
- Market value is not “distributed value”

Oklahoma Distribution

- 1913 Constitutional Amendment “One Pot.”
- Other States (County and Company work it out)
- **Thankless Job for Ad Valorem Division**





Distribution of Valuation

- Update 7,860 Valuation Records
- Add Apportionment Data for 14,450 taxing districts (Schools, Counties, Career-Tech, EMS, and others)
- Respond to County Questions (75 in 2007)
- **We are getting fewer calls because of County Worksheets (2009 and 2010)**

Distribution Issues

- **Call/write/FAX**
- **Help as “Eyes and Ears”**
- **Allow time for us to contact company**

Assessor Suggestions

- Email Communications
- Ad Valorem Forum
- Update on Distribution Problems

Public Service Updates

- Emails on information
- Public Service Review Sheet
- Public Service Directory (web site)
- Call about questions or concerns

Continuing to Update our Process

- Improve our Process
- Respond to Changes
- Update valuation process

Cap Rate Conferences

March 2008, 2009 and 2010

- Heard from Industry and Groups
- Reviewed economic changes
- Open, Transparent Process

Review of Cap Rate

- Posted Cap Rate Study on OTC Web Site
- Ten day comment period
- Received and Posted Comments
- Final Cap Rate posted April 30th.

Capitalization Rates for 2011

- Similar Process as 2008-10 Tax Year
- Written Comments from Interested Parties
- Open Process
- Cap Rate Conference Will be Scheduled in March 2011



Railroads

Railroad

- Fuel Costs control issue (hedging)
- Freight traffic declined in recession, but revenue still strong for majors
- BNSF purchased by Berkshire

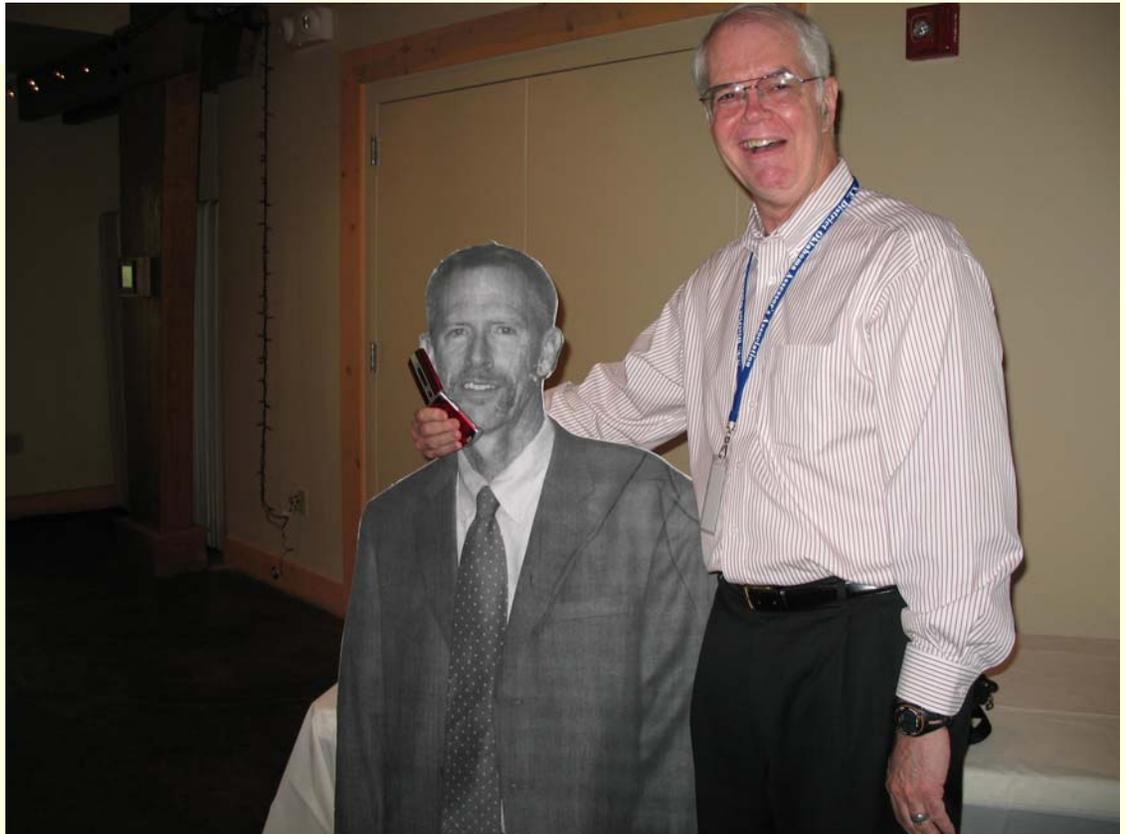


Airlines



Airlines

- Mostly regional carrier service to hubs
- Fuel costs still an issue (30%-40% of Revenue) Add-on costs for bags, etc.
- Air Traffic still down because of recession and industry over capacity
- Fewer Bookings and Economy Class



Telecommunication

- Highly Competitive Industry
- Bundling of service-major market strategy
- Major changes from analog—2G and up to 4G. (New digital equipment less expensive)
- Still fairly strong revenues overall

Video Service Providers

- Result of SB 314 (2009)
- New public service subclass (no challenge)
- Any public service corporation providing video services



FOR SALE
665-6551
STREETMAN
REALTY

Electric

- Electric good in first part of recession
- Electric proactive in wind energy
- Purchase power agreements or direct ownership for wind

Green Power, Wind, Renewable



Gas and Fluid Pipelines

- Most growth from capital projects in place in 2009
- Usage down from recession and price declines
- Property rendered locally brought central



Thanks to Counties and Industry

- Good attendance during Cap Rate process
- Good comments on process
- Thanks to Counties for Submitting Questions on Distribution.

The End

**Ad Valorem Division
Public Service Section**

TIF DISTRICTS

Oklahoma Tax Commission
66th Annual Educational Conference
For Assessing Officers



August 10—13, 2010
Tulsa, Oklahoma
Southern Hills Marriott

Tax Increment Financing Districts

Kenny Chuculate, Ad Valorem Division

Dan Batchelor, Center for Economic Development Law

Mark Lester, Center for Economic Development Law

Nancy Grantham, State Auditor and Inspector's Office

Scott Warren, CLGT County Computer Assistance Program

Definition:

- Development tool which Cities, Towns, and Counties use to fund public costs of development and redevelopment projects.
- Allows a community to capture new tax revenues from reinvestment in the project area.
- New tax revenues from increased values in the area are called the “Increment”

TIF Authorization

- Oklahoma Constitution, Article 10 § 6C
- State Question 641, Approved November 6th 1990
- Statutory Reference: 62 O.S. § 850 to 862
- Districts Established for up to 25 years
- Does Not Increase Taxes
- Recommended by TIF Review Committee made up of Affected Jurisdictions and the Public
- Established by Governing Body of City, Town, or County

TIF Approved Requirements

- Must Identify and Define the Area
- Project or Area Specific
- Establish the TIF Review Committee
 - Representative of Governing Body
 - Representative of Each Affected Taxing Jurisdiction
 - Representative of Planning Commission, if any
 - Three Members of the Public at Large

Continued:

- Requires TIF Review Committee Recommendations
- Requires Planning Commission (if any) Findings
- Requires City Council Approval by Ordinance or County Commission Approval by Resolution

TIF Assessed Values

- Base Assessed Value: Total assessed value of all real and personal property within the district as of the effective date of the district.
- Increment Assessed Value: Total Assessed Value of all real and personal property within the district greater than the Base Assessed Value.
- Reportable Assessed Value: Total Assessed Value of all real and Personal property outside the district plus the Base Assessed Value of the district.

TIF Structure

- Tax From the Base Assessed Value Remain With the Same Jurisdictions
- Always Include both Real and Personal Property
- Tax From the Increase in Value is the "Increment"
- The Increment is used to Fund Project Costs

TIF Process After Approval

- County Assessor Must be Notified of a New TIF
- County Assessor Must Determine Base Assessed Value
- County Assessor Must Report Base Assessed Value to Governing Body

Certification of Assessed Values for Increment Districts

- New SA&I Form
- Assessor's Report to the Excise Board
- Associated Support Documents
 - Nancy Grantham, SA&I
 - Scott Warren, CLGT CCAP

**Dan Batchelor
&
Mark Lester**

Center for Economic Development Law

Questions



VISUAL INSPECTION PLAN

New Visual Inspection Plan

Joe Hapgood, CAE

Historical Summary:

- Five-Year “Revaluation” Statute Passed in 1967, Effective in 1968
- Completion of First Five-Year Cycle in 1972
- Required Ongoing, Active and Systematic “Revaluation” Including “Physical Inspection”
- Schedules Were Filed With OTC

Historical Summary, Continued:

- Current 4-Year “Visual Inspection” Cycle Part of Ad Valorem Reforms Contained In HB 1750 in 1988
- First Cycle Began in January, 1991
- Chronology of Cycles:
 - 1991-1994
 - 1995-1998
 - 1999-2002
 - 2003-2006
 - 2007-2010
- New Visual Inspection Plan Submitted in October Will be 6th 4-Year Plan

Visual Inspection Requirement

- Key Elements of Visual Inspection Statute (68 O.S. 2001, § 2820):
 - Comprehensive Program
 - Individual Visual Inspection
 - Active and Systematic
 - All Taxable Property Within County
 - At Least Once Every Four Years
 - Assessor Required To Submit Progress Report To OTC Each Year
 - OTC Required To Report County Progress To Legislature and SBOE Each Year

Other Visual Inspection Requirements:

- 68 O.S. 2001, § 2821
- Type of Data to be Gathered
- Standard Data Collection Form Prescribed by OTC
- Acquire and Maintain Cadastral Maps
- Requires Comprehensive Sales File to Assist in Establishing Values
- Requires Assessor to Maintain Adequate Facilities/Resources for Discovery and Valuation

Other Visual Inspection Requirements:

- 68 O.S. 2001, § 2822
- Budgets Must be Adequate to Allow for Countywide V.I. During 4-Year Cycle
- Budgets for V.I. Separate from Other Funds Allocated to Assessor
- V.I. Funds to be Used Exclusively to Carry Out Countywide V.I. Program
- V.I. Funds Shall Not Serve to Decrease Other Funds Allocated to Assessor
- Taxing Jurisdictions May Review V.I. Budget

Other Visual Inspection Requirements:

- 68 O.S. 2001, § 2823
- Cost of V.I. to be Paid by Those Receiving Revenues of Mill Rates Levied on Property in County
- Includes Only Direct Costs Associated With V.I. Program
- Other Normal Office Costs Not Included in V.I. Budget

Other Visual Inspection Requirements:

- 68 O.S. 2001, § 2828
- OTC Required to Submit V.I. Progress Report to Legislature Prior to Convening of Each Regular Session
- 68 O.S. 2001, § 2829
- Requires That All Taxable Property be Valued Using Accepted Mass Appraisal Methodology
- Use V.I. Data in Generating Values

V.I. As Percent of Total Budget

- On Average in 2009, V.I. Budget as Percentage of Total Budget: 58%
- 2009 High: 85%
- 2009 Low: 29%

New Visual Inspection Plan

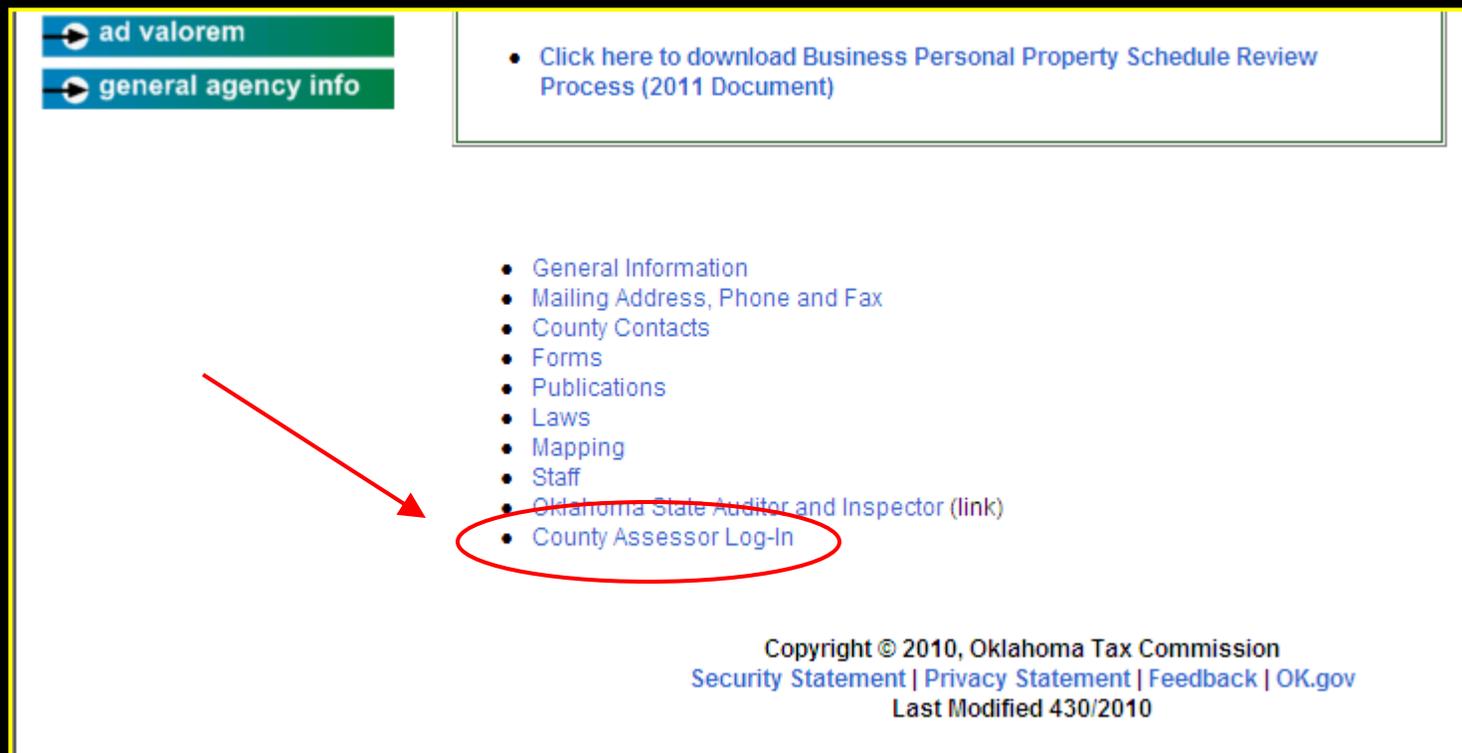
- New Plan Covers Years 2011-2014
- To be Submitted to Ad Valorem Division by *Monday, October 4, 2010*: See 68 O.S. 2001, § 2820 (C)
- Bulletin Letter 10-13 Sent on June 25 Announced Required Submission of New V.I. Plan
- V.I. Plan Template Available on Assessor Portion of OTC Web Site

V.I. Plan Template Is NOT Like This:



Template

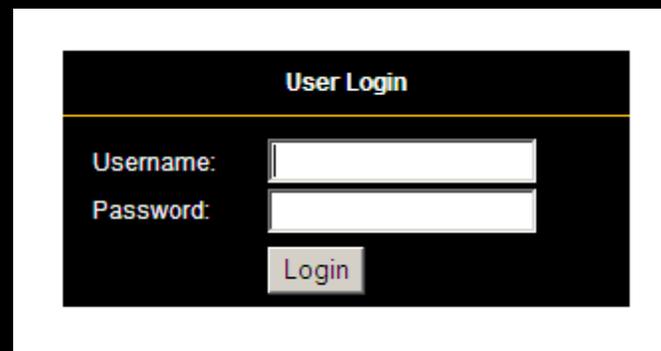
- V.I. Template Accessed From County Assessor Log-In at Bottom of Ad Valorem Division Page on OTC Web Site:



The screenshot displays the 'ad valorem' section of the Oklahoma Tax Commission website. On the left, there are two navigation tabs: 'ad valorem' (selected) and 'general agency info'. In the top right, there is a link to download a 'Business Personal Property Schedule Review Process (2011 Document)'. The main content area features a list of links: 'General Information', 'Mailing Address, Phone and Fax', 'County Contacts', 'Forms', 'Publications', 'Laws', 'Mapping', 'Staff', 'Oklahoma State Auditor and Inspector (link)', and 'County Assessor Log-In'. A red arrow points to the 'County Assessor Log-In' link, which is also circled in red. At the bottom, the copyright notice reads: 'Copyright © 2010, Oklahoma Tax Commission Security Statement | Privacy Statement | Feedback | OK.gov Last Modified 430/2010'.

Template

- Enter User Name and Password for Your County:



The image shows a screenshot of a web form titled "User Login". The form is contained within a white rectangular border. At the top, the title "User Login" is centered. Below the title, there are two input fields: "Username:" followed by a white text box, and "Password:" followed by a white text box. Below the password field is a grey button with the text "Login" in white.

- If You've Never Accessed Assessor Portion of Web Site, or Need Assistance, Call Carol Prewett

Requirements For Template Use

- Microsoft Word and Microsoft Excel Programs Must be Installed on Your Computer (Part of Microsoft Office Suite)
- If Any County Needs Different Output Format, Contact Joe Hapgood

Template:

- We'll Take Quick Tour of the V.I. Plan Template
- Template Contains All Required Statutory Elements for Approval
- Simply Enter Required Data
- Then Save File
- Print Out Completed Template, Sign, Date & Submit Hard Copy To Ad Valorem Division With Required Color-Coded Map

Template Tour:

**Visual
Inspection
Plan
2011-2014**

Submitted to the
Ad Valorem Division
Oklahoma Tax Commission

Signature: _____

County:

Date:

Why Are Plans Rejected?

- **Top Reasons V.I. Plans are Not Approved Upon First Submission:**
- Missing Color-Coded Map
- Deviation from Previous Plan That Leaves Some Property Not Being Inspected for 5 Years or More (4-Year Statutory Requirement)
- Incomplete Budget Information
- Incomplete Production Estimate Information
- Lack of County Assessor Signature or Date
- Concerns about Staff or Budget Resources
- Template Modified in a Way That Conflicts with Statutory V.I. Requirements

FAQ's:

- **Q:** How Do I Come Up With Budget Numbers For Subsequent Years (2-4) In Plan?
- **A:** Make An Educated Projection Of Needs With Estimated Budget Fluctuations, Up Or Down. Remember OTC Will Look For Adequate Resources During Plan Review

FAQ's:

- **Q:** How Do I Make Production Estimates?
- **A:** Base Estimates on “Projected Days Worked” Basis:

DATA COLLECTION EXAMPLE (Your Numbers May Be Different:

5 Days Per Week X 52 Weeks Per Year = 260 Days

Less Vacation Days (14) = 246

Less Sick Leave (5) = 241

Less Training or Meetings (10) = 231

Less Inclement Weather (Data Collector) (12) = 219 Days

FAQ's:

- **Production Estimates, Continued**
DATA COLLECTION EXAMPLE (Your Numbers May Be Different:

219 Days X Production RATE =
Parcels Collected By Year Per Data Collector

Make Sure Production Rates Are Based On Actual
Historical Data Collection Patterns In Your County

Ad Valorem Division Will “Check the Math,” Then Look for
Reasonableness of Estimates

FAQ's:

- **Production Estimates, Continued**

For **Data Entry**, Calculating Days Worked Is Similar To Data Collection Calculation, Except For Inclement Weather Allowance (It doesn't Rain In the Office Usually!)

Make Sure Data Entry Production Rates Are Based On Actual Historical Data Collection Patterns In Your County

Once Again, Ad Valorem Division Will "Check the Math," Then Look for Reasonableness of Estimates

FAQ's:

- **Q:** Do I Have To Follow The Previous Inspection Schedule?
- **A:** See 68 O.S. § 2820 (B) Which Says:
“...Each Successor of the County Assessor Shall Use the Same Cycle as Used by the Assessor's Predecessor in Office for Visual Inspections of Property.”
- Only A Couple Possible Exception(s):
 - Modifications Made During SBOE Noncompliance Actions To Maximize Work Efforts
 - Rapid Growth Requiring VI Restructuring
 - In This Case, If VI Plan Is Modified, MUST STILL INSPECT ALL PROPERTY WITHIN 4 YEAR WINDOW!

Final Thought:

- Hopefully, Submitting a New Visual Inspection Plan Won't Leave You Looking Like This...



QUESTIONS?