

Oklahoma Tax Commission



New Assessor Orientation

January 20-21, 2011

A Guide to Ad Valorem Alphabet Soup

Cathy Gibson, CPM

Alphabet Soup

- Some acronyms are well-known to us:

USA

UFO

DVD

IRS

CIA

VCR

NFL

OSU

CD

OU

FDR

NASCAR

Alphabet Soup

More abbreviations created for e-mail & text messages:

- LOL: laugh out loud
- AFAIC: as far as I'm concerned
- BOTOH: but on the other hand
- GOG: got to go
- HAND: have a nice day
- ASAP: always say a prayer/ as soon as possible
- BTN: better than nothing

Text-message shorthand continues to grow.

Alphabet Soup

- OTC

Oklahoma Tax Commission

- AVD

Ad Valorem Division

- CAMA

Computer Assisted Mass Appraisal

ALPHABET SOUP

- CODA

County Officers and Deputies Association

- ACCO

Association of County Commissioners of
Oklahoma

Alphabet Soup

- CLGT
Center for Local Government Technology
- ATAP
Assessors Training Accreditation Program
- CCAP
County Computer Assistance Program

These function through **OSU**.

Alphabet Soup

- CGLC

County Government Legislative Committee

- County Assessors Association of Oklahoma (no acronym)

Alphabet Soup

- SA&I
State Auditor & Inspector
- SBOE
State Board of Equalization
- AG
Attorney General

Alphabet Soup

■ IAAO

International Association of Assessing Officers

www.iaao.org

RES – Residential Evaluation Specialist

CAE – Certified Assessment Evaluator

AAS – Assessment Administration Specialist

PPS - Personal Property Specialist

CMS – Cadastral Mapping Specialist

Alphabet Soup

- Ad Valorem Forum
- Ad Valorem Tax Laws (196 pages)
- Abstract of Attorney General Opinions

Alphabet Soup

- Annual Educational Conference for
Assessing Officers

- August 9 – 12, 2011

- Marriott Southern Hills Hotel and

Conference Center

- 5 tracks running concurrently (Administrative, appraisal/personal property, computer support, mapping, Intro/overview)

- 15 continuing education units

Alphabet Soup

Web link: www.tax.ok.gov Click on "Ad Valorem"

- [General Information](#)
- [Mailing Address, Phone and Fax](#)
- [County Contacts](#)
- [2010 State Board of Equalization Meeting Agenda and Findings](#)
- [2010 Public Service Directory](#)
- [Forms](#)
- [Publications](#)
- [Laws](#)
- [Mapping](#)
- [Staff](#)
- [Oklahoma State Auditor and Inspector](#) (link)
- [County Assessor Log-In](#) (Carol Prewett, 319-8200)
- [Motor Vehicle Log-In for manuf. homes](#) (Chuck Dusenbery 521-3858)

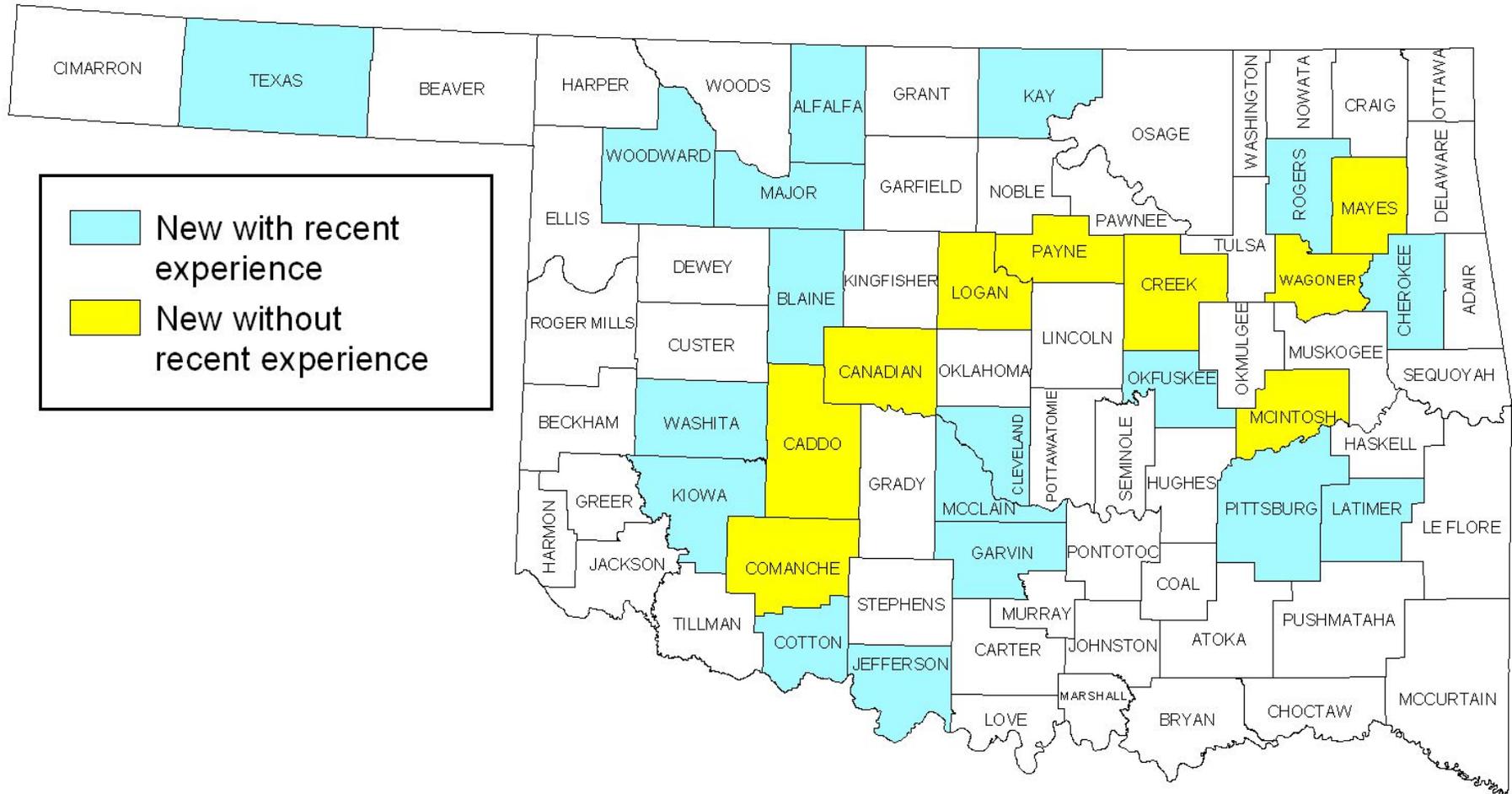


Welcome
NEW ASSESSORS!

New-New, New-Old Assessors

- **Twenty-eight New Assessors since 2008**
- **Ten Appointed in 2009 or 2010**
- **Nineteen** New, Old Assessors (Recent Previous Experience)
- **Nine** Completely New, New Assessors

New County Assessors



Map created by the Ad Valorem Division of OTC, January 10, 2011
Jeff Spelman, CAE, Director - Phone (405) 319-8200

Goals of Orientation

- **Introduction/ refresher to Terms**
- **Overview of System**
- **People to Contact**
- **Meeting each other**



Ad Valorem System

- **Ad Valorem—Latin**
- **“According to Value”**
- **Tax based on value of property**

Oklahoma Land Run



Oklahoma Ad Valorem System

- Founded Before Statehood
- Township Assessors 1896
- County Assessors 1911

Oklahoma Ad Valorem System

- **Governor Cruces Appointed**
- **Assessors Two Year Terms**
- **Four Year Term 1974**

Oklahoma Ad Valorem System

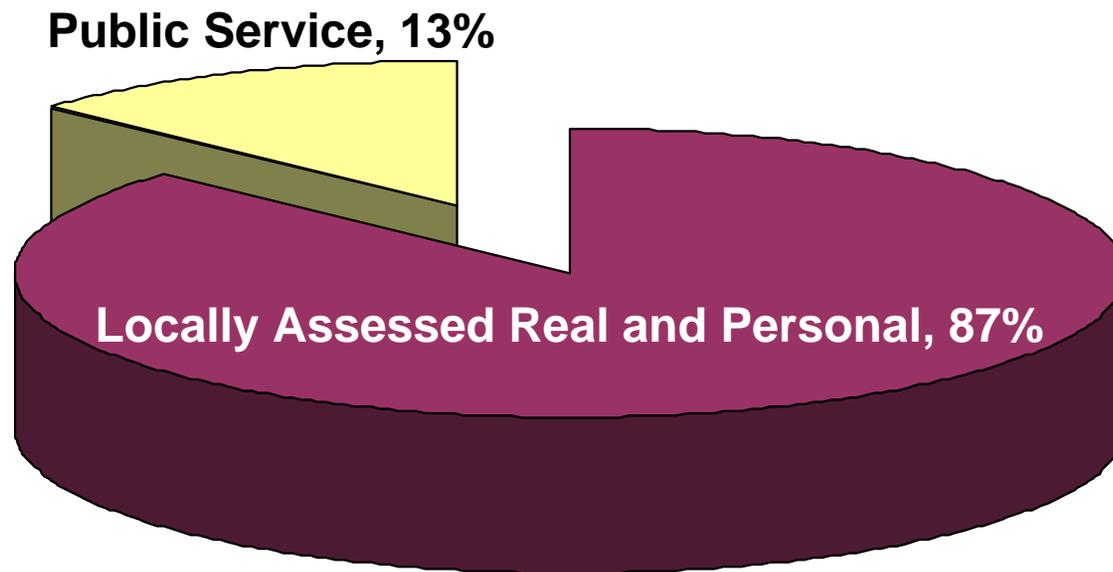
- **Backbone Funding for Oklahoma Local Government**
- **Local: \$2,381,076,086**
- **Central: \$264,357,583**
- **Total: \$2,645,433,669**

Oklahoma Ad Valorem System

- Local Schools (70%)
- County government (10 mills)
- City-County Health
- EMS, Libraries, Career-Tech
- Sinking Funds

Locally Assessed And Public Service Breakdown

Valuation Percentages



Central and Local Assessment

- **Local**- houses, businesses, and farms
- **Central**-public service corporations, railroads, airlines

- **Local**-- County Assessor
- **Central**--Oklahoma Tax Commission



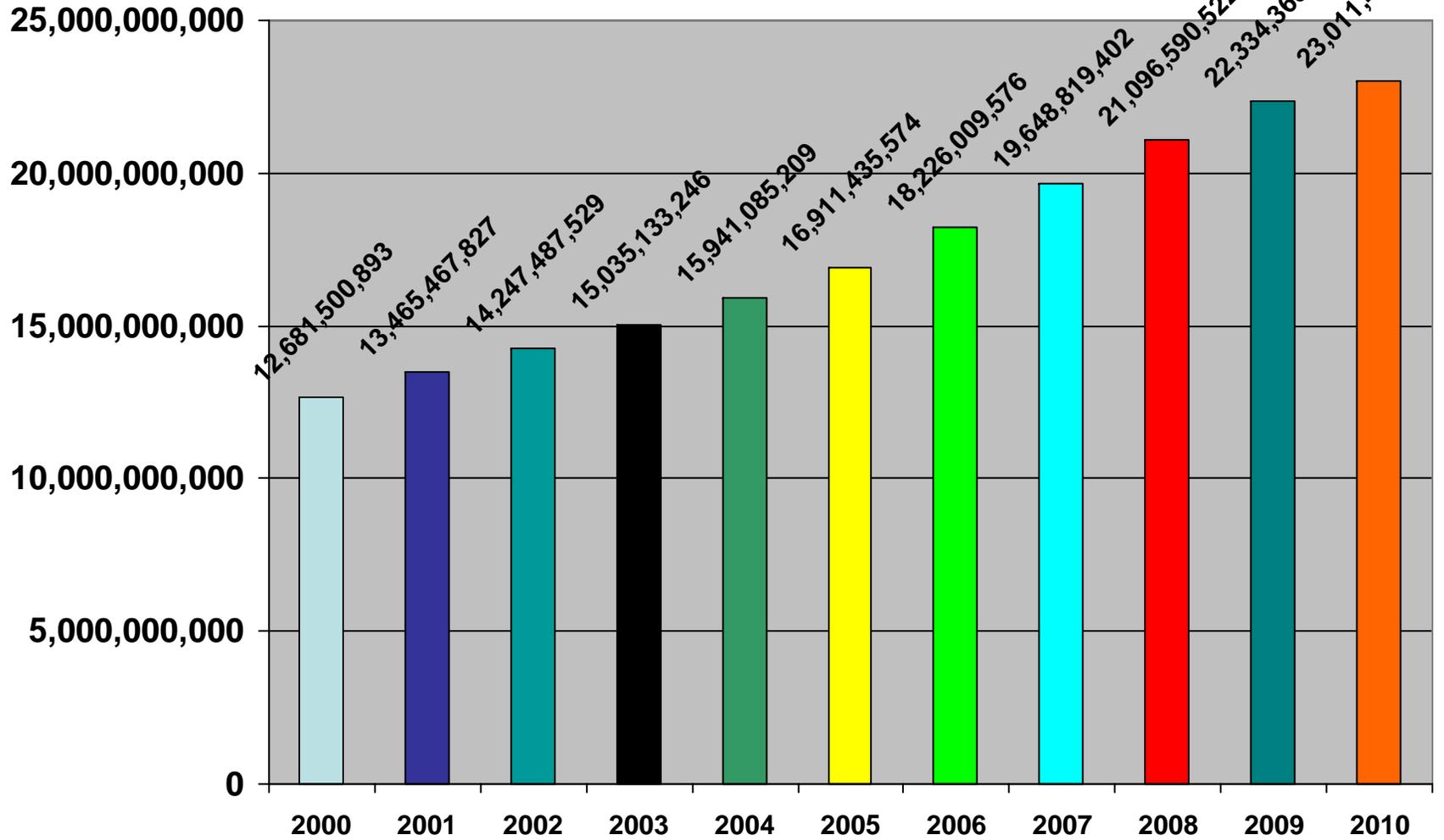
Ad Valorem Strengths

- **Steady Source of Funding**
- **Open Information**
- **Local *not* State Tax**
- ***Not a dime goes to State of Oklahoma***

Strengths of Ad Valorem

- **Vote on Bonds/Millages**
- **Money Spent in the County**
- **County Assessor**

2000 - 2010 Locally Assessed Valuations



Criticisms-Defenseless Widows



- **Property Tax not Discretionary**
- **Issue of Fixed Income**
- **“Throwing widows out of their homes”**
- **Additional Homestead**
- **Freeze/Circuit Breaker**
- **Homestead Protection**

Senior Valuation Limitation (SQ 677)

- Senior Valuation Freeze

- HUD Median Family Income **75,000 (2008)**

- Oklahoma County MSA: **\$59,400**
- Tulsa County MSA: **\$59,300**
- Pushmataha County: **\$34,000**

Reforms in Oklahoma Property Tax System

- **SQ 675- Locked Assessment Percentages**
- **SQ 676- Set up 5% Cap Limitation unless property sells**
- **SQ 677- Senior Valuation Freeze**
- **Additional Homestead/Circuit Breaker**
- ***Most Important Ad Valorem Legislation in Fifty Years***



**How Do Oklahoma
Property Taxes
Rank???**

Oklahoma Tax Rankings

- **Property Taxes (\$425) 48th Lowest**
- **Percentage of Income 1.6%**
- **National: \$969 average bill: 3.2% of income**
- **AARP Study**

Tax Rankings Median Tax Bill

- **United States \$1,917**
- **Westchester County (NY) \$9,044**
- Tulsa County \$1,371---502th
- Cleveland County \$1,271
- Canadian County \$1,233
- Oklahoma County \$1,154
- Wagoner \$1,109
- **Tax Foundation 2010**





Basic Valuation Equation

Five Components

Fair Market Value

Taxable Value**

Assessment Percentage

Exemptions

County Millage



Basic Valuation Equation

Fair Market Value

\$100,000

Assessment Percentage

x 11%

Assessed Value

11,000.00

Gross Assessed Value

11,000



Apply Exemptions

Fair Market Value	\$100,000
Assessment Percentage	x 11%
	<hr/>
Gross Assessed	11,000
Less Exemption (Homestead)	- 1,000
Net Assessed	10,000



Figure the Tax Bill

Fair Market Value	\$100,000
Assessment Percentage	x 11%
	<hr/>
Gross Assessed - Hmstd	11,000
Net Assessed	10,000

10,000 X Millage (99 mills) = \$990 Tax

Taxable Value: Caps and Freezes

SQ 676: Who's Got The Highest Tax Bill?



Never Sold



Recently Sold



Senior Freeze



5% Cap



Use Value

Figure the Tax Bill

Fair Market Value	\$100,000
Taxable Value	\$ 90,000
Assessment Percentage	<u>x 11%</u>
Gross Assessed - Hmstd	9,900
Net Assessed	8,900

8900 X Millage (80 mills) = \$712 Tax

Cimarron County Mills

- **County** • **10.00 mills**
- **County School** • **4.00 mills**
- **EMS** • **2.00 mills**
- **School** • **1.00 mills**
- **Bldg** • **5.00 mills**
- **Sinking** • **1.77 mills**



57.77

Coal County Mills

- **County** • **10.19 miles**
- **County-wide** • **4.08 mills**
- **Health** • **2.55 mills**
- **Library** • **4.08 mills**
- **EMS** • **4.08 mills**
- **School** • **78.95 mills**
- **Bldg** • **4.08 mills**
- **School Sinking** • **2.13 mills**
- **Vo-Tech** • **10.18 mills**
- **Vo-tech Bldg** • **2.04 mills**



78.95

Mill Levies State-wide

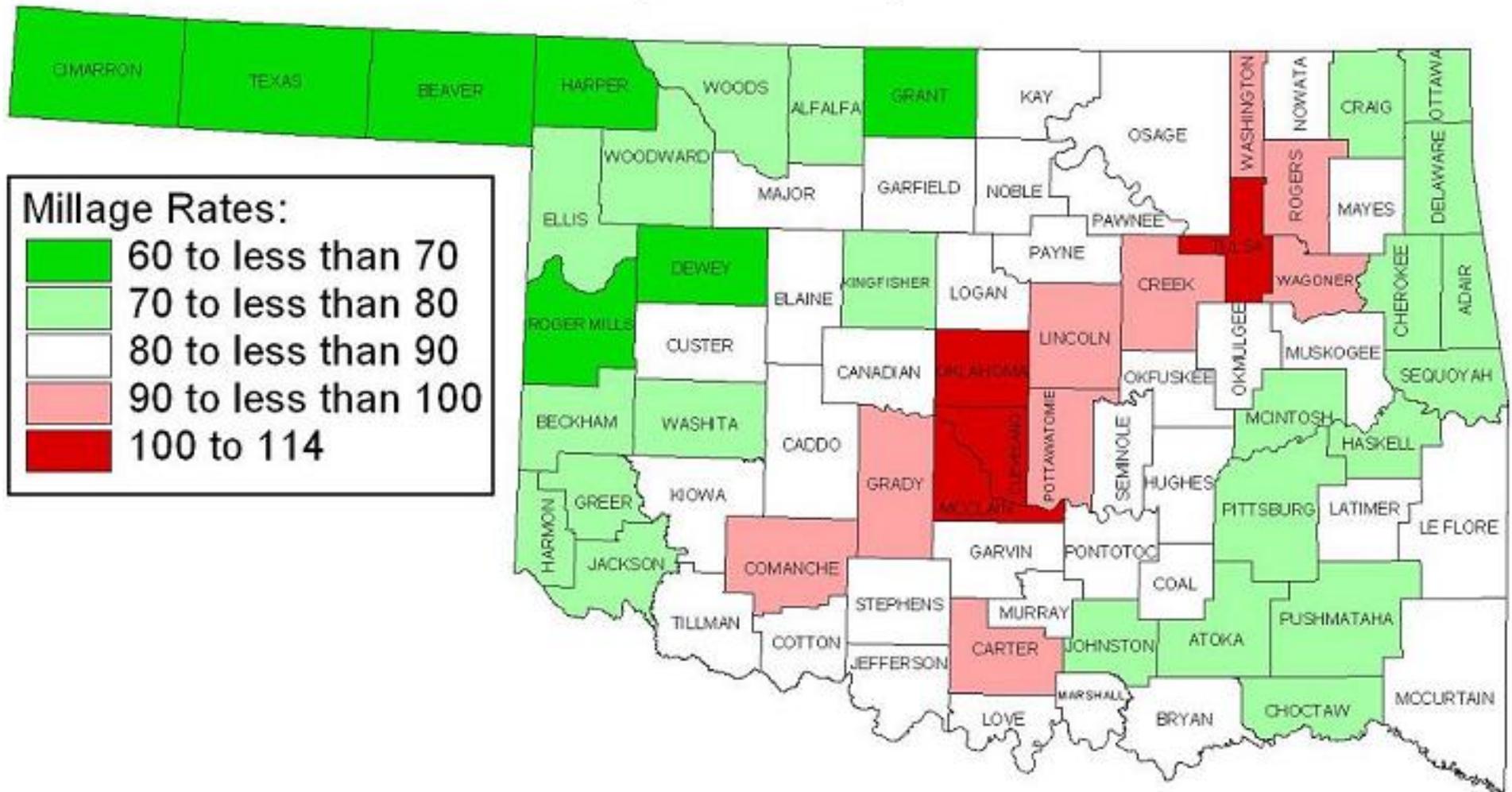
- **What is the average millage?**
- **Weighted Average Levy \$102.48**
- **Median \$85.24**

Mill Levies State-wide

- Oklahoma (Deer Creek) **\$132.92**
- Tulsa (Jenks/Tulsa) **\$131.07**
- Tulsa (Jenks/Bixby) **\$130.42**

- Texas (Optima) **\$55.60**
- Texas (Straight) **\$55.60**
- Cimarron (Plainview) **\$55.00**

Average Millage Rates for 2009 - 2010 By County



Map created by the Ad Valorem Division of OTC, October 5, 2010
 Jeff Spelman, CAE, Director - Phone (405) 319-8200



Compliance Issues

Oklahoma Constitution

- Article X, Section 21
-
- State Board of Equalization (SBOE)
- “..shall... **adjust and equalize the valuation of real and personal property of the several counties in the state.....**”

Equalization/ Annual Valuation

- **Study of all 77 counties**
- **Assessment and Equalization Analysts visit every county**
- **Equalization Study and Annual Valuation Audit**

Equalization Study 2010

- **Equalization Study (Assessment Levels, COD)**
- **Annual Valuation (Valuing Unsold Property)**
- **Improvements and Concern Letters**

State Board of Equalization

- **Report to the State Board of Equalization**
- **68 O.S. 2001, Section 2830**
- **Category 1 Non-Compliance**
- **Category 2 Non-Compliance**
- **Category 3 Non-Compliance**

Compliance Issues

- **Work with Field Analysts**
- **Improvements and Concern Letters**
- **Positive Opportunity**

Welcome to the Profession

- **Assessor's Job Difficult, Sometimes Thankless Job**
- **Lots of people/Oklahoma State/fellow assessors ready to help**
- **Our field analysts knowledgeable and available**

The End



**Introduction
to the
Equalization Study
and
Annual Valuation Audit**

*Presented by the
Oklahoma Tax Commission
Ad Valorem Division*

Equalization Study Statute:

- 68 O.S. 2001, § 2866. Oklahoma Tax Commission – Equalization ratio study
- A. ... Oklahoma Tax Commission shall conduct and publish an equalization ratio study for each county annually in accordance with the requirements of this section...

EQ Study Background:

- Assessor Required By Constitution & Statute To Adjust All Sales To Actual Fair Cash Value (AFCV) In The Year Following The Sale
- Example:
 - Sale Occurs March, 2011
 - Assessor Places New Value On Sale For 2012 Tax Year At AFCV

EQ Study Background:

- Ad Valorem Division Has Statutory Responsibility To Conduct Equalization Study
- EQ Study Analyzes Previous Year's Sales And Compares To Current Year Assessed Value

EQ Study Background:

- Sample Gathered For Three Classes Of Property:
 - Residential
 - Commercial
 - Agricultural
- Details Of EQ Study Procedures Contained In Tax Commission Permanent Rules (710:10-3)
- Every Assessor Should Spend Time Reading Statutes And Administrative Rules

Equalization Study:

- Mechanics Of Study
- For Each Sale A Ratio Is Calculated As Follows:
 - Example: Assessed Value / Sales Price
 - \$10,480 / \$100,000
 - Indicates Individual Ratio Of 10.48
- Overall Statistics Developed

EQ Study Statistics:

- Statistics Reported To SBOE By Property Class (RES, COM, AG):
 - **Median** (Midpoint In Group Of Ratios)
 - **COD** (Measure Of Uniformity- How Close Is The Group Of Sales To The Applied Assessment Percentage?)
- Median Ratio Must Be Within Constitutional Range Of 11 to 13.5 Percent
 - The Three Classes Of Property Must Be Within Deviation Range of 1.5 Percent From Highest To Lowest

EQ Study Statistics:

- COD Is Required To Be 20% Or Less Pursuant To 68 O.S., 2866 B, 6
- SBOE Has Not Acted On COD As Non-Compliance Factor In Recent Years But It Is Still Reported, And **COULD BE ACTED UPON** At Some Point

What The Equalization Study **DOES NOT** Directly Measure:

- Annual Valuation Efforts On Unsold Property
 - Annual Review And Adjustment Of All Unsold Property To Actual Fair Cash Value (AFCV)
 - This Is Measured By Annual Valuation Audit
- Visual Inspection Efforts
 - Annual Progress Report To Legislature
 - Annual Valuation Audit To SBOE

State Board of Equalization (SBOE)

- Membership
 - Governor
 - State Auditor and Inspector
 - Attorney General
 - Superintendent of Public Instruction
 - President of Board of Agriculture

Powers, Duties, Authority of SBOE

- Examine County Assessments
- Equalize, Correct, Adjust Between & Within Counties
- Board May Order Increase or Decrease Required to Comply With Assessment Ratio in Effect (Article X, Section 8, Okla. Const.)

Powers, Duties, Authority of SBOE

- Certify Assessments of Public Service Property
- Certify County Abstracts

So, What About **Unsold** Property?

- **ANNUAL VALUATION AUDIT** Addresses Assessment Practices Related To Unsold Property County-Wide
- Audit Information Gathered Each Year & Results Reported To SBOE
- See Tax Commission Permanent Rules (710:10-4)

Annual Valuation Audit:

- What Is Annual Valuation?
- Definition OTC Rule 710:10-4-2:
...Systematic Review And Adjustment
Of Appraisals And Assessments Of
Real & Personal Property County-Wide
On An Annual Basis Necessary To
Meet Constitutional & Statutory
Responsibilities Of Assessment
Process...

Annual Valuation Audit:

- How Does Visual Inspection Fit In To Annual Valuation?
- VI Program Mandated By Statute
- Requires Counties To Physically Examine All Real Property Once Every Four Years And Adjust Actual Fair Cash Value (AFCV) Annually

Annual Valuation Audit:

- Without Current, Accurate Property Characteristics And Measurements, Regular And Systematic Valuation CANNOT Occur
- Property Data Is Used With Market Information Do Develop AFCV's For All Taxable Parcels

Annual Valuation Audit:

- Annual Valuation Required By 68 O.S. 2001, § 2830-B
- Statute Requires OTC To Certify To SBOE That Each County Complies With Statutory Annual Valuation Requirement
- Non-Compliance Categories Associated With EQ Study Also Apply To Annual Valuation Audit

Annual Valuation Audit:

- Items Reviewed To Make Annual Valuation Compliance Determinations:
- OTC Rules 710:10-4-8 & 9

Annual Valuation Audit:

- ***Some Key Elements:***
- Adjustment Of All Sold/Unsold Property Annually To Maintain AFCV
- Conducting Visual Inspection Program As Described In VI Plan
- Conducting Maintenance Activity, Keeping Up With New Construction, Add-On's
- Complying With Constitutional Cap, Freeze, AFCV On Sold Property
- Using Appropriate Ag Use Value Methodology

Non-Compliance Guidelines & Procedures:

- 68 O.S. 2001, § 2830
- OTC Required To Monitor County Valuations
- Specifies Categories Of Non-Compliance As Category 1, Category 2, Category 3
- Directs OTC To Establish Administrative Rules To Implement Statute

Non-Compliance:

- Category I non-compliance:
- If County Is Found Out Of Compliance At December SBOE Meeting, County Is Placed In Category One Non-Compliance.
- County Has Until Following June 15th Meeting Of SBOE To Correct Deficiencies Noted In Equalization Study Or Annual Valuation Audit.

Non-Compliance

- Category II non-compliance:
- If County Has Not Corrected Problems By June 15th Date, OTC Recommends To SBOE A Reclassification Of County To Category Two Non-Compliance.
- At Next SBOE Meeting In December, if all compliance criteria have been achieved, the SBOE would determine the county Is In compliance.

Non-Compliance:

- If County Not Found In Compliance At December Meeting, County Has Until Following June 15th SBOE Meeting to achieve compliance.
- If Compliance Not Achieved, SBOE Has Option Not To Certify County Abstract Until All Compliance Criteria Are Achieved And To Reclassify County In Category Three Non-Compliance.

Conclusions:

- EQ Study And Annual Valuation Audit Measure Compliance With Constitutional & Statutory Ad Valorem Valuation Provisions
- Audits Represent Major Part Of Work Effort For Ad Valorem Division

In Conclusion:

- “Reality is the leading cause of stress among those in touch with it. ”
– Lily Tomlin
- Questions?

*Ad Valorem
Division, OTC*

Visual Inspection
Program Overview

Full Disclosure:

- Slightly More Exciting Than:
 - Watching Paint Dry
 - Getting A Root Canal
- Much Less Exciting Than:
 - Winning The Lottery
 - Taking A Dream Vacation To An Exotic Location

Statutory Basis

- 68 O.S, 2001,§ 2820:
- Creates Visual Inspection Program
- Explains How It Is To Be Implemented
- Establishes Method For Monitoring Progress

Requirements Of V.I. Statute:

- Each County Must Conduct Comprehensive Visual Inspection Of All Taxable Real Property Within Their County Once Every Four Years
 - First Four-Year V.I. Cycle Began In January, 1991
 - *Fifth* V.I. Cycle Starts This Year (2007)

Requirements Of V.I. Statute:

- Each Successor Shall Use Same Cycle As Used By Assessor's Predecessor For V.I. Of Real Property
- Prior To Start Of Each Four-Year Cycle, Assessor Required To Submit Plan to Ad Valorem Division, OTC

Requirements Of V.I. Statute:

- Plan Must Contain:
- # Of Real Property Parcels To Be Inspected Each Year By Use Category, Geographic Area
- Resources & Budget Proposed To Complete Cycle
- Valuation Methodology To Be Used
- Evidence That Adequate Data Will Be Gathered To Value Property In Accordance With Mass Appraisal Standards Of Practice

Requirements Of V.I. Statute:

- Assessor Must Submit Plan To OTC First Working Day In October Preceding Start Of New V.I. Cycle
- Ad Valorem Division Has Provided “Template” For Past Several Cycles Which Satisfies Statutory Requirements

Requirements Of V.I. Statute:

- OTC Either Approves Plan If It Meets Requirements And Resources Are Adequate, *OR*
- Works With Assessor To Correct Or Modify Plan So That It Meets Statutory Requirements
- Copies of V.I. Plans Are Required To Be On File With OTC

Requirements Of V.I. Statute:

- Progress Reports Are Required To Be Submitted To Ad Valorem Division Each Year By No Later Than October 15
- Submitted On Tax Commission Form With Information Specified By Ad Valorem Division
- OTC Required To Submit Report To Legislature And SBOE

Related V.I. Statutes:

- 68 O.S. 2001 § 2821:
- Specifies Type Of Information To Be Gathered During Visual Inspection
- Allows For OTC To Prescribe Form For Gathering V.I. Property Characteristic Data
- Requires Assessor To Acquire And Maintain Cadastral Maps
- Requires Assessor To Maintain Comprehensive Sales File

Related V.I. Statutes:

- 68 O.S. 2001 § 2822:
- Concerns Ensuring Adequate Budget Resources To Perform Visual Inspection Program
- Assessor Required To Submit Adequate Budget To Complete V.I. Work
- Visual Inspection Budget Allocation Should Not Cause Other Budgeted Amounts For Assessor To Decrease

Related V.I. Statutes:

- 68 O.S. 2001 § 2823:
- Deals With Costs Of Visual Inspection Program
- Costs For V.I. Are Shared By Recipients Of Ad Valorem Revenues
- Costs Include Only Those Directly Attributable To V.I. And Physical Inspection of Property

Related V.I. Statutes:

- 68 O.S. 2001 § 2823, Continued:
- Assessor Must Render
Statement To Jurisdictions
Within County Receiving Ad
Valorem Revenues

Related V.I. Statutes:

- 68 O.S. 2001 § 2828:
- Tax Commission Required To Submit Comprehensive Progress Report To Legislature Prior To Each Legislative Session

Related V.I. Statutes:

- 68 O.S. 2001 § 2829:
- Counties Shall Utilize Information Gathered From V.I. To Make Estimates Of Actual Fair Cash Value For All Taxable Real Or Personal Property On An Annual Basis

Related V.I. Statutes:

- 68 O.S. 2001 § 2947:
- Counties Shall Utilize Information Gathered From V.I. To Make Estimates Of Actual Fair Cash Value For All Taxable Real Or Personal Property On An Annual Basis

Related V.I. Statutes:

- 70 O.S. 2001 § 18-109.1:
- State Aid Formula Statute
- Requires Counties To Have Verifiable Revaluation Programs Using Property Identification Cards For Applicable Assessment Year
- OTC Certifies This To Superintendent Of Public Instruction Each October 1
- County Can Be Penalized \$100 / Day For Not Having Verifiable Revaluation Program Using Property Identification Cards

Current V.I. Plan Status:

- Status For New V.I. Cycle 2011-2014:
- 73 Plans Have Been Approved
- 4 Plans Are Awaiting Submission Of Changes Before Final Approval

Visual Inspection Plan

- Make Sure Your Office Has Retained A Copy Of The V.I. Plan
- Locate The Plan And Refer To It Often To Execute The Plan As Written And Approved

Visual Inspection Plan

- When V.I. Issues Arise Related To Schedule Of Inspection, Procedures For Data Gathering, Or Valuation Of Property, Call Ad Valorem Division For Guidance

Final Thought:

- Message In A Fortune Cookie:
 - “You Belong To A Small, Select Group Of Confused People.”



New Assessor Orientation

CAMA
&
ANNUAL VALUATION

*Presented By
Ad Valorem Division
Oklahoma Tax Commission*

What Is CAMA? Annual Valuation?

- *Deep* Questions...
- We'll Explore Them This Morning
- Speaking Of Deep Questions...

Pondering The Deeper Questions Of Life:

- 1). **Why Am I Here?**
 - “This Life Is A Test. If It Had Been A Real Life, You Would Have Been Given Instructions On Where To Go And What To Do.”
- 2). **Since I’m Here, What The Heck Am I Supposed To Be Doing, Anyway?**

What The Heck Am I Supposed To Be Doing, Anyway?

- Discover, List, Assess (Value) Property
- Visual Inspection
- **Annual** Valuation Of **All** Property In County
- Certain Basic Appraisal Principles Are Used Universally By Assessors Everywhere
- “Self-Evident” Appraisal Truths

What The Heck Am I Supposed To Be Doing, Anyway?

- These Principles Are Taught In ATAP Accreditation Courses, IAAO Courses & OTC Classes
- They Are Used Worldwide
- These Universal Principles Are The "**GUTS**" of Your CAMA System– What Makes It Tick

Easy Vs. Difficult

- Under The Best Of Circumstances, Assessment Is A Very Difficult Job
- But If You *Have* To Do Something, Don't You Want To Make It As *Easy* As Possible?!
- "Work *Smarter*, Not *Harder*!!!

"Power Tools" Vs. "Manual Labor"

- Which One Of These Would You Rather Cut That Board With?

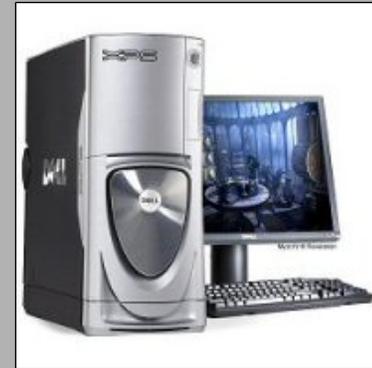




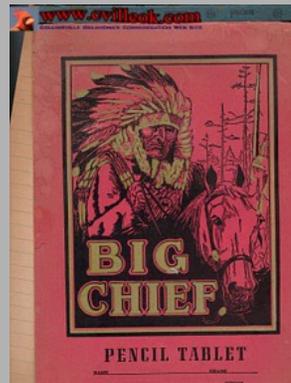
Just Hit The "EASY" Button...

That's Why You Want To
Use CAMA To Value Property...

- So You're Doing THIS:



Instead Of THIS:



Manual Vs. Automated

- **DO NOT** Manually Modify Each Property One By One To Get "*Right Value*" (Eliminates Automation Completely Forever And Makes Job Nearly Impossible... Might As Well Throw Out Computer!)
- **DO** Use CAMA As Intended In Automated Fashion As Will Be Demonstrated With Adjustment Factors, Making Life Easier And Appraisal Much Faster And More Accurate, Fair & Consistent...

CAMA Isn't Rocket Science...



General Thrust Equation

Glenn
Research
Center



Thrust is a force.

Force = change in momentum with time

$$F = \frac{([mV]_2 - [mV]_1)}{(t_2 - t_1)}$$

\dot{m} = mass flow rate = mass / time

$\dot{m} = r \times V \times A$ where r = density, V = velocity, A = area

If $p_e \neq p_0$: $F = \dot{m}_e V_e - \dot{m}_0 V_0 + (p_e - p_0) A_e$

If $p_e = p_0$: $F = \dot{m}_e V_e - \dot{m}_0 V_0$

...And CAMA Isn't Some Mathematical Gobbledygook!

$$\left| \frac{P}{P-K} \right| = C_1 \cdot e^{kt}$$

$$\frac{P}{P-K} = C_2 e^{kt}$$
 Solving for P ,

$$P = \frac{-K \cdot C_2 \cdot e^{kt}}{1 - C_2 e^{kt}}$$

$C_1 > 0$
 $C_2 \neq 0$ (let's call $C \neq 0$)
 divide $C_2 e^{kt}$

$$P = \frac{-K}{\frac{1}{C} e^{-kt} - 1} = \frac{K}{1 - \frac{1}{C} e^{-kt}}$$
 The meaning of C ?
 at $t=0$

$$P_0 = \frac{K}{1 - \frac{1}{C} e^{-k \cdot 0}} \Rightarrow C = \frac{P_0}{P_0 - K}$$

$$P = \frac{K}{1 + \frac{K - P_0}{P_0} e^{-kt}}$$

$0 < P_0 < K$
 $\frac{K - P_0}{P_0} > 0$
 $P(t) < K$

O.K., So It's Not Too Complicated, But...
CAMA Values Won't Just Magically Appear!



So, What IS CAMA?!

- Acronym For *Computer Assisted Mass Appraisal*
- *Computer Assisted*: With The Use Or Aid Of A Computer
- *Mass Appraisal*: Process Of Valuing A Group Of Properties As Of A Given Date, Using Standard Methods, And Allowing For Statistical Testing

Mass Appraisal Definition Breakdown:

- **“Group Of Properties”**: Taxable Property In Your County
- **“As Of Given Date”**: January 1 Of Each Year
- **“Standard Methods”**: Computerized Cost And Depreciation Schedules
- **“Statistical Testing”**: Ratio Study Analysis Capabilities In CAMA Software

Mass Appraisal:

- Mass Appraisal Techniques Emphasize Valuation Models, Expressed As Tables, Cost Tables And Schedules.
- Standardized Practices (Same Approach For Each Similar Property Type)
- Statistical Quality Control (Accuracy Checks On Valuation Results)

Three Functions Of Mass Appraisal System:

- Data Maintenance
- Reappraisal
- Value Updates

Mass Appraisal:

- *Impossible* To Correctly And Accurately Value All Taxable Property Each Year Without Using Computer Assisted Mass Appraisal Techniques
- Individual, Manual Property Appraisal too Time-Consuming
- Simply Can't Be Done Annually *As Required By Law*

Annual Valuation:

- Annual Valuation Statutory Requirements:
- Title 68, § 2830-B Requires OTC To Certify To SBOE That Each County Complies With Statutory Annual Valuation Requirements
- **Not An Option**
- Has Compliance Implications
- Reason For Needing The CAMA Tool!

Annual Valuation Definition:

- What *Is* Annual Valuation?
- Definition, OTC Rule 710:10-4-2:
- *“...Systematic Review And Adjustment Of Appraisals And Assessments Of Real & Personal Property County-Wide On An Annual Basis Necessary To Meet Constitutional & Statutory Responsibilities Of Assessment Process...”*

Basic CAMA Valuation Concepts

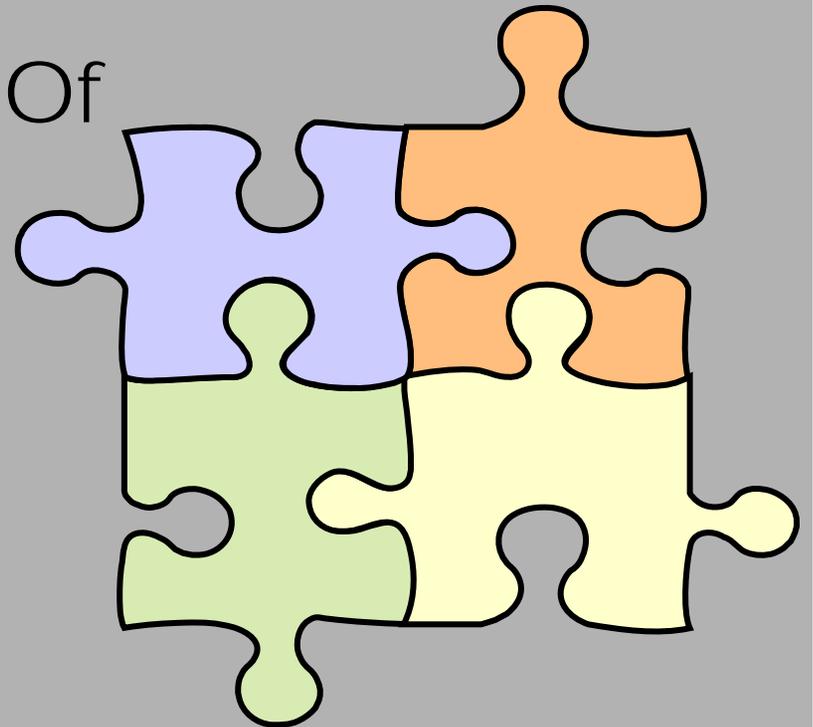
- We'll Look At A Basic Overview Of CAMA Valuation Process
- Remember, We're Talking About A Computerized Mass Appraisal Process
- Mass Appraisal Is The **ONLY WAY** To Value All Property In County Uniformly On Annual Basis

Overview of CAMA Valuation Steps:

- Must Focus On Valuation Tasks
“One Step At A Time”
- Can't Do Last Task First, But Must
Take Tasks In Logical Order
- Must Have **ACCURACY** &
CONSISTENCY For Success!
- **DON'T USE CAMA TO “CREATIVELY
AND INDIVIDUALLY PLACE VALUES”
(Manual Appraisal)**

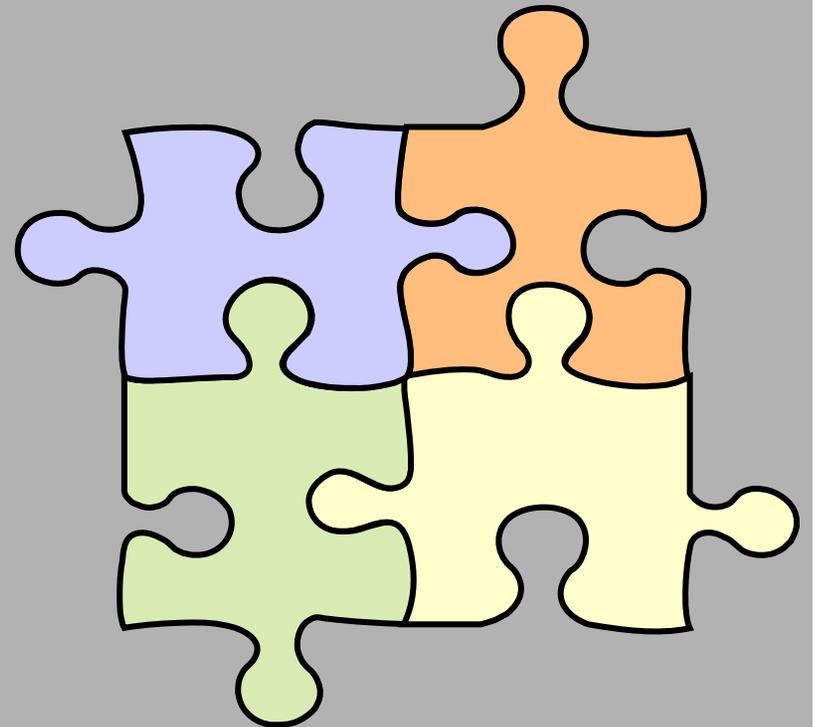
Pieces To The Puzzle:

- Mandatory Components For Proper CAMA Valuation:
- Data Collection (Visual Inspection)
- Data Entry
- Construction & Use Of CAMA Sales File
- Land Review & Valuation



Pieces To The Puzzle:

- Defining Geographic Market Areas For valuation (Technical Term is NBHD Delineation & Coding)
- Adjustments To CAMA Replacement Cost Figures
- Performance Analysis
- Final Value Review
- Hearings Process
- Start Over!!!
- Ongoing Process, Never Done!!!



Statements of The Obvious, Part I (I Know That's What All This Seems Like!)



WARNING
THIS ROAD CROSSES
US AIR FORCE BOMBING RANGE
FOR THE NEXT 12 MILES
OBJECTS MAY FALL FROM AIRCRAFT

Data Collection / Data Entry

- Accurate And Current Property Data Most Important Element For Success
- First "Step" In Process Is To Gather And Enter Data Correctly
- Need Controls To Oversee Fieldwork And Data Entry To Maintain Accuracy
- "Edits And Checks"

Data Collection / Data Entry

- At ACCO Orientation We Talked About “Feeding the CAMA Beast”
- It’s All About Having Good “Data”
- Drives the Appraisals
- Makes Everything Run Right
- Bad Data = Complete Disaster (Nuclear Blast
- Bad Data = Inability to Comply With Statutory Responsibilities

"Data Collection" Statutorily Required?!

- Visual Inspection Program Mandated By Statute (Talked About It Yesterday!)
- Requires Counties To Physically Examine All Real Property Once Every Four Years And Adjust Actual Fair Cash Value (AFCV) Annually

Visual Inspection/Data Collection

- See 68 O.S., § 2802
- Program Mandated By Law
- To Gather Data About Real Property From Physical Inspection Of Property And Improvements
- To Establish AFCV Of Properties

Importance Of VI Data Collection:

- Without Current, Accurate Property Characteristics And Measurements, Regular And Systematic Valuation CANNOT Occur
- Property Data Is Used With Market Information To Develop AFCV's For All Taxable Parcels Using CAMA

Data Collection / Data Entry

- Must Gather & Enter All Information Correctly On Each Property
- Quality Classing & Depreciation Are Most Important Aspects Of Data Collection Process
- ALL PROPERTY DATA IS IMPORTANT
- Consistency Is Key To Success
- Property Data & Sales Information Used To Value Property

Data Collection / Data Entry

- If Quality Classing & Depreciation Are Not Accurate, Then Your CAMA Program Won't Run Properly And Values Won't Be Accurate
- Any Inaccurate Or Incomplete Information Will Cause CAMA To Perform Poorly, Or Not Function At All

Speaking of Accuracy, What Do You Do With THESE ???!!!



Or THESE ???



Data Collection / Data Entry Tips

- **Avoid Problems In This Phase By:**
- Accurate, Complete, And Consistent Data Collection & Data Entry Using Quality Control And Regular Data Edit Procedures
- Use Of System Depreciation Tables Whenever Possible For Consistency
- No Manipulation Of Any Property Elements To Arrive At Preconceived Value (Valuation Phase Comes Much Later- Don't Even Look At Values Until Then!!!)

Construction/Use Of Sales File

- Good, Complete, Accurate Sales File Provides The Necessary Information For CAMA To Produce More Reliable Values

Construction/Use Of Sales File

- If You Put Bad Or Inaccurate Sales Information Into The CAMA System, Then It Performs Poorly, Or Not At All
- Why Is Sales Info. So Important When CAMA Has Cost Figures That Are Automated?
- Because Cost Approach Is Only One Approach To Value...
- Sales Improve Accuracy Of CAMA Values As They Are Available

Construction/Use Of Sales File

- You Will Learn About The “Three Approaches To Value” That Gary Snyder And Doug Warr Will Teach You In Your Accreditation Classes
- Cost Approach
- Sales Comparison (Market)
- Income (For Income Producing Property)
- These Approaches Are “Correlated,” Or Used Together To Determine Values In CAMA

Construction/Use Of Sales File

- How Are Sales Used To “Improve” CAMA Values?
- Primarily Through Use Of “Adjustment Factors” (Sometimes Referred To As County & NBHD Multipliers)
- Adjustment By Market Area (Geographic Location)

Statements of The Obvious, Part II:



Construction/Use Of Sales File

- With Just Unadjusted Cost Figures In The CAMA System, You Only Have Part Of What You Need To Properly Value The Property. CAMA Isn't "Broken," You Just Haven't Used Sales To Correlate With Cost Approach Yet...

Construction/Use Of Sales File

- You Have A Choice Here...
- You Can Manually Modify Each Property One By One To Get "Right Value" (Horse And Buggy Approach)... Remember The Data Collection/Data Entry Tip From Earlier- Don't Manipulate Class or Depreciation To Arrive At A Value!!!
- Or, You Can Use CAMA As It Is Intended To Do It In Automated Fashion With Adjustment Factors, Making Life Easier And Appraisal Much Faster And More Accurate, Fair & Consistent...

Construction/Use Of Sales File

- Once You've Manipulated The Quality, Depreciation, Or Other Property Information To Arrive At A Value, You Have **Permanently Lost** The Ability To Do CAMA Appraisals In An Automated, Quick, And Effective Approach...
- And If You Try To Analyze Sales And Apply Adjustment Factors After You've Manually Played With Data, You've Just **Guaranteed Failure** To Arrive At Accurate Actual Fair Cash Values!

Construction/Use Of Sales File

- How Do You Make Sure You're Using CAMA Properly?
- Proper Maintenance And Use Of CAMA Sales File...

Construction/Use Of Sales File

- *Properly Maintain & Use Your CAMA System By Making Sure You've Added The Following 3 "Ingredients" To Your Sales File:*
- *Accurate/Complete* **Sales Verification**
- *Accurate/Complete* **Sales Data Collection**
- *Accurate/Complete* **Sales Data Entry**

Construction/Use Of Sales File

- Sales Verification:
- Sales Questionnaire Is An Essential Component Of Verification Process
- Questionnaires Can Be Sent On All Sales, But At Least On Those Where Question Surrounds Details Of Sale

Construction/Use Of Sales File

- *Sales Data Collection:*
- Appraiser Should Be Sent Out To Inspect Sold Properties On A Regular Basis
- Purpose Of Re-Inspection On Sale Properties Is To Obtain A "Snapshot" (Accurate Representation Of Property Characteristics) Of Each Sold Property To More Accurately Reflect Condition At Time Of Sale

Statements of The Obvious, III:



Construction/Use Of Sales File

- Sales Data Entry:
- Once Sale Has Been "Data Collected", Property Characteristics Can Be Entered Into CAMA
- All Sale Information Should Have Been Already Entered Into CAMA Sales Screen (The Sales Information May Have Been Verified By A Returned Sales Questionnaire)

Construction/Use Of Sales File

- Sales Data Entry:
- All Sales Should Be Entered Into The CAMA Sales File (Although Not All Will Be Used For Analysis And Adjustments)
- Certain Sales Should Be Excluded From Analysis And Development Of Adjustment Factors: Distressed Sales, Sales With Large Amounts Of Personal Property, Sales With Excess Land, Sales With High Miscellaneous Structure Values, And Sales Of Multiple Non-Contiguous Parcels

Construction/Use Of Sales File

- Sales Qualification Table:

The screenshot shows a software window titled "Table Maint OKLAHOMA LAPTOP CURRENT YEAR" with a menu bar (File, Menu, Functions, Help) and a toolbar with "Refresh" and "Delete" buttons. The window displays a table with two columns: "Code" and "Data Description". The "Code" column contains two-letter codes, and the "Data Description" column contains corresponding descriptions. The table is scrollable, and the "TerraSoft Systems" logo is visible in the top right corner.

Code	Data Description
QUAL	Qualification Code Table
01	GOV'T/ PUB UTIL
02	RELIGIOUS/CHAR
03	FINANCIAL INST
04	FAMILY TRANS
05	CORP AFFILIATES
06	CORRECTION DEED
07	ESTATE SALE
08	AUCTION
09	NON WARR DEED
10	SHERIFF SALE
11	SPLIT/COMBINE
12	OWNER FINANCED
13	R E TRADE
14	PART INTEREST
15	CONTRACT DEED
16	QUIT CLAIM
21	OTHER
EX	EXEMPT
FT	FAMILY TRANS.
IL	INDIAN LAND
HQ	MULT/QUAL/PROP.
HU	MULT/UQUAL/PROP
PQ	PREV/QUAL/PROP
Q	QUALIFIED
QH	QUAL/MULT/PROP.
QU	QUAL/VERIFIED

CAMA Sales File Tips:

- *Avoid Problems In This Phase Of CAMA Valuation By:*
- Making Sure That On Sold Properties *Both Property Characteristics AND Sale Information* Is Accurate, Or Bad CAMA Values Will Result!
- Implementing And Maintaining Regular Sales Verification, Data Collection, And Sales Data Entry Program

How To "Multi-Task" and Get More Done!



Land Review & Valuation

- Land Values Are Also Critical Component
- Can't Get Good AFCV's Without Current, Accurate, Consistent, And Equitable Land Values

Land Review & Valuation

- Complete Review Of Current Land Values, And Land Valuation With Current, Accurate, Consistent & Equitable Figures Is Essential Before Adjusting The CAMA Cost Numbers At The County-Wide And NBHD Levels

Land Review & Valuation

- All Adjustment Factors At County And NBHD Levels Will Be Applied To Improvement Values Only, So If Errors Exist In Land Values, These Will Cause Distorted Adjustments To Be Applied To Improvement Values
- Overall Ratios Would Still Be OK, But COD Will Be Higher And Individual Values Will Vary Widely In Reliability If Land Values Are Bad

Land Review & Valuation

- There Are Three Major Techniques Used In Land Valuation:
- Direct Market Sales Of Vacant Land
- Allocation (Or Land Ratio Approach)
- Abstraction (Or Land Residual Approach)
- Each May Be Needed To Some Degree, But Market Approach Preferred When Enough Sales Are Available

Land Review & Valuation Tips:

- *Avoid Problems In This Phase Of CAMA Valuation By:*
- Reviewing All Land Values Prior To Adjusting CAMA Cost Figures
- This Will Help You Avoid Inconsistencies Or Incorrect Values, Since Adjustment Factors Are Applied To Improvements Only
- This Review Will Create Equity And Consistency Of Appraisals

NBHD Delineation/Coding

- NBHD Delineation Groups Like Properties Together That Are Subject to the Same Market Influences, So You Can Develop Appropriate Adjustments To Cost Figures Using Sales

NBHD Delineation/Coding

- NBHD Delineation Is The Sorting Of Properties Into Groups That Are Affected By The Same Factors In The Marketplace
- NBHD Delineation Builds The Framework To Allow For Localized Adjustment To Cost Approach Below The County-Wide Level

NBHD Delineation/Coding

- Steps:
- Identify And Plot Major Physical Barriers In County:
Manmade/Natural
- Identify And Plot Governmental Boundaries On Maps Alongside Physical Barriers Previously Plotted
- Establish Numbering System For NBHD's

NBHD Delineation/Coding

- Market Areas Should Be Large Enough To Allow For Adequate Sales For Development Of Adjustments
- Market Areas Should Be Small Enough To Account For Any Specific Market Influences Affecting Values On Specific Groups Of Properties
- Balance Is Key

NBHD Delineation/Coding Tips:

- Most, If Not All, Towns Of 500 Or Less Parcels Can Be Handled In One Group
- Two Or More Small Towns Can Likewise Be Similar Enough To Be In The Same NBHD For Valuation Purposes
- Visit With Ad Valorem Division Field Representative For NBHD Numbering Scheme Assistance

NBHD Delineation/Coding Tips:

- *Avoid Problems In This Phase Of CAMA Valuation By:*
- Setting NBHD Boundaries Correctly
- If Adjustment Factors Are Calculated Using Sales Which Are **Not** Comparable To All Property In NBHD, It Will Result In Overvaluing Or Undervaluing Many Properties, And Cause High COD's (Coefficients Of Dispersion- **A BAD THING!**)

Make Sure You Have a Good Attitude...
(It's Contagious!)



Adjustments To CAMA Cost Figures

- *Two Major Adjustment Factors*
Primarily Used:
- County-Wide
- NBHD

Adjustments To CAMA Cost Figures

- County-Wide Adjustment Factor:
- Simply The Adjustment Necessary To Move Median Sales Ratio For Particular Class Of Property To 100% Overall
- Classes Of Property Would Be Residential, Commercial, Manufactured Homes

Adjustments To CAMA Cost Figures

- *Why Is County-Wide Adjustment Factor Needed?*
- Example: Identical Properties In Miami And Sayre Would Appraise For The Same Value Using The “Raw” Unadjusted Cost Figures From CAMA, But Might *Actually* Sell For Substantially Different Amounts

Adjustments To CAMA Cost Figures

- NBHD Adjustment Factors:
- After County-Wide Adjustment Factor Is In Place, NBHD Adjustment Factors Can Be Calculated And Applied
- Remember That NBHD Boundaries Must Have Been Completed And NBHD Coding Entered Into CAMA For All Properties
- NBHD Adjustment Factors Further Refine Property Values By Specific NBHD's Established In NBHD Delineation Process

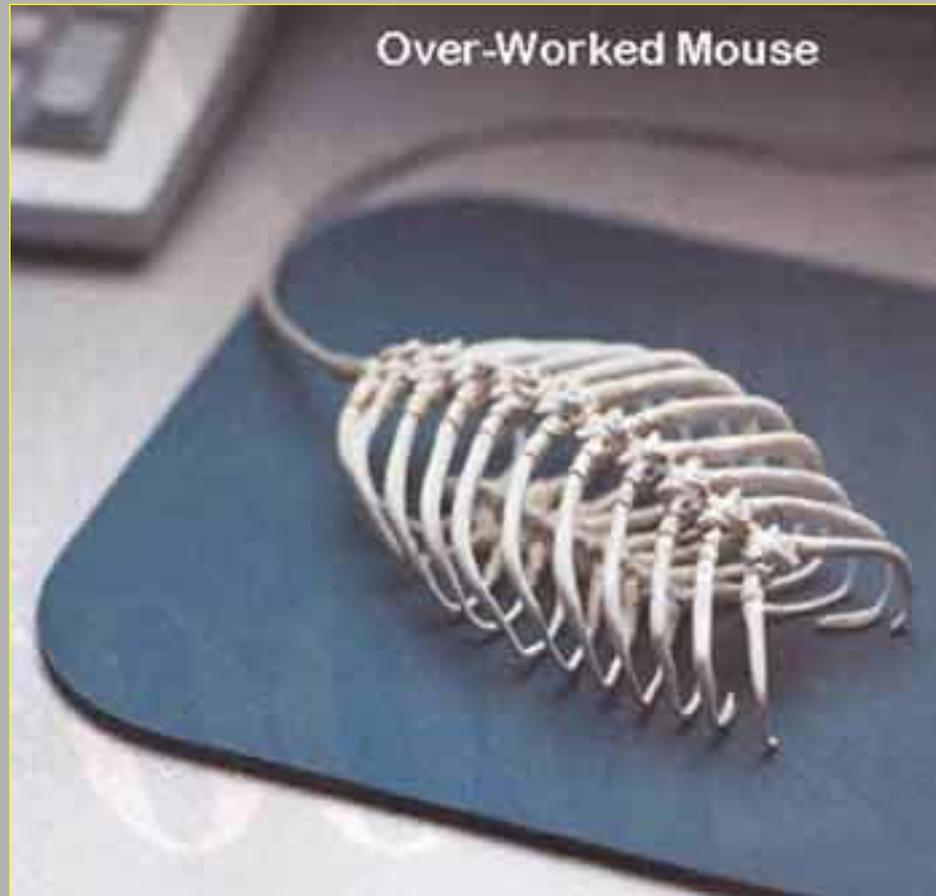
Adjustments To CAMA Cost Figures

- *NBHD Adjustment Factors:*
- Simply The Adjustment Necessary To Move The Median Sales Ratio For A Particular Class Of Property Within A NBHD To 100% Overall (County-Wide Adjustment Factor Already Having Been Applied)
- Classes Of Property Would Be Residential, Commercial, Manufactured Homes

Adjustments To CAMA Cost Figures, Tips:

- *Avoid Problems In This Phase Of CAMA Valuation By:*
- Calculating Adjustment Factors With ***ALL OF THE FOLLOWING:***
 - *Good Land Values*
 - *Sales With Current Property Characteristics Entered Into CAMA*
 - *Clean , Consistent Data With No Manipulation*
 - *NBHD Boundaries Accurately Defined And Codes Entered Into CAMA*

A Sign You've Been Working Too Hard:



Performance Analysis

- You Will Need To Analyze The Performance Of Your CAMA Valuation During Every Phase Of The Process And Make Necessary Changes And Corrections As You Go
- After Adjustment Factors Are Applied, This Performance Analysis Is Done Through Use Of "Ratio Studies," Both County-Wide And By NBHD

Performance Analysis

- Ratio Studies In The Performance Analysis Phase Of The CAMA Valuation Process Will Help Uncover Any Problems And Give You An Opportunity To Fix Them
- Appraisal Statistics From Ratio Studies Help You Determine Whether Additional Work Is Required With NBHD Boundaries And Whether Further Modifications To Adjustment Factors Are Needed Prior To Completion Of The CAMA Valuation Process

Performance Analysis Tips:

- *Avoid Problems In This Phase Of CAMA Valuation By:*
- Correctly Using And Interpreting County-Wide And NBHD Ratio Study Statistics To Fix And Fine Tune NBHD Problems And Problems With Adjustment Factors

Final Value Review

- In This Phase Of The Valuation Process, The Final Value Review Helps To Eliminate Most Remaining Major Value Errors Or Inconsistencies
- Allows Review Appraiser To Judge Whether Values Are Both Accurate And Appropriate

Hopefully, No One
Is Entering One of THESE...



Final Value Review

- Final Value Review Process Is Not Intended To Check Accuracy Of Data Collection Or Data Entry
- These Corrections Should Have Been Accomplished Earlier During The Field Review And Database Edits And Cleanup

Final Value Review

- Each Addition Or NBHD Should Be Reviewed In The Field, Block By Block To Ensure Greater Accuracy
- Some Areas May Need To Be Reviewed On A Parcel By Parcel Basis. This May Occur In Locations Such As Original Town Where Age And Quality Of Homes Vary Greatly

Final Value Review

- Other Areas Where Property Or Land Characteristics Vary May Also Require A Closer Review
- Also, Commercial Parcels Need To Be Individually Reviewed, As Well As Parcels With Unusual Miscellaneous Values Or Land Values

Final Value Review

- Review Process Can Be As Simple As Printing Values For Individual Parcels In Lot and Block Order And Field Checking For Any Outliers
- Do Values Make Sense When Looking At The Property Again?

Final Value Review

- If Done Properly, After Final Analysis And Field Review, The Values Placed On Properties Should Reflect Market Value
- Should Give Assessor & Appraiser Confidence In Values, Which Can Make Hearings Process Much Smoother

Final Value Review

- Impact Analysis Is Part Of Final Value Review
- Involves Analyzing Dollar And Percent Changes In Value By Area And Overall To Fully Understand The Overall effect Of Updating The Values
- Remember That The 5% Cap Will Come Into Play On Many Properties With Value Changes

Final Value Review Tips:

- *Avoid Problems In This Phase Of CAMA Valuation By:*
- Eliminating Value Inconsistencies Between Parcels
- Detecting Errors And Correcting Them
- Anticipating And Quantifying Amount Of Value Increases By Area, Property Type, And Overall

Sometimes It's Hard To Figure Out What To Do...
When In Doubt, Just Do SOMETHING!!!

Savage Chickens

by Doug Savage

CLICK YES TO REBOOT YOUR
MACHINE. CLICK NO TO
INITIATE AN AUTOMATIC
SYSTEM RESTART.

YES NO



© 2007 BY DOUG SAVAGE

www.savagechickens.com

Hearings Process

- “It Ain’t Over ‘Till Its Over!”
- The Hearings Process Gives You A Chance To Explain The Valuation Process To Taxpayers, And To Make Any Corrections That Are Needed
- Corrections May Be Necessary Both On Individual Properties, And On Certain Groups Of Properties Or NBHD’s Based On Information Provided During Hearings

Hearings Process

- Listen Carefully To Taxpayers And The Information They Present
- Hearings Can Help You Improve Valuation Quality And Consistency In Your County Even Further
- Be Willing To Admit When You Didn't Get It Right, And Make The Changes Quickly

Hearings Process Tips:

- *Avoid Problems In This Phase Of CAMA Valuation By:*
- Using The Hearings Process To address Any Remaining Value Inconsistencies Or Problems
- Using Hearings To Educate Taxpayers On Valuation Process And Make Them Aware Of Fairness And Equity Of Values Generated By CAMA System

Houston, We Have A Problem!



Habeeb.com

CAMA Myths And Other Urban Legends

- Many Misconceptions About The CAMA Valuation Process
- This Section Addresses These Misconceptions And **“Shatters The Myths”** Surrounding CAMA

Keys To Remember:

- Remember That CAMA Just Uses The Basic “Mass Appraisal Principles” Taught In ATAP Accreditation Classes And Used Worldwide
- You Don’t Have To Know Every Intimate Detail Of The System To Manage Your Staff
- Just Need Overall Understanding Of The Process
- Can Leave Some Technical Details To Staff

Make Sure You Allocate Enough Resources To Do The Job!



"Just Remember, We're Here To Help!!!"



In Conclusion...

- Just Remember When It Comes Time To Appraise Property In Your County...



- All You Have To Do Is Hit The “Easy” Button!
- CAMA... **THAT** Was Easy!
- (Not Really, But We Don’t Want To Discourage You Completely Right Away!!!)

The End...



BONUS SECTION:

- Free, and for No Extra Charge!
- More Completely Confusing and Meaningless Materials...
- Not Really, But Since We Have Some More Time, Here Are A Few Other Things We Can Tell You!

CAMA Myths And Other Urban Legends

- CAMA Myth # 1:
 - All I Have To Do Is Just Adjust My Sales To AFCV, Pick Up Any New Improvements And Conduct My Visual Inspections.

Shattering The Myth

- Well, That's A Lot To Do, But Unfortunately That's Not All You're Required To Do (And Some Aren't Getting All Those Things Done)
- Also Required To Review, Analyze & Adjust All Values Annually To Reflect AFCV!
- That's Why You've Got To Fully Utilize The CAMA System

CAMA Myths And Other Urban Legends

- CAMA Myth # 2:
 - The CAMA Values Will Be Impossible To Explain To Taxpayers.

Shattering The Myth

- The CAMA Values Are Easy To Explain To Taxpayers Because They're Developed From Market Information
- Use Current Sales In Area To Explain Value
- Can Show Taxpayer That All Similar Properties Are Being Treated The Same (Equity)

CAMA Myths And Other Urban Legends

- CAMA Myth # 3:
 - I'm Better Off Waiting To Fully Utilize The CAMA System Until I Have More Time To Deal With It.

Shattering The Myth

- It's The "Catch 22" Situation
- If You Don't Make The Time To Fully Utilize CAMA, You'll Never Get To Reap All The Benefits
- More Time Up Front (But Still Less Than Doing All Required Functions Manually Or Individually)
- Less Time Later When In Maintenance Phase

What If You Use CAMA The Wrong Way?

- We've Talked About How Using CAMA Works Well And Makes The Job Easier
- But What If You Use CAMA *(Appraise Property)* In A Way That's Not A Valid Or Legitimate Way?
- That Question Leads Us Into The Next Section, Which Is...

10 Sure Ways to "Wreck" Your CAMA System!

- We've Thrown In A Special Section On What **NOT** To Do When Valuing Property Using CAMA
- More Lovingly Known As "10 Sure Ways To "Wreck" Your CAMA System!
- Note: Don't Try These At Home!!!

10 Sure Ways to "Wreck" Your CAMA System!



10 Sure Ways to "Wreck" Your CAMA System!

- # 1: Manipulating Property Characteristics To Arrive At A Pre-Conceived Value.



Why Manipulating Data Is A Problem:

- Manipulating Data Is Sort Of Like Taking A Road Map, Cutting It Into Pieces, Moving It All Around, Taping It Back Together, Then Trying To Use It To Go Somewhere...
- As The Saying Goes, "That Dog Won't Hunt!"
- Can ***NEVER AGAIN USE CAMA IN AN AUTOMATED WAY EVER AGAIN UNTIL ALL MANIPULATED DATA IS CLEANED UP!!!***

10 Sure Ways to "Wreck" Your CAMA System!

- # 2: No Regular, Consistent Sales Verification, Data Collection, Or Data Entry Program.



Why Not Maintaining Your System Is A Problem:

- Expect To Have Big Problems If You Try To Value Property And You Haven't...
 - Kept A Good Sales Verification Program Going
 - Done Your Visual Inspection And Data Collection Regularly
 - Data Entered All The Updated Records Correctly Into CAMA

10 Sure Ways to "Wreck" Your CAMA System!

- # 3: Inconsistent And Old Land Values



Why Inconsistent And Old Land Values Are A Problem:

- CAMA Values & Uniformity Of Assessment Will Be “Out Of Whack” If You Haven’t...
 - Maintained, Adjusted, And Updated Land Values In All Of Your County
- Presents Big Problem When Applying “Adjustment Factors” To Get Property To Actual Fair Cash Value
- Major Equity And Fairness Issue

10 Sure Ways to "Wreck" Your CAMA System!

- # 4: Calculation Of Locational Adjustment Factors With Poorly Conceived Market Area (NBHD) Boundaries



Why Setting Values With Poorly Conceived Market Area Boundaries Is A Problem

- The “Out Of Whack” Phrase Works Here
- Results In Major Value Discrepancies And Errors, And Creates Significant Issues Of Inequity Between Other Similar Properties In The Vicinity
- Unfair To Taxpayers
- Uniformity (COD) For NBHD's And Overall Uniformity Will Be Substantially Worse

10 Sure Ways to "Wreck" Your CAMA System!

- # 5: Calculation Of Adjustment Factors With Bad Or Inconsistent Land Values, Sales Information, Or Property Characteristic Information



Why Calculating Adjustment Factors With Bad Data Is A Problem

- Almost As Bad As Picking Random Values (Like Throwing Darts) And Placing Them On Properties
- Results Are Inconsistent, Inaccurate, Inequitable, And Unreliable
- Creates Lack of Uniformity
- Unfair To Taxpayers

10 Sure Ways to "Wreck" Your CAMA System!

- # 6: Failure To Correctly Use And Interpret Statistical Data When Using CAMA



Why Failure To Properly Analyze Statistical Data Is A Problem

- Do Not Ignore This Step!
- This Is Where Your Superior Intelligence And The Training You Will Receive From CLGT Are Supposed To Kick In!
- If Ratio Statistic Data Is Not Analyzed Properly, Potential Value And Equity Problems Will Be Created
- Problems Will Creep Up After Notices Are Sent And Angry Taxpayers Show Up At Your Office

10 Sure Ways to "Wreck" Your CAMA System!

- # 7: Failure To Eliminate Errors And Correct Them



Why Failure To Eliminate Errors Is A Problem

- Failure To Eliminate Errors Can Be A Way To Deliberately Inflict Pain And Misery On Yourself
- The “See No Evil” Approach Doesn’t Work Here...
- Must Do *Everything In Your Power* To Eliminate Errors You Can Reasonably Know About

10 Sure Ways to "Wreck" Your CAMA System!

- # 8: Not Anticipating And Quantifying Amount Of Value Increases By Area, Property Type, And Overall



Why Not Having A Grasp Of The Types And Amounts Of Value Increases Is A Problem

- Not Having A “Handle” On What Your Market Is Doing, And How The Values Are Changing Leaves You Unprepared To Explain These Changes To Taxpayers And The Public At Large
- Indicates Problems With Administrative Oversight

10 Sure Ways to "Wreck" Your CAMA System!

- # 9: Not Making Changes And Corrections During Hearings Process As Additional Valuation Problems Are Uncovered



Why Failure To Make Other Adjustments During Hearings Is A Problem

- It's Hard To Believe, But You Can't Know **EVERYTHING** About Every Property Or Area In Your County
- Not Listening To Taxpayers In Hearings Leaves Potential Problems And Inequities In Place
- Unfair To Taxpayers

10 Sure Ways to "Wreck" Your CAMA System!

- # 10: Using Your CAMA System In Any Way Other Than It Was Intended To Be Used



Why Using System "Inappropriately" Is A Problem

- Using System In "Creative" Ways
NOT A Good Idea
- Remember Property Appraisal Principles Are "Universal"
- Need To Use Proper Procedures To Value Property
- Use CAMA As Designed & Intended
- Accuracy, Fairness And Equity Issues For Taxpayers In Your County

Exemptions, State Questions, And Other Interesting Things

Kenny Chuculate

Exemptions

- Real or personal property
- Exempt by Constitution
- Authorized by statute

Determination

- Ownership
- Use of the property
- Used exclusive and directly
- Strictly construed
- Burden of proof is on the taxpayer

Common Exemptions

- Federal property
- State property
- County property
- City property
- Schools

Common Exemptions, Continued

- Religious property
- Charitable property
- Free Museums
- Homestead Exemptions
- 100% disabled veterans

100% Disabled Veteran's Exemption

- SQ-715 effective 2006
- 100% FCV of homestead property
- Household personal property effective 2009
- 100% service connected disability
- Certified by USDVA

100% Disabled Veteran's Exemption, Continued

- Must have official letter
- Surviving spouse may qualify
- 16,228 total exemptions in 2010
- \$15.5 M exempt
- No Application date, must be current year

The “Three Amigos,” 1997

- SQ-675 Uniform assessment percentage
- SQ-676 5% Cap
- SQ-677 Senior “Freeze”

Manufactured Homes

- Assessment rolls since 1985
- 64,000 personal property
- 90,000 real property
- 161,000 statewide
- MH Quick Reference Guide
- OTC Motor Vehicle Website

QUESTIONS...

- Thought For The Day:
 - It's Ok to throw out your steering wheel as long as you remember that you are driving without one.

Ad Valorem Timetable

Kenny Chuculate

Ad Valorem Calendar

- Constitutional
- Statutory

Affected Persons

- Taxpayers
- Assessor
- CBOE
- SBOE
- Excise Board
- Treasurer
- All taxing jurisdictions

Important Dates

- January 1 Assessment date
- March 15 rendition period ends
- March 31 Second half of tax due
- April 1 CBOE in session*
- May 31 CBOE adjourns*

Important Dates, Continued

- June 20 Abstracts due
- July 1 Excise board meets
- October 1 Tax roll due
- November 1 Tax bills sent
- December 31 first half of tax due

BUSINESS PERSONAL PROPERTY

Presented By the
Oklahoma Tax Commission
Ad Valorem Division
Jeff Spelman, CAE Director
Personal Property Section
Larry Rawlings, Manager
January 20, 2011

A Little Different Bird

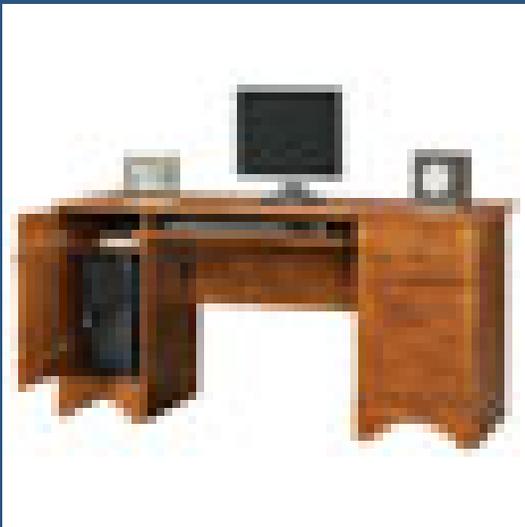


Personal Property Categories

- FIXED ASSETS
- INVENTORIES
- LEASED EQUIPMENT
- EXEMPT PROPERTY

FIXED ASSETS

- Furniture and Fixtures



FIXED ASSETS

- Electronic Equipment



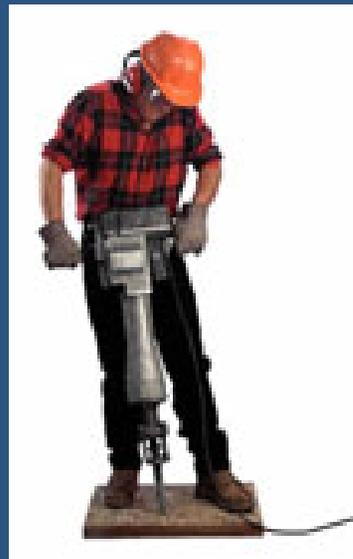
FIXED ASSETS

- Computer Equipment



FIXED ASSETS

- Tools



FIXED ASSETS

- Machinery and Equipment





INTIMIDATION

NO ONE CAN MAKE YOU FEEL INFERIOR WITHOUT YOUR CONSENT,
BUT YOU'D BE A FOOL TO WITHHOLD THAT FROM YOUR SUPERIORS.

www.despair.com

INVENTORIES

- Office Supplies



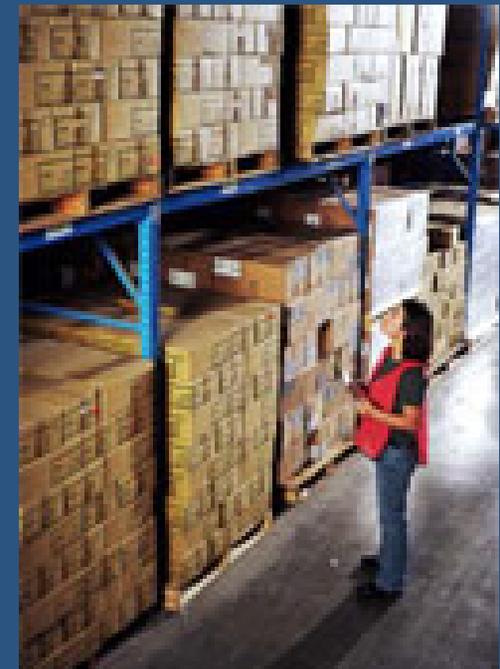
Inventories

- Raw Materials



INVENTORIES

- Finished Goods



LEASED EQUIPMENT

- Taxable to the Lessor (Owner).
- Even if leased to a Exempt entity, school, hospital, government.

EXEMPT PROPERTY

- Must be specifically exempted by Oklahoma law.
 - Cash
 - Accounts receivable
 - Government –Federal and Oklahoma
 - Public Schools
 - Religious
 - Hospitals
 - Freeport Exemption

IN-LIEU OF AD VALOREM TAX

- LICENSED VEHICLES



- GROSS PRODUCTION TAX



AD VALOREM DIVISION

- SCHEDULE'S
 - Assist in valuation of assets.
- GUIDE'S (Square Foot Manual)
 - Blue book of asset rate's.
- FORM'S
 - Uniformity in taxation.



LIMITATIONS

UNTIL YOU SPREAD YOUR WINGS,
YOU'LL HAVE NO IDEA HOW FAR YOU CAN WALK.

www.despair.com

OTC, AD VALOREM web site
www.tax.ok.gov

■ QUESTIONS and ASSISTANCE
on PERSONAL PROPERTY

Larry Rawlings
405.319.8200

Public Service

Assessor Orientation

Public Service Section

Mike Isbell, Administrator

Ata Babak, Supervisor

Vicki Duncan Milton Hall

Jerry Kirton

Statutory References

Title 68 Revenue & Taxation

Section 2808 - Definition

Section 2847 - Valuation & Assessment

Section 2857 - Failure or Refusal to File

Section 2858 - Findings to S.B.O.E.

Section 2859 - Duties, Power &
Authority

Section 2860 - Certification of Assessed
Values

2010 Activity

247 Companies Valued

12.9b Fair Cash Value Certified

2.8b Assessed Value

284.7m Tax Dollars (Estimated)

Industries Centrally Valued

Airline

Electric

Fluid Pipeline

Gas Distribution

Gas Transmission

Railroad

Telecommunication

Video Services Provider

Water

Central or Local

- If we value the company centrally - none of that company should be filed at the county level



Central or Local?







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 of the electric generation is different than the ownership of the transmission and/or distribution



Electric Generation & Transmission



Central Valuation

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 S 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

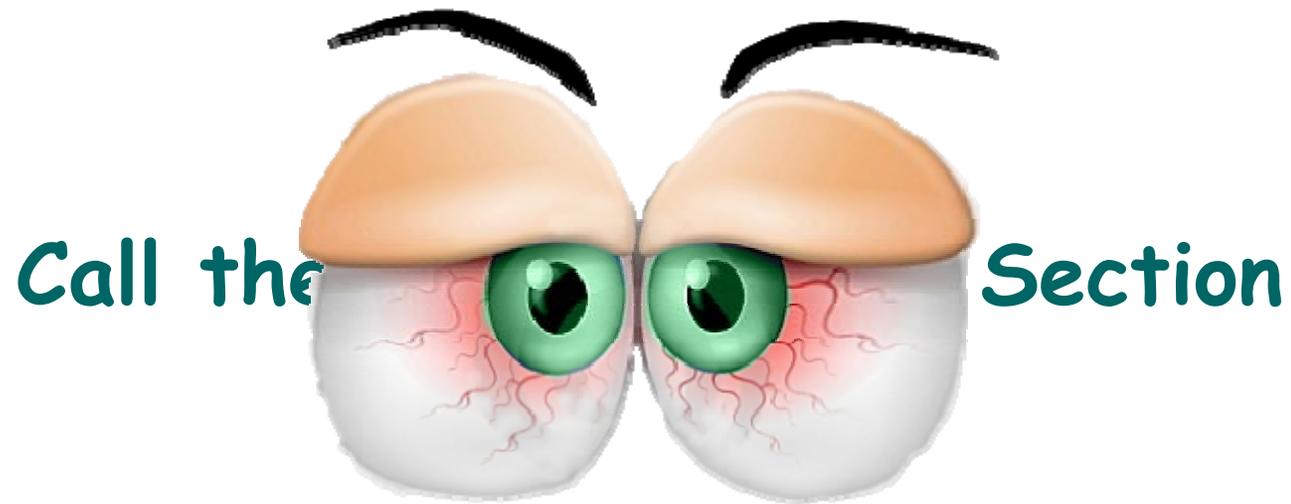
... B. As used in the Ad Valorem Tax Code, "transmission company" and "public service corporation" *shall not be construed to include* cable television companies ...

Cable Television - specifically exempt per Statute

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



If you can't make a determination



Unit (System) Valuation Methodology

- We value the company as a whole, the going concern
- the synergistic value of the component parts
- The value created by, and resulting from, the combined operation of all its parts as a unit is something that does not exist until that combination is formed.

Supplementing our Forms Are

- Audited Financial Statements
- State & Federal Regulatory Reports
- Shareholder Reports
- Security & Exchange Reports

Indicators of Value

Income Approach

Cost Approach

Stock & Debt Approach

Fair Cash Value

- Presented to the S.B.O.E. the third Monday in June
- Proper assessment ratio attached
- Notice of certification sent to all centrally valued companies, beginning 20 day protest period

Assessment Ratios

Airline & Railroad	11.84%
Video Services Provider	12.00%
Public Service Companies (Electric, Fluid Pipeline, Gas Distribution, Gas Transmission, Telecommunication, Water)	22.85%

Assessed Values to the Counties

- With the expiration of the protest period and adding three days for the mail, assessed values are sent out to the counties by the S.B.O.E.

On receipt the Assessor should have

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

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).
- T506 WWC License, LLC
Acquired January 9, 2009 and merged into (T504) Verizon Wireless dba Cellco Partnership

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

TAX YEAR 2010

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

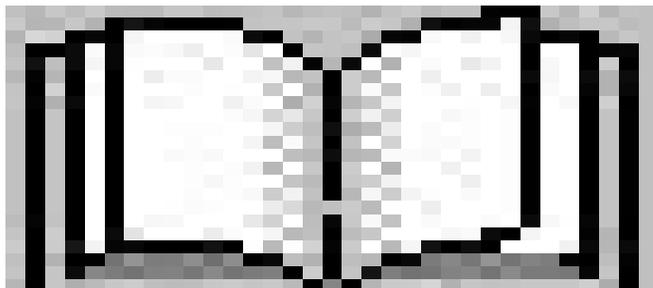
OTC AD VALOREM REFERENCE NUMBER	COUNTY SCHOOL DISTRICT NUMBER	CITY / TOWN / RFPD NAME OR RURAL	COUNTY JOINT DISTRICT	CAREER TECH NUMBER	ASSESSED VALUE
COUNTY: CIMARRON (13)					
COMPANY: RED ROCK INTERSTATE GAS COMPANY (G414)					
AGENT: JOE WALSH					
P O BOX 4372					
HOUSTON TX 77210 4372					
719-555-3355					
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					
13/568/00/0000	JL-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
--------------------------	---	-------------------------

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		16.692 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.
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.



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 SITUS PROPERTY IN OKLAHOMA
T017	ALTELL LLC	DELETION - PURCHASED AND MERGED INTO (T504) 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 (T504) 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. (T268)
T323	OKLAHOMA RSA #4 SOUTH PARTNERSHIP	DELETION - PURCHASED AND MERGED INTO (T504) CELLCO PTNRSH. (VERIZON WIRELESS)
T375	POPLAR PCS	DELETION - NO PROPERTY IN OKLAHOMA
T425	EXCEL PIPELINE LLC	NEW - NEW PUBLIC SERVICE COMPANY
T467	TELETOUCH COMM.	DELETION - NO PROPERTY IN OKLAHOMA
T479	TELMEX USA LLC	NEW - NEW PUBLIC SERVICE COMPANY
T506	WWC LICENSE	DELETION - PURCHASED AND MERGED INTO (T504) CELLCO PTNRSH. (VERIZON WIRELESS)
V349	PANHANDLE TELECOMM. SYSTEMS, INC	NEW - NEW SUBCLASS OF PUBLIC SERVICE CORPORATION; VIDEO SERVICE PROVIDER
V460	SOUTHWESTERN BELL TELEPHONE CO/SWBT PURCHASING & LEASING LP	NEW - NEW SUBCLASS OF PUBLIC SERVICE CORPORATION; VIDEO SERVICE PROVIDER
W070	CORRAL KREEK WATER CO	NEW - NEW PUBLIC SERVICE COMPANY

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

What Should the Assessor Do?

Read County Review Worksheet, see what happened

Compare current and previous years assessed values and 913D's

Call Public Service Section if you need more of an explanation

The Time Table for Public Service

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

School District Maps

www.csa.ou.edu

Data Products & Tools
Maps

Questions?



Five Year Exempt Manufacturing

Ad Valorem Division
Oklahoma Tax Commission

Introduction

- Patty Heath, Paula Gibson, Doug Brydon & Larry Rawlings
- Personal Property Section

History

- SQ 588 - April 1985
- Constitutional Exemption
- Provided for Broad Legislative Role
- Qualifying Manufacturers Defined by Legislature
- Oklahoma Statutes Title 68 Section 2902

Purpose

- Economic Development Incentive
- Manufacturing/ Research & Development
- New or Expanded Facilities
- Employment/ Job Creation

Economic Development Tool

- Provided for Manufacturing Exemption
- Reimbursement to Local Governments & Schools

Current Qualifications

- \$250,000 Investment of qualifying acquisitions
- Payroll increase of \$250,000 in counties with less than 75,000 population
- Payroll increase of \$1,000,000 in counties with more than 75,000 population

Application Process

- Industry Applies to County Assessor by March 15
- Approval or Disapproval by County Assessor and County Board of Equalization
- County submits application to Oklahoma Tax Commission by June 15

Processing of Applications

- Desk Audit
- Payroll & Full-Time Employee count verified with OESC
- New applications are scheduled for physical inspection for qualifying assets used directly and exclusively in manufacturing

710:10-7-18,19,20

- Proper Designations must be made on assessment rolls & tax rolls
- Send tax statements to Oklahoma Tax Commission for ALL accounts

Reimbursement Growth

- 1986 \$143,257
 - 7 Counties
 - 9 Applications
- 2010 \$32,966,928
 - 46 Counties
 - 360 Applications

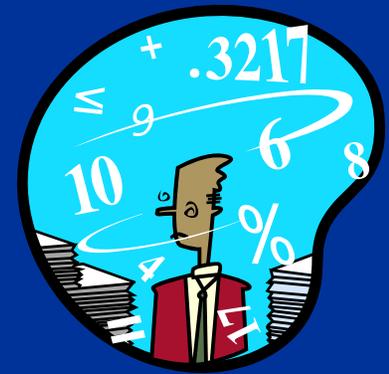
QUESTIONS????????????????

STATISTICAL AND TECHNICAL SUPPORT



TERESA STRAWTHER

TERESA WOOD



WE'RE THE NUMBERS PEOPLE

- CAN'T DO OUR JOB WITHOUT YOU
- APPRECIATE YOUR HELP
- TRY TO SAVE YOU WORK



STATISTICAL & TECHNICAL SUPPORT SECTION REPORTS

- OTC FORM 917-B – ABSTRACT OF VALUATION & ASSESSMENT
- OTC FORM 923 – REPORT OF HOMESTEAD EXEMPTION
- OTC FORM 993 – REPORT OF NET ASSESSED VALUATION & MILLAGE



STATISTICAL & TECHNICAL SUPPORT SECTION REPORTS

- S. A. & I. FORM 2633 – COUNTY TAX LEVIES
- FORMS 969 & 916 – CLAIM FOR REIMBURSEMENT FOR ADDITIONAL HOMESTEAD EXEMPTIONS
- PROGRESS REPORT ON COUNTY VISUAL INSPECTION PROGRAMS



FORM 917-B

- **SIXTH YEAR**
- **FRONT COMPLETELY BLANK**
- **PROGRAM PRINTS ENTIRE FRONT OF ABSTRACT**
- **ON THE BACK**
 - **PERSONAL PROPERTY DEFINITIONS**
 - **SIGNATURE LINE FOR ASSESSOR**
 - **CERTIFICATION BY STATE AUDITOR**



OTC Form 917-B

ABSTRACT PERSONAL PROPERTY DEFINITIONS

1. Manufacturing and Processing (Other than Oil and Gas): Industry and product that is not Hydrocarbon based.
2. Refineries, Gasoline Plants, Gathering and Compression: Hydrocarbon based property engaged specifically in the gathering and compression of product, or the refining and development of a finished good for consumption by end-user.
3. Other Oil, Gas and Mining Property: All mining property, all other hydrocarbon property not included on line item #2 above, would be inclusive of tank farms or other storage facilities.
4. Business Inventories (gross): Would be inclusive of Freeport inventory, defined as that property carried as product for the consumer and inclusive of any percentage completed of work in progress.
5. Business Furniture, Fixtures and Equipment: Property used by the business in everyday operations. Should include all other operational property not reported on line items 1 through 4.
6. Manufactured Homes on Land owned by others.
7. Improvements on Leased Land and Leasehold Improvements: Capital improvements on property owned by others.
8. Livestock and Animals: All types.
9. Farm Tractors and Equipment: All types of farm tractors and related equipment.
10. Household Equipment and Other Personal Property: All household personal property, 0 if abolished (Article 10, Section 8a, Oklahoma Constitution).

NOTICE: ANY INQUIRES REGARDING THIS FORM SHOULD BE MADE TO THE OKLAHOMA TAX COMMISSION.

I do hereby certify that this abstract is a true and correct statement of all property valued and assessed for taxation as fixed by the County Board of Equalization and shown by the records in my office this _____ day of _____, 20____.

_____ County Assessor

_____ County, Oklahoma

I do hereby certify that this abstract is a true and correct statement of all property valued and assessed for taxation as fixed by the State Board of Equalization and subscribe my name and affix the seal of my office this _____ day of _____, 20____.

(Seal) _____ State Auditor and Inspector

FORM 917-B

■ LASER PRINTER

■ TEXT

■ NUMBERS

■ BOXES

■ DATA MUST BE ON CARDSTOCK AND ON THE SAME FORM WITH ASSESSOR'S SIGNATURE

OTC Form 917-B
Revised 2006

ANNUAL ABSTRACT OF VALUATION AND ASSESSMENT FOR MAJOR COUNTY, 2006

PERSONAL PROPERTY		Fair Cash Valuation	Fractional Assessment Percentage Applied	Gross Assessed Valuation
1	Manufacturing and Processing (other than Oil and Gas)			
2	Refineries, Gasoline Plants, Gathering and Compression			
3	Other Oil, Gas and Mining Property			
4	Business Inventories (gross)			
5	Business Furniture, Fixtures and Equipment			
6	Manufactured Homes on Land Owned by Others			
7	Improvements on Leased Land and Leasehold Improvements			
8	Livestock and Animals			
9	Farm Tractors and Equipment			
10	Household Equipment and Other Personal Property			
11	Total Personal Property Valuation			
12	Less Freeport Exemption			
13	Net Personal Property Valuation			
14	Valuation Penalty			
15	Less Veterans Exemption			
16	Less Head-of-Household Exemption			
17	Less Manufactured Homes on Leased Land Additional Exemptions			
18	Net Assessed Valued Personal Property Subject to Tax			

REAL PROPERTY		Taxable Fair Cash Valuation	Number	Gross Assessed Valuation
Manufactured Homes				
Disabled Veteran Exemptions				
Taxable Fair Cash Valuation		Fractional Assessment % Applied	Gross Assessed Valuation	
Real Estate			Real Estate	
Improvements			Improvements	
19	Residential Urban			
20	Residential Rural			
21	Commercial/Industrial Urban			
22	Commercial/Industrial Rural			
23	Agriculture Urban			
24	Agriculture Rural			
25	Subtotals Real Estate and Improvements (lines 19 through 24)			
26	Less Homestead Exemption			
27	Less Additional Homestead Exemption			
28	Less Disabled Veteran Exemption			
29	Net Assessed Locally Valued Real Property Subject to Tax			
30	Total Net Assessed Locally Valued Property Subject to Tax (line 18 + line 29 + line 30)			

OTC Form 917-B

ABSTRACT PERSONAL PROPERTY DEFINITIONS

- Manufacturing and Processing (Other than Oil and Gas): Industry and product that is not Hydrocarbon based.
- Refineries, Gasoline Plants, Gathering and Compression: Hydrocarbon based property engaged specifically in the gathering and compression of product, or the refining and development of a finished good for consumption by end-user.
- Other Oil, Gas and Mining Property: All mining property, all other hydrocarbon property not included on line item #2 above, would be inclusive of tank farms or other storage facilities.
- Business Inventories (gross): Would be inclusive of Freeport inventory, defined as that property carried as product for the consumer and inclusive of any percentage completed of work in progress.
- Business Furniture, Fixtures and Equipment: Property used by the business in everyday operations. Should include all other operational property not reported on line items 1 through 4.
- Manufactured Homes on Land owned by others.
- Improvements on Leased Land and Leasehold Improvements: Capital improvements on property owned by others.
- Livestock and Animals: All types.
- Farm Tractors and Equipment: All types of farm tractors and related equipment.
- Household Equipment and Other Personal Property: All household personal property, 0 if abolished (Article 10, Section 8a, Oklahoma Constitution).

NOTICE: ANY INQUIRES REGARDING THIS FORM SHOULD BE MADE TO THE OKLAHOMA TAX COMMISSION.

I do hereby certify that this abstract is a true and correct statement of all property valued and assessed for taxation as fixed by the County Board of Equalization and shown by the records in my office this _____ day of _____, 20____.

County Assessor

County, Oklahoma

I do hereby certify that this abstract is a true and correct statement of all property valued and assessed for taxation as fixed by the State Board of Equalization and subscribe my name and affix the seal of my office this _____ day of _____, 20____.

(Seal) _____ State Auditor and Inspector

FORM 917-B

- **CERTIFIED BY THE STATE BOARD OF EQUALIZATION**
- **COUNTY BUDGETS ARE BASED ON ABSTRACT FIGURES**
- **USED FOR LEGISLATIVE REQUESTS**
- **REPORTED IN THE VISUAL INSPECTION PROGRESS REPORT**



FORM 923

REPORT OF HOMESTEAD EXEMPTION

■ **COMPUTERIZED REPORT**

■ **SAME LAYOUT**

■ **SAME DATA**

Annual Report of Homestead Exemption

Time: 8:58AM

RECEIVED

JUN 12 2006

OKLAHOMA TAX COMMISSION
Ad Valorem Div.

State of Oklahoma, Latimer County
I, the undersigned County Assessor, do hereby certify that the following is a true and correct report of all the Homesteads exempt from taxation in the county of Latimer, for the year 2006. As fixed by the County Board of Equalization and shown by the records in my office.

Classification of Homestead	Number of Homesteads	Acres or Lots Allowed Homestead	Assessed Value Before Homestead	Amount of Homestead Allowed	Net Assessed Value of Homestead
RURAL EXEMPT	1,751	49,032.15	6,788,932	1,696,527	4,924,250
RURAL DBL	201			168,155	
URBAN EXEMPT	547	824.27	1,993,563	537,305	1,356,647
URBAN DBL	116			99,611	
TOTAL ----->	2,615	49,856.42	8,782,495	2,501,598	6,280,897

R u r a l					U R B A N				
School District	Number of Base H.S.	Amount of Base H.S.	Number of Dbl. H. S.	Amount of Dbl. H. S.	School District	Number of Base H. S.	Amount of Base H. S.	Number of Double H.S.	Amount of Double H.S.
I-1 CITY	0	0	0	0	I-1 CITY	420	413,482	90	77,160
I-1 RURAL	573	562,396	45	39,009	I-1 RURAL	0	0	0	0
I-2 CITY	0	0	0	0	I-2 CITY	127	123,823	26	22,451
I-2 RURAL	174	171,555	18	14,764	I-2 RURAL	0	0	0	0
I-3 BUFFALO VAL	345	328,605	57	50,788	I-3 BUFFALO VAL	0	0	0	0
I-4 PANOLA	340	334,988	37	30,044	I-4 PANOLA	0	0	0	0
J-16 LEFLORE	116	109,651	19	14,539	J-16 LEFLORE	0	0	0	0
J-39 FANSHAWE	13	13,000	1	1,000	J-39 FANSHAWE	0	0	0	0
J-52 TALIHINA	36	35,628	2	1,644	J-52 TALIHINA	0	0	0	0
JD-2 ALBION	4	4,000	0	0	JD-2 ALBION	0	0	0	0
JD-4 PUSH.	1	1,000	1	722	JD-4 PUSH.	0	0	0	0
JHI-1 HARTSHORN	143	135,704	21	15,645	JHI-1 HARTSHORN	0	0	0	0
JI-28 CROWDER	0	0	0	0	JI-28 CROWDER	0	0	0	0
TOTAL	1,751	1,696,527	201	168,155		547	537,305	116	99,611

In testimony whereof, hereunder subscribe my name this 7 *Day of* June, 2006
 County Assessor [Signature] *Date* 12-7-06 *County* Latimer

FORM 923

REPORT OF HOMESTEAD EXEMPTION

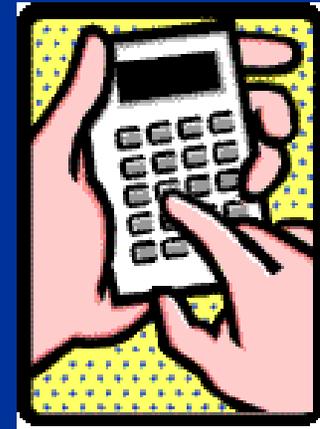
- **USED FOR**
 - **ADDITIONAL HOMESTEAD EXEMPTION REIMBURSEMENT**
 - **LEGISLATIVE REQUESTS**
 - **REVENUE IMPACT STUDIES**



S. A. & I. FORM 2633 - COUNTY TAX LEVIES

■ USED FOR

- CALCULATING AVERAGE COUNTY LEVY
- AUDITING REIMBURSEMENT CLAIM FOR ADDITIONAL HOMESTEAD EXEMPTION
- AUDITING OTC FORM 993/ TAX ROLL ABSTRACT
- LEGISLATIVE AND OTHER REQUESTS



FORM 993

REPORT OF NET ASSESSED VALUATION AND MILLAGE

- SAME DATA AS TAX ROLL ABSTRACT
- VALUES, LEVIES & TAXES BY TAXING JURISDICTION
- AD VALOREM REFERENCE #
 - COUNTY
 - SCHOOL DISTRICT
 - VO-TECH
 - RURAL OR CITY

OTC FORM #993 County # 01

COUNTY ASSESSOR'S REPORT OF NET ASSESSED VALUATION AND MILLAGE

FOR THE TAXABLE YEAR 2008
ADAIR COUNTY, STATE OF OKLAHOMA

To the County Assessor: The following is a full and correct report of net assessed valuation and millage as certified by the county treasurer for the current taxable year. It is to contain the net total valuations, separately stated as to personal and real property. Each taxing jurisdiction, by actual addition of tax roll entries with the applicable levies, shall be extended separately. These entries shall total as entered on the tax rolls as certified for collection on or before November 1 of the current tax year. (Ref. 68 O.S. 2001, Section 2842-C)

School Districts or Taxing Entities having Authorized Tax Levies	Class	Net Assessed Valuations	Millage Levies	Total Tax Calculated for Collection
School District # and Name D-1 SKELLEY	Pers			
ADV Reference No. 01-001-04-0000 Co. SD Code # 1	Real			
Vo-Tech City Name 04 RURAL Special Joint County	PS			
School District # and Name I-4 WATTS	Pers			
ADV Reference No. 01-002-04-0000 Co. SD Code # 4A	Real			
Vo-Tech City Name 04 RURAL Special Joint County	PS			
School District # and Name I-4 WATTS	Pers			
ADV Reference No. 01-002-04-1776 Co. SD Code # WATTS4	Real			
Vo-Tech City Name 04 WATTS Special Joint County	PS			
School District # and Name I-11 WESTVILLE	Pers			
ADV Reference No. 01-003-04-0000 Co. SD Code # 11A	Real			
Vo-Tech City Name 04 RURAL Special Joint County	PS			
School District # and Name I-11 WESTVILLE	Pers			
ADV Reference No. 01-003-04-1806 Co. SD Code # WST11	Real			
Vo-Tech City Name 04 WESTVILLE Special Joint County	PS			
School District # and Name D-10 PEAVINE	Pers			
ADV Reference No. 01-005-04-0000 Co. SD Code # 19	Real			
Vo-Tech City Name 04 RURAL Special Joint County	PS			
School District # and Name D-22 MARYETTA	Pers			
ADV Reference No. 01-006-04-0000 Co. SD Code # 22	Real			
Vo-Tech City Name 04 RURAL Special Joint County	PS			
School District # and Name D-24 ROCKY MOUNTAIN	Pers			
ADV Reference No. 01-007-04-0000 Co. SD Code # 24	Real			
Vo-Tech City Name 04 RURAL Special Joint County	PS			

Page 1 R:\citylevnetasd.mdb\bits

FORM 993

REPORT OF NET ASSESSED VALUATION AND MILLAGE

■ **COMPUTERIZED
VERSION**

■ **SAME LAYOUT &
DATA**

■ **ASSESSOR JUST
PRINTS & SIGNS**

COUNTY ASSESSOR ABSTRACT OF TAX ROLLS FOR THE TAXABLE YEAR 2006
Alfalfa County, State of Oklahoma

Page 2 of 3

To the County Clerk: The following is a true and correct ABSTRACT of the Original Tax Rolls of the aforesaid County and State and for the aforesaid Taxable Year, showing the total valuation, exclusive of homestead exemptions, separately stated as to personal (including bodies corporate) and real, with the amount of tax extended against each separately stated as to each Taxation Unit, ascertained by actual addition of tax roll entries and items, together with the several rates of levy as to each on the basis of which such extensions were made; and finally, the aggregate or grand total thereof entered on the tax rolls of said County for said year, to-wit:

TAX ROLL UNIT School Districts or parts of Districts having Uniform Tax Levies	TAX COMPUTATION CONTROL			Variance (Tax Gain or Loss)	Total Tax Extended on Tax Rolls	Special Assessments	GRAND TOTAL EXTENDED ON TAX ROLLS Total Charge to County Treasurer (Enter on one roll for tax for Taxation Unit)
	Valuable Valuations on Tax Rolls	Total Levies Applied	Total Tax Computed				
B3-Timberlake 02-015-00-0000	Personal	2,656,339	66,850000 ✓	177,576.26	1.16	177,577.42	763,018.80
	Real	6,607,002		441,678.08	8.90	441,686.98	
	Pub. Service	2,150,401		143,754.31	0.09	143,754.40	
Jet City 02-015-00-0863	Personal	152,023	66,850000 ✓	10,162.74	0.10	10,162.84	44,760.42
	Real	356,444		23,828.28	1.22	23,829.50	
	Pub. Service	161,078		10,768.06	0.02	10,768.08	
J1-Ringwood-M 02-360-10-0000	Personal	47,709	90,050000 ✓	4,296.20	0.00	4,296.20	10,500.26
	Real	37,849		3,408.30	0.06	3,408.36	
	Pub. Service	31,046		2,795.69	0.01	2,795.70	
Carmen City 02-617-10-0275	Personal	123,970	75,850000	9,403.12	0.08	9,403.20	55,935.24
	Real	504,792		38,288.47	2.13	38,290.60	
	Pub. Service	108,654		8,241.41	0.03	8,241.44	
J1-Woods-W 02-617-10-0000	Personal	1,270,674	75,850000	96,380.62	0.24	96,380.86	363,162.18
	Real	2,491,395		188,972.31	2.63	188,974.94	
	Pub. Service	1,025,792		77,806.32	0.06	77,806.38	
J3-Grant 02-225-00-0000	Personal	2,542	56,560000 ✓	143.78	0.00	143.78	6,479.64
	Real	97,024		5,487.68	0.12	5,487.80	
	Pub. Service	14,594		848.06	0.00	848.06	
Aline City 02-362-10-0027	Personal	192,209	74,790000 ✓	14,375.31	0.05	14,375.36	46,844.62
	Real	297,534		22,252.57	1.13	22,253.70	
	Pub. Service	136,590		10,215.57	0.01-	10,215.56	
J4-Aline-M 02-362-10-0000	Personal	1,870,640	74,790000 ✓	139,905.17	0.41	139,905.58	291,542.18
	Real	1,344,140		100,528.23	1.25	100,529.48	
	Pub. Service	683,341		51,107.07	0.05	51,107.12	
J42-Garfield 02-195-00-0000	Personal	9,658	55,220000 ✓	533.31	0.01	533.32	976.42
	Real	8,024		443.09	0.01	443.10	
	Pub. Service	0		0.00	0.00	0.00	

OTC FORM 993 REPORT OF NET ASSESSED VALUATION AND MILLAGE

■ USED FOR

- LEGISLATIVE REQUESTS
- REVENUE IMPACT STUDIES



■ DATA BY TAXING JURISDICTION

- PROPERTY VALUES BY CLASS
- LEVIES
- TAXES CALCULATED FOR COLLECTION



FORMS 969 & 916

CLAIM FOR REIMBURSEMENT FOR ADDITIONAL HOMESTEAD EXEMPTION

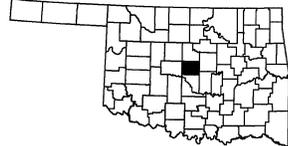
- REIMBURSEMENT FOR LOST REVENUE WHEN MONEY AVAILABLE
- LAST PAYMENT IN 2002 DUE TO LACK OF FUNDING
- ALMOST \$38 MILLION LOST REVENUE TO COUNTIES SINCE 2002



PROGRESS REPORT

(PROGRESS REPORT TO THE LEGISLATURE AND THE STATE BOARD OF EQUALIZATION ON COUNTY VISUAL INSPECTION PROGRAMS)

- ASSESSOR'S OFFICE/
STAFF INFORMATION
- COUNTY BOARD OF
EQUALIZATION
MEMBERS
- PROPERTY
VALUATIONS
- PARCELS
- HOMESTEADS

Oklahoma County Statistics				
Assessor / Office Information				
County:	Oklahoma	Co. # 55		
Assessor:	Leonard Sullivan			
Year appointed:	N/A	Year elected: 2004		
Years as Assr:	4	Yrs Empl in Assr Off: 4		
First deputy:	Larry Stein			
County Seat:	Oklahoma City			
Mailing Address:	320 Robert S. Kerr, #313, OKC, OK 73102			
E-mail address:	leosul@oklahomacounty.org			
Web site address:	oklahomacounty.org/assessor			
Telephone:	(405) 713-1201			
Fax:	(405) 713-1853			
Population:	680,815			
Area:	720 (sq miles)	460,800 (acres)		
Parcel Information				
Property Use Class	Vacant	Improved	Class Total	
Residential:	27,095	232,855	259,950	
Commercial:	4,047	16,044	20,091	
Agricultural:	1,536	1,302	2,838	
Exempt:	15,369		15,369	
Total Parcels:			298,248	
Total Personal Property Accounts:			33,872	
County Board of Equalization Members				
Name	Appointing Authority	Year		
James H. Harrod	County Commissioners	1998		
Donald W. Strube	District Judge	1998		
Frank Burns	Oklahoma Tax Commission	1976		
Assessor and Staff Information				
Current Staff		Staff Achieving Accreditation		Are the Assessor and First Deputy accredited in accordance with 68 O.S., Section 2316?
Full-Time	Part-Time	Init	Adv	
Office: 52	1	Full-Time: 8	59	Yes
Field: 25	0	Part-Time: 0	0	
Total: 77	1	Total: 8	59	
Change in Gross Assessed Valuations for Real Estate, Improvements and Personal Property				
2008 Real Prop:	\$4,231,912,893	2008 Pers Prop:	\$938,893,766	
2007 Real Prop:	\$3,937,136,936	2007 Pers Prop:	\$895,626,168	
Incl/Dec:	\$294,775,957	Incl/Dec:	\$43,267,598	
Change:	7.49%	Change:	4.83%	
Fractional Assessment %				
Property Class	Real Prop	Pers Prop		
Residential:	11.00	13.75		
Commercial:	11.00	13.75		
Agricultural:	11.00	13.75		
Homestead Information				
Rural		Urban		
Base number:	3,695	Base number:	117,216	
Additional number:	155	Additional number:	8,827	
Compliance				
County is in substantial compliance with the Annual Valuation requirement.				

PROGRESS REPORT

- BUDGETS
- REIMBURSEMENTS
- GENERAL INFO ON VISUAL INSPECTION PROJECT
- PERSONAL PROPERTY INFORMATION

Oklahoma cont'd

COUNTY ASSESSOR BUDGET INFORMATION

FISCAL YEAR 2007 EXPENDITURES

General Fund:		\$2,193,245	Visual Inspection:		\$2,718,783
---------------	--	-------------	--------------------	--	-------------

General Operating Budget					Visual Inspection Budget				
FY	Requested	Approved	% of Total	% of Local	FY	Requested	Approved	% of Total	% of Local
04-05	\$2,124,218	\$2,124,218	43.96%	43.96%	04-05	\$2,707,777	\$2,707,777	56.04%	56.04%
05-06	\$2,259,826	\$2,152,923	43.92%	43.92%	05-06	\$2,824,234	\$2,748,624	56.08%	56.08%
06-07	\$2,296,873	\$2,229,310	43.75%	43.75%	06-07	\$2,907,298	\$2,865,798	56.25%	56.25%
07-08	\$2,329,132	\$2,254,331	43.43%	43.43%	07-08	\$2,998,280	\$2,936,515	56.57%	56.57%
08-09	\$2,369,551	\$2,248,649	42.65%	42.65%	08-09	\$3,098,374	\$3,023,175	57.35%	57.35%

Total Assessor Budget		
FY	Total Budget Gen / VI / OTC	Local Budget Gen / VI
04-05	\$4,831,995	\$4,831,995
05-06	\$4,901,547	\$4,901,547
06-07	\$5,095,108	\$5,095,108
07-08	\$5,190,846	\$5,190,846
08-09	\$5,271,824	\$5,271,824

Note:

2007 Reimbursements			
Additional Homestead Exemption		5-Year Tax Exempt Manufacturing	
Claim Amount	\$798,519	Claim Amount	\$9,102,141
Reimbursement Amount	\$0	Reimbursement Amount	\$9,102,141

Personal Property Information			
Abolished Household Personal Property Tax:	Yes	Use of OTC Approved Personal Property Forms (Series 901) exclusively:	No
Effective Year:	1996	Household Personal Property valued county-wide in accordance with 68 O.S. 2001, Sec. 2817-A	N/A

Visual Inspection Project, General			
Agricultural Properties:			
Use of SBOE-approved methodology:	Yes	Mappings:	
Year dollar per point approved:	1988	Adequate mapping resources in place:	Yes
Visual Inspection: (Year 2 of Fifth Cycle)		Using approved MPIN* system:	Yes
Vis Insp being done by - real prop:	Assessor & Staff	Capable of generating approved MPIN*:	Yes
Vis Insp being done by - pers prop:	Assessor & Staff	* Map Parcel Identification Number	
On schedule:	Yes	Sales File:	
If no, % complete:		Maintains an active sales file:	Yes
CAMA: (Computer-Assisted Mass Appraisal)		% of sales file (computer):	100
CAMA system currently in use:	Colorado Customware	% of sales file (manual):	0
Using OTC approved cama data cards:	Yes	Sales questionnaire mailed:	Yes
		% returned:	60

110

r:\citystat\prprpt\2007\prprpt07.mdb\ts

COUNTY VISUAL INSPECTION PROGRESS REPORT

- **SENT TO**
 - LEGISLATURE
 - STATE BOARD OF EQUALIZATION MEMBERS
 - ASSESSORS
 - OTHER INTERESTED PARTIES

- **DATA**
 - QUESTIONNAIRES
 - ABSTRACT
 - HOMESTEAD REPORT
 - REIMBURSEMENT CLAIMS
 - ADDITIONAL HOMESTEAD EXEMPTION
 - 5-YR TAX EXEMPT MANUFACTURING



QUESTIONS?



Mapping Session

**What Can I Use All
This Mapping For?**

Presented by Troy Frazier, OTC

**Troy Frazier, CMS
Cartographer
Ad Valorem Division**

Phone: (405) 319-8200

Facsimile: (405) 521-0166

E-mail: tfrazier@tax.ok.gov

Mailing Address:

PO Box 269060, Oklahoma City, Ok 73126-9060

We offer county visits, remote “TeamViewer” help sessions, phone help, and quarterly ArcView training at the CLGT computer lab in Stillwater. We supply you with all free mapping data we can find.

**Why do you map
and what can you
do with it?**

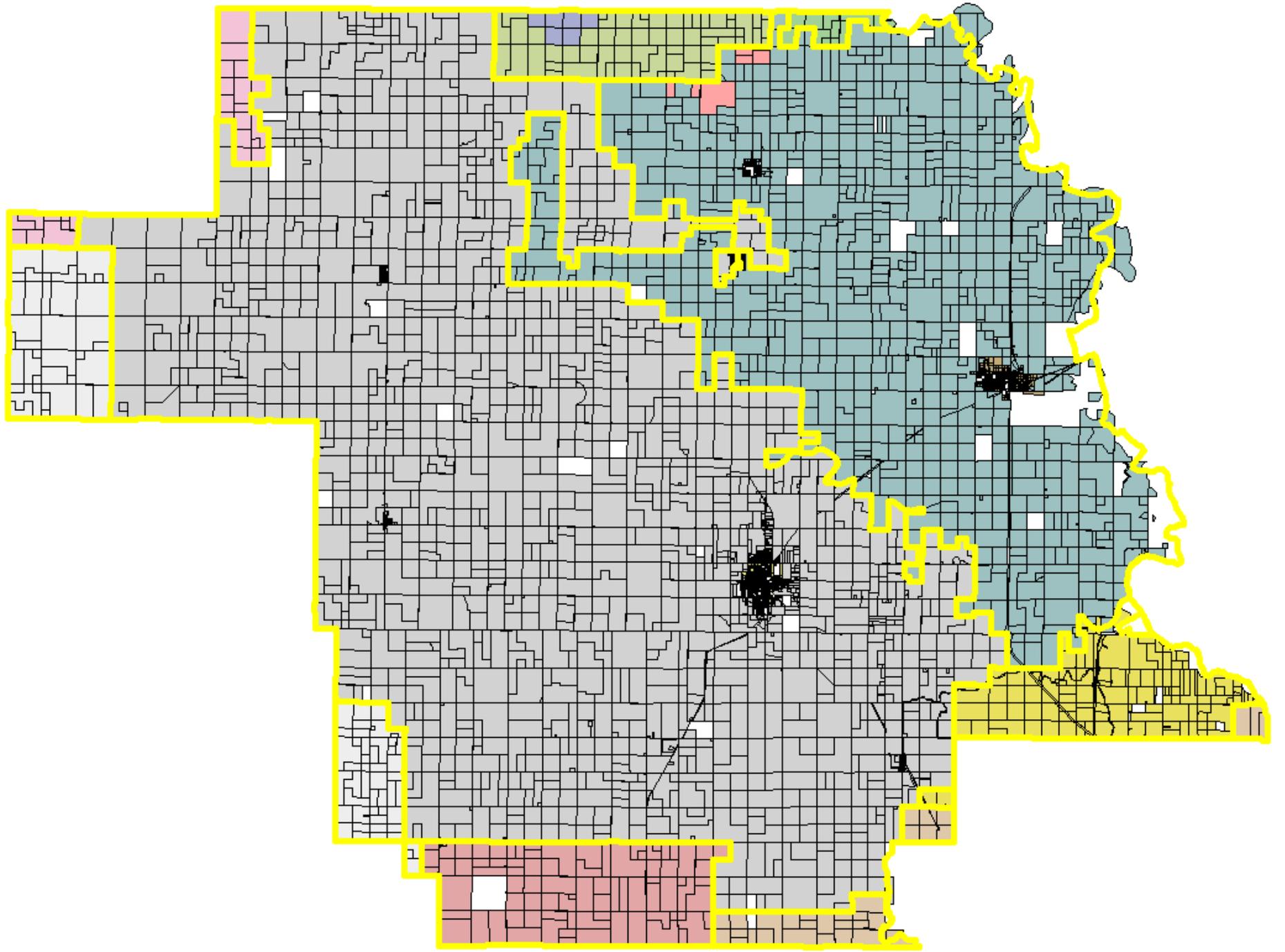
**Check School District
and City Codes on Parcels**

Title 68

Article 28. Ad Valorem Taxes

§2815.2. County Assessor Maintain Current Boundary Description of School Districts.

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

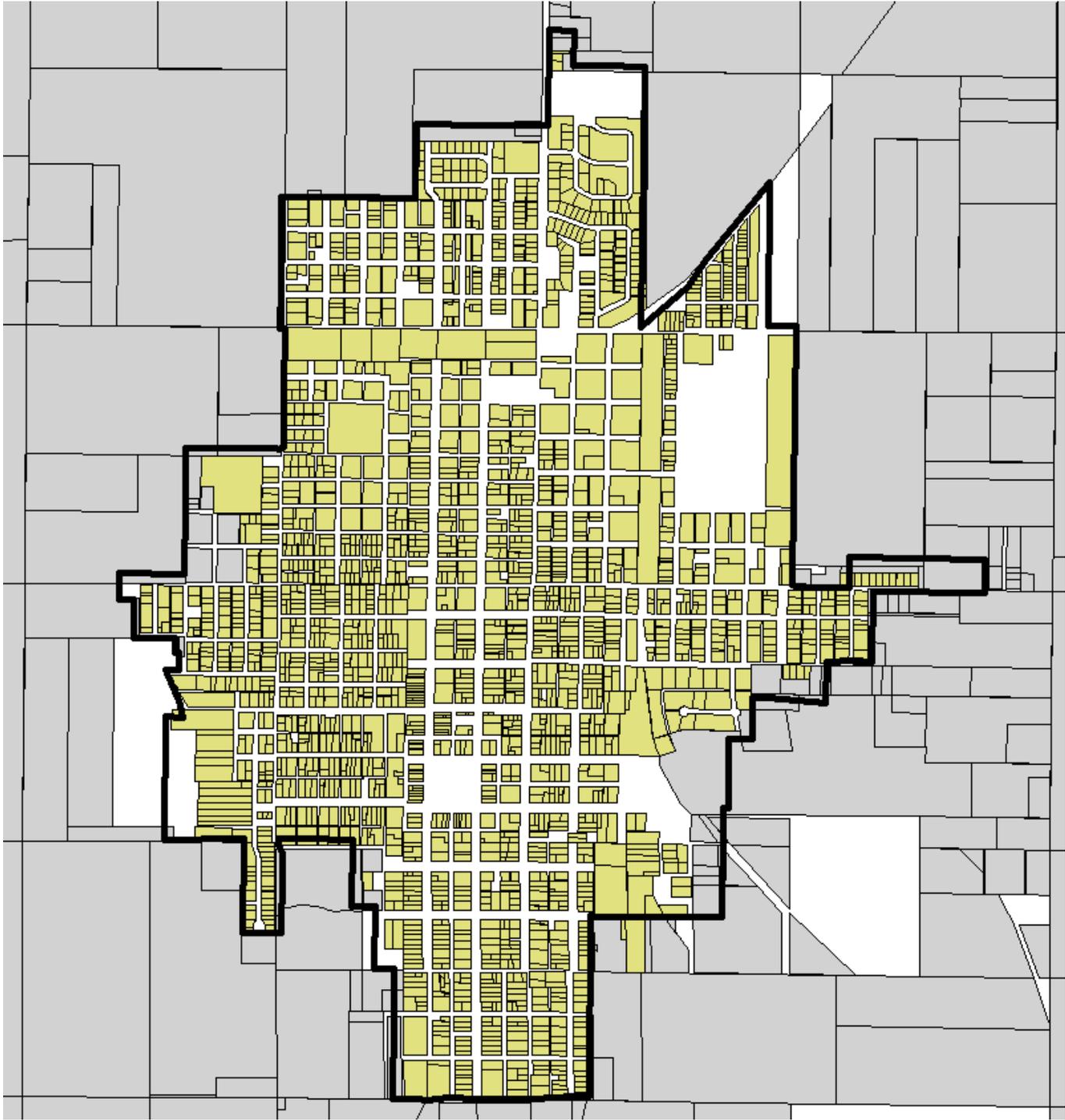


Title 11

Article 21. Cities and Towns

§21-112. Record Regarding Territory Annexed or Detached.

When any territory is annexed to or detached from a municipality, whether by ordinance or court order, the mayor shall file and record a duly certified copy of the ordinance or court order, together with an accurate map or plat of the territory, in the office of the county clerk of the county in which the territory, or the greater portion of it, is located and with the Ad Valorem Division of the Oklahoma Tax Commission. The record in the office of the county clerk shall be conclusive evidence of such annexation or detachment.



**Assist With Fair and
Equitable Valuation
of Property**

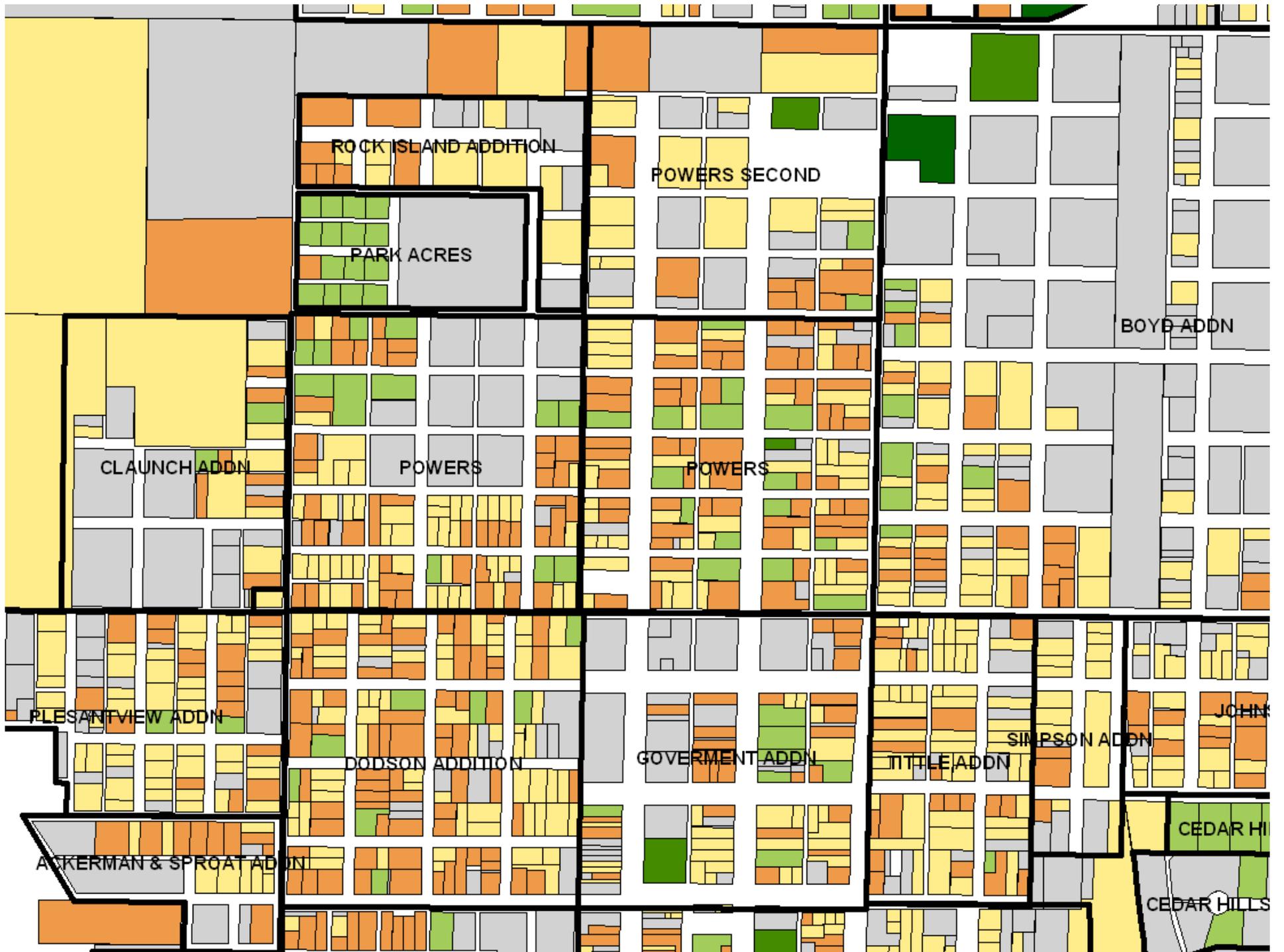
Title 68

Article 28. Ad Valorem Taxes

§2821. Physical Inspection of Real Property - Recording of Information – Comprehensive Sales File - **Drafting Facilities.**

- A.** Each county assessor shall cause real property to be physically inspected as part of the visual inspection cycle and shall require such examination as will provide adequate data from which to make accurate valuations.
- B.** The information gathered from the physical inspection shall be relevant to the type of property involved, its use category, the valuation methodology to be used for the property, whether the methodology consists of the cost approach, an income and expense approach or sales comparison approach, and shall be complete enough in order to establish the fair cash value of the property in accordance with accepted standards for mass appraisal practice.
- C.** Information gathered during the physical inspection shall be recorded using a standard method as prescribed by the Oklahoma Tax Commission in computerized or noncomputerized form. The information may include property ownership, location, size, use, use category, a physical description of the land and improvements or such other information as may be required.
- D.** In order to conduct the visual inspections of real property during the four-year cycle, **each county assessor shall acquire and maintain cadastral maps** and a parcel identification system. **The standards for the cadastral maps and the parcel identification system shall be uniform for each county of the state and shall be in such form as developed by the Ad Valorem Task Force.**
- E.** The county assessor shall maintain a comprehensive sales file for each parcel of real property within the county containing relevant property characteristics, sales price information, adjustments to sales price for purposes of cash equivalency, transaction terms and such other information as may be required in order to establish the fair cash value of taxable real property.

Each county assessor shall ensure that the office is equipped with adequate drafting facilities, tools, equipment and supplies in order to produce or update maps, sketches or drawings necessary to support the proper administration of the ad valorem tax and such other tools or equipment as may be required to perform duties imposed by law for the discovery and valuation of taxable property.



**Help With the Purchase
of Computer Hardware
and Software
(related to mapping)**

Title 68

Article 28. Ad Valorem Taxes

§2829.1. **County Assessor Fee Revolving Fund.**

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.

Title 28

Section 60. Ad Valorem Taxes

§60. County Assessor Fee Guide.

All county assessors **shall charge and collect the following flat fees** to be uniform throughout the state, and the county assessor shall not be required to itemize or charge these fees pursuant to any other schedule, except as specifically provided by law:

For furnishing all records available for copying; in paper form and in a size 8 1/2" x 14" or smaller, and in one color on white paper, per page the fee shall be as provided in the Oklahoma Open Records Act, Section 24A.1 et seq. of Title 51 of the Oklahoma Statutes;

For furnishing standard maps; in paper form and **in one color on white paper or blue line**, per map and in the following standard sizes when available:

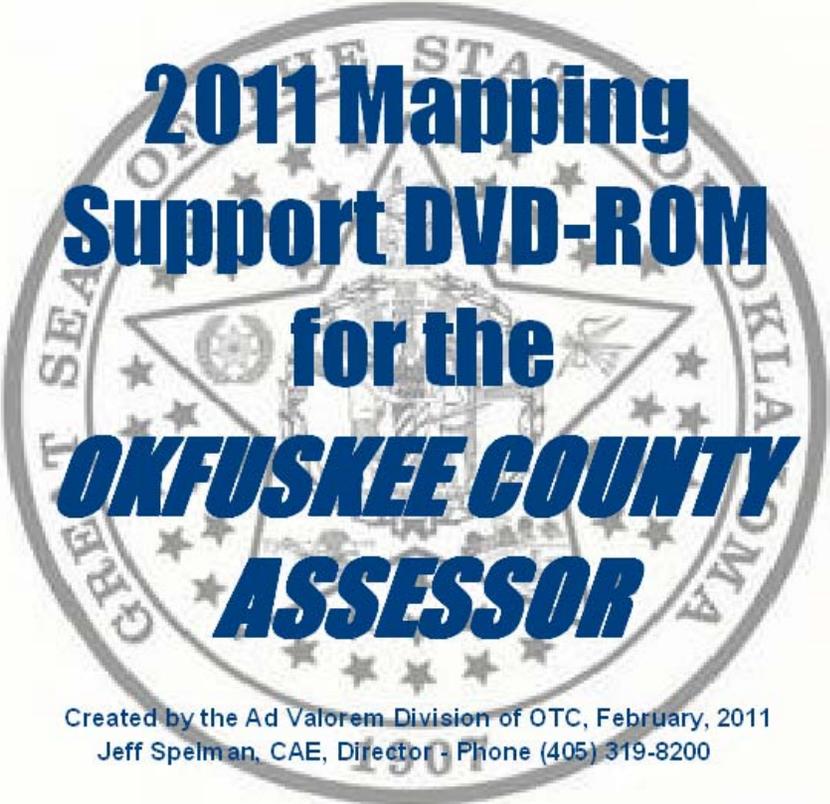
- | | |
|---|---------|
| 1. 'A' size approximately 8 1/2" x 11"..... | \$5.00 |
| 2. 'B' size approximately 11" x 17" | |
| 'C' size approximately 17" x 22" | |
| 'D' size approximately 22" x 34"..... | \$7.00 |
| 3. 'E' size approximately 34" x 44"..... | \$10.00 |

Individual property owners obtaining records for their own records shall be exempt from the provisions of this section.

**Some of What You
Have at Your Disposal**

The yearly Mapping

Support DVD-ROM's



**2011 Mapping
Support DVD-ROM
for the
OKFUSKEE COUNTY
ASSESSOR**

Created by the Ad Valorem Division of OTC, February, 2011
Jeff Spelman, CAE, Director - Phone (405) 319-8200

This DVD-ROM contains:

- 2010aerials and 2008aerials (FSA 1 meter mosaic color aerials)
- 2006aerials, 2005aerials, and 2004aerials (FSA 2 meter color aerials)
- 2003aerials (NRCS/FSA 1 meter mosaic color aerials)
- 1995aerials (USGS/OK 1 meter mosaic black and white aerials)
- ROADS (OU updated Census Road Layer)
- HIGHWAYS (derived from the OU updated Census Road Layer)
- RAILROAD (2002 Census Railroad Layer (if applicable))
- SECTIONS and TOWNSHIP (Digital Atlas of Oklahoma)
- WATER (pre-2000 Census Hydrology (Water) Layer)
- SOILS (NRCS Digitized Soil Map Layer)
- OTC-SCH ("official" school district boundaries)
- OTC-PREC ("official" precinct boundaries)
- OTC-CITY ("official" incorporated city limits)
- OTC-FEMA (FEMA flood map "FIRM" boundaries (if available))
- TatukGIS (a free mapping display program)

There may be three directories on this DVD-ROM:

First, in the "TatukGIS" directory is an installation program, TatukGIS_VWR_1_12_0_365.exe, for a free map viewer. There is also a TatukGIS user manual in pdf.

Second, the "UTM" directory contains the above mentioned layers. This set of mapping layers is in "shapefile" format to be used in the TatukGIS viewer and ESRI products.

Third (if available), the "TOWNSHIPS" directory contains scanned government fractional lot surveys from the U.S. Bureau of Land Management. More counties will be available as they are downloaded.

All of these layers are the most current available.

Digital Aerial Photography

Rectified Photos

Ortho-Photos

Digital Aerial Photography

Digital aerial photography is any aerial photography available in a digital (or computer) format. These photos could be taken by anything from a crop duster to a satellite in space. These photos can vary in quality and purpose. These photos can have anywhere from 10 meters to a half-foot resolution. They can be in color or black and white. They can have some, most, or none of the distortions removed. They can be projected in Oklahoma State Planes, Albers, UTM, or not at all.

Rectified Photos

Rectified photos have some of the distortions removed. They have the “tilt” (the camera on the plane not being level with the earth) displacements removed. This allows you to accurately measure acreages and distances off the aerials and accurately match property boundaries on flat land. However, use it at your own risk for hilly country. This type of aerial photography is what was supplied to most counties in 1991-93 by the OTC.

Ortho-Photos

Ortho-photos have most of the distortions removed. They have the “tilt” (the camera on the plane not being level with the earth) and “relief” (the earth not being flat like the photo paper) removed. This allows you to accurately measure acreages and distances off the aerials and accurately match property boundaries. This type of aerial photography is the most useful for us. You should have copies of the 1995’s, 2003’s, 2004’s, 2005’s, 2006’s, and 2008’s.

The 1995 Aerial Photography

In 1999, the State of Oklahoma agreed to pay for half of \$7 million needed to process the 1995, black & white, leaf-off, 1-meter aerial photo flight for the entire state. In 2000 & 2001, these aerial photos were supplied to you by the Tax Commission.

The 2003 Aerial Photography

In 2003, the FSA (Farm Services Administration), the NRCS (Natural Resources Conservation Service), and several county assessors agreed to pay for a new color, leaf-on, 1-meter aerial photo flight for the entire state. As soon as the photos became public-domain, they were supplied to all the counties.

The 2004 Aerial Photography

In 2004, the FSA (Farm Services Administration) flew their color, leaf-on aerial photography without any partnerships. As a result, the photos were processed as 2-meter resolution instead of 1-meter. These photos were supplied to the counties this year.

The 2005 Aerial Photography

In 2005, the FSA (Farm Services Administration) once again flew their color, leaf-on aerial photography without any partnerships. And again, the photos were processed as 2-meter. These photos were supplied to the counties this year.

The 2006 Aerial Photography

In 2006, the FSA (Farm Services Administration) once again flew their color, leaf-on aerial photography without any partnerships. And again, the photos were processed as 2-meter. These photos were supplied to the counties this year.

The 2007 Aerial Photography

None were flown.

The 2008 Aerial Photography

In 2008, the FSA (Farm Services Administration) once again flew their color, leaf-on aerial photography without any partnerships. This time, the photos were processed as 1-meter. These photos were supplied to the counties this year.

The 2009 Aerial Photography

None were flown.

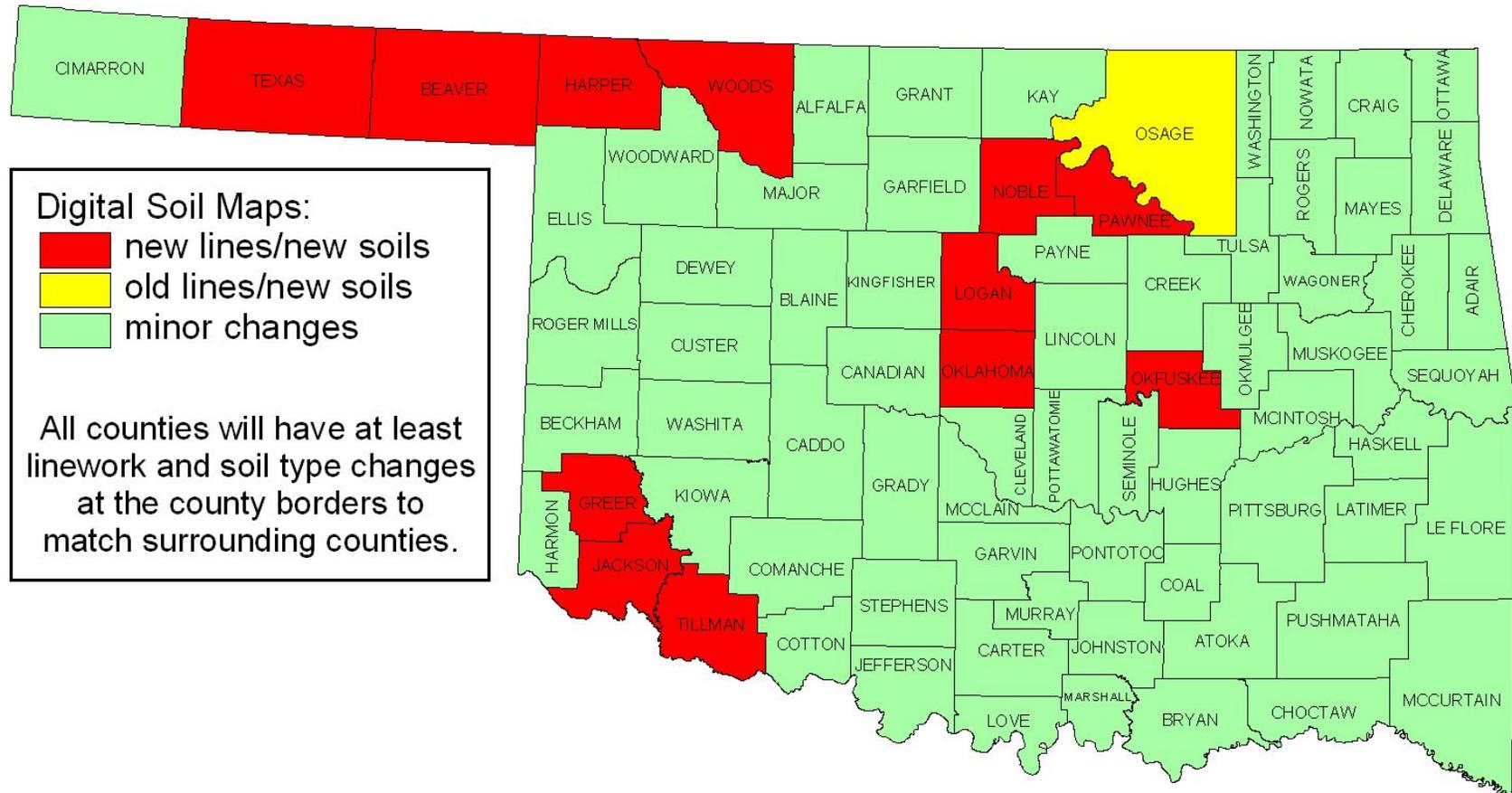
The 2010 Aerial Photography

In 2007, the FSA (Farm Services Administration) decided to fly better resolution (1-meter), color, leaf-on aerial photography. Their plan was to fly each state once every three years. Our last flight was the 2008's. Our next flight will be finished in early Fall 2010 but was actually scheduled for Spring 2011.

The Digital Soil Layer

The NRCS (Natural Resources Conservation Service) started converting their soil books into digital mapping layers during the 1990's. All 77 counties are now digitized. Having a digital soil layer, a parcel layer, and a land use layer allows automated ag land valuation based on approved State methodology.

Status of Soil Maps



Digital Soil Maps:

- new lines/new soils
- old lines/new soils
- minor changes

All counties will have at least linework and soil type changes at the county borders to match surrounding counties.

And Web Mapping:

www.cartercountyassessor.org (interactive)

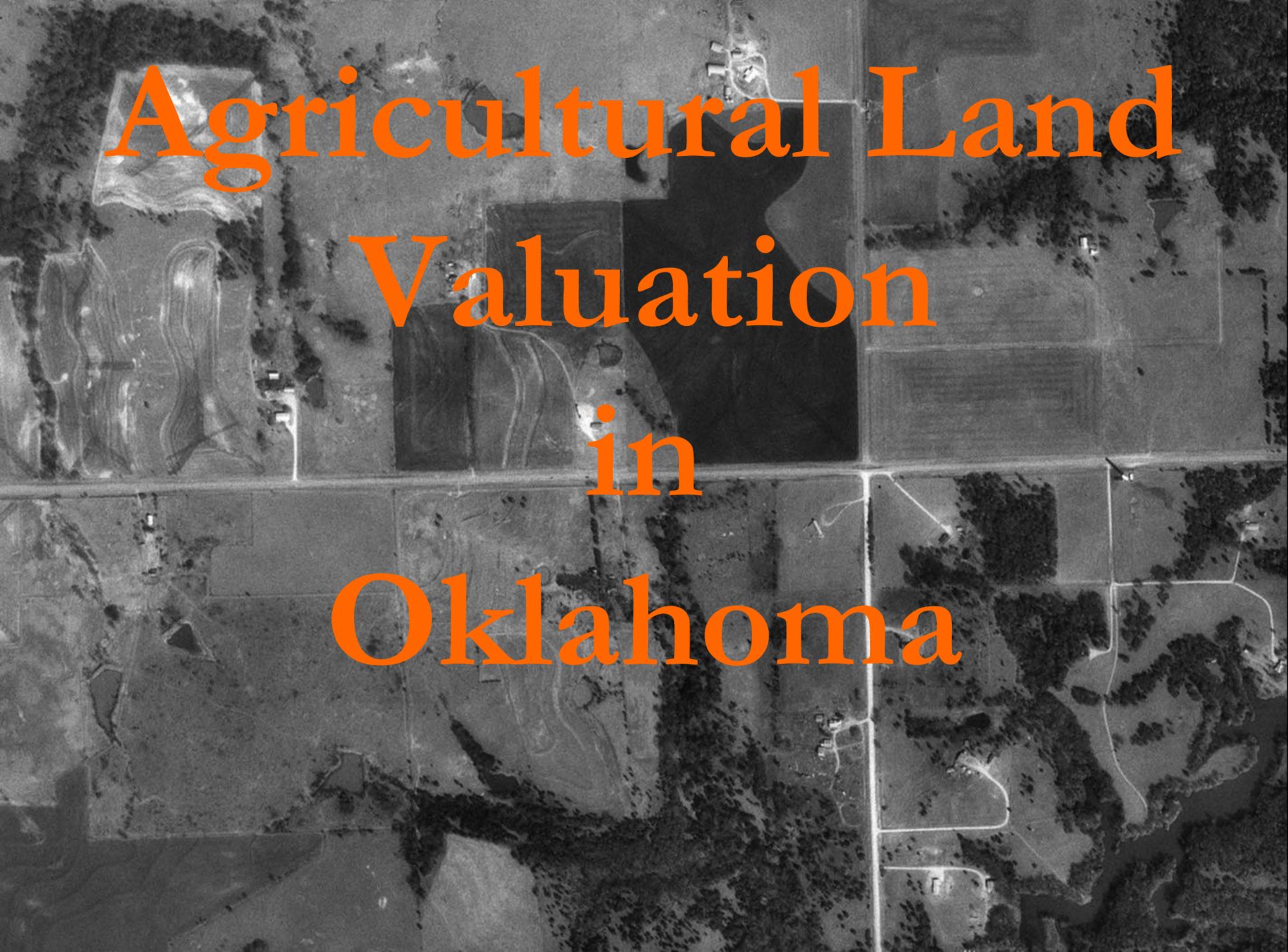
www.clevelandcountyassessor.us (interactive)

www.garfieldcountyassessor.com (pay site)

www.lincolncountyassessor.org (interactive)

www.rogerscounty.org/assessor/index.htm (interactive)

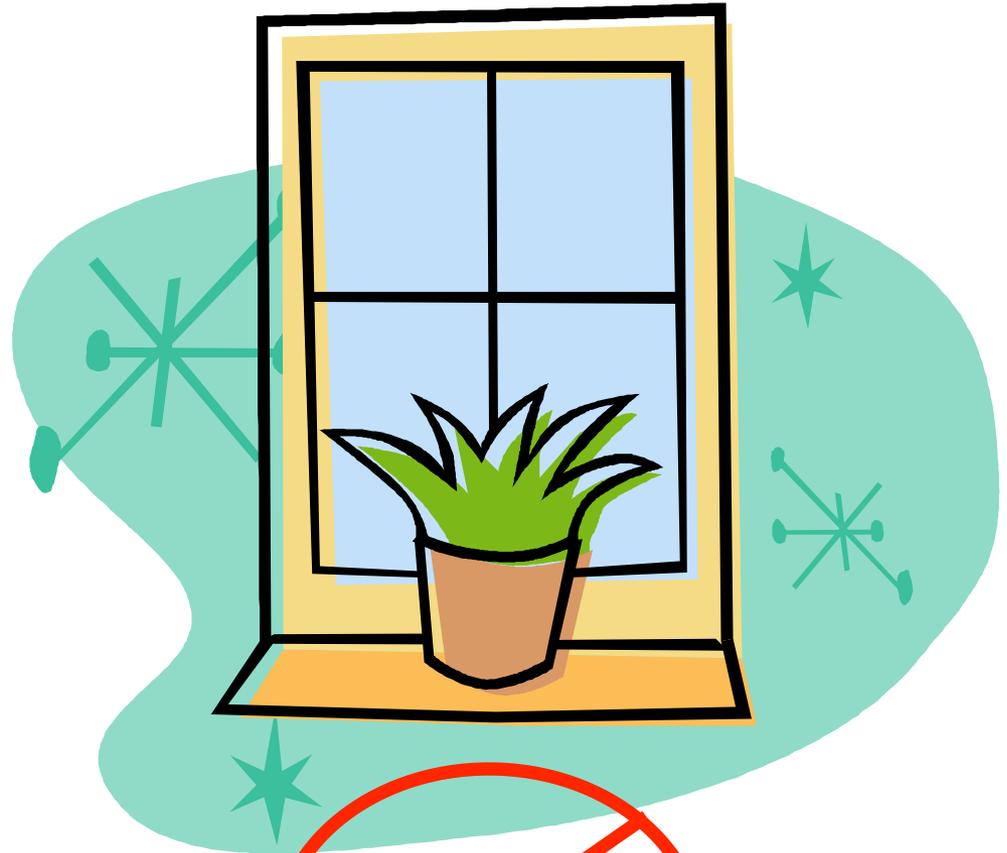
www.assessor.tulsacounty.org (pdf)



**Agricultural Land
Valuation
in
Oklahoma**



Market Value



~~Market Value~~

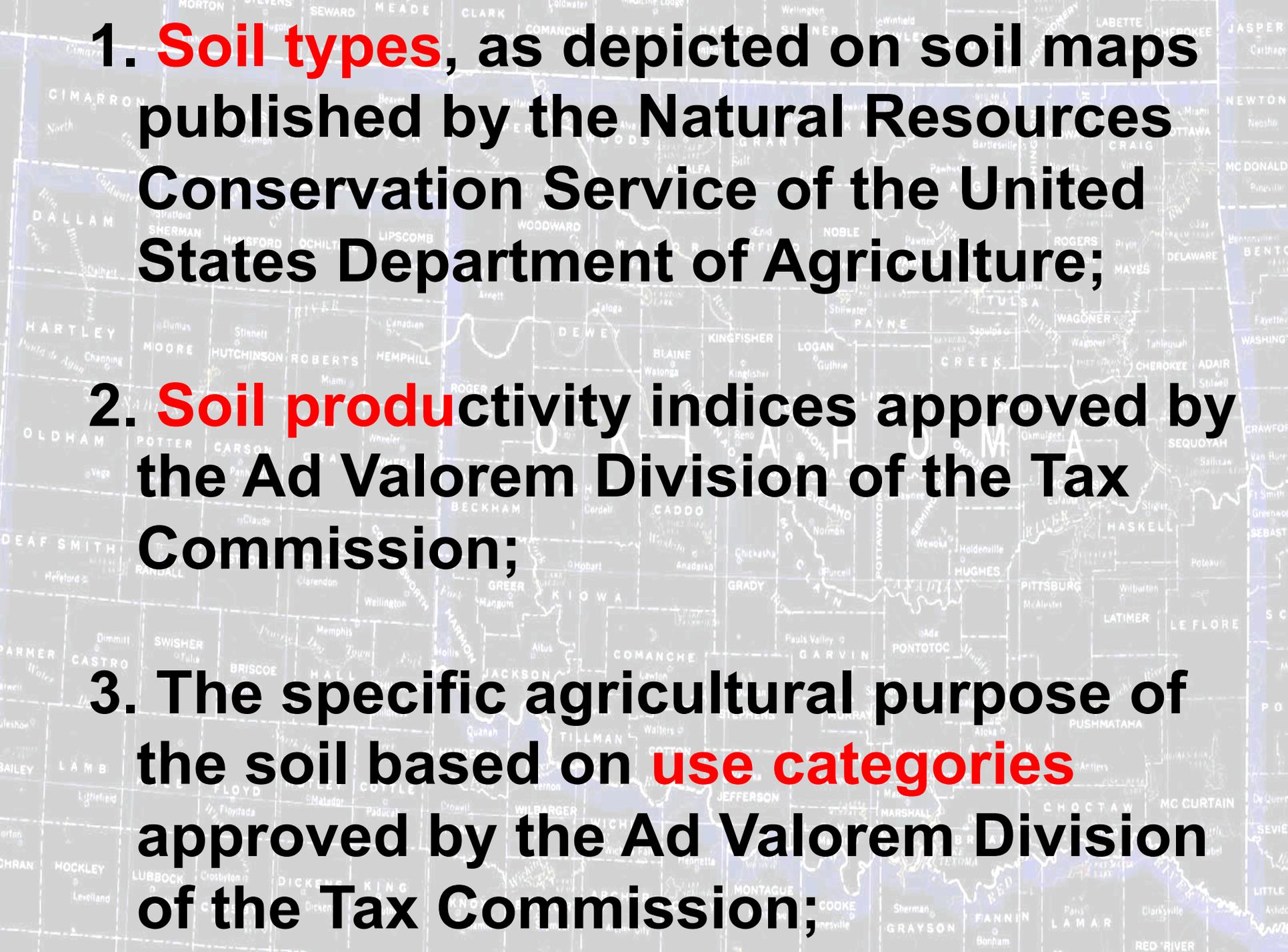
Ag Value

Out the window with Market Value



O.S. 68 § 2817 C.

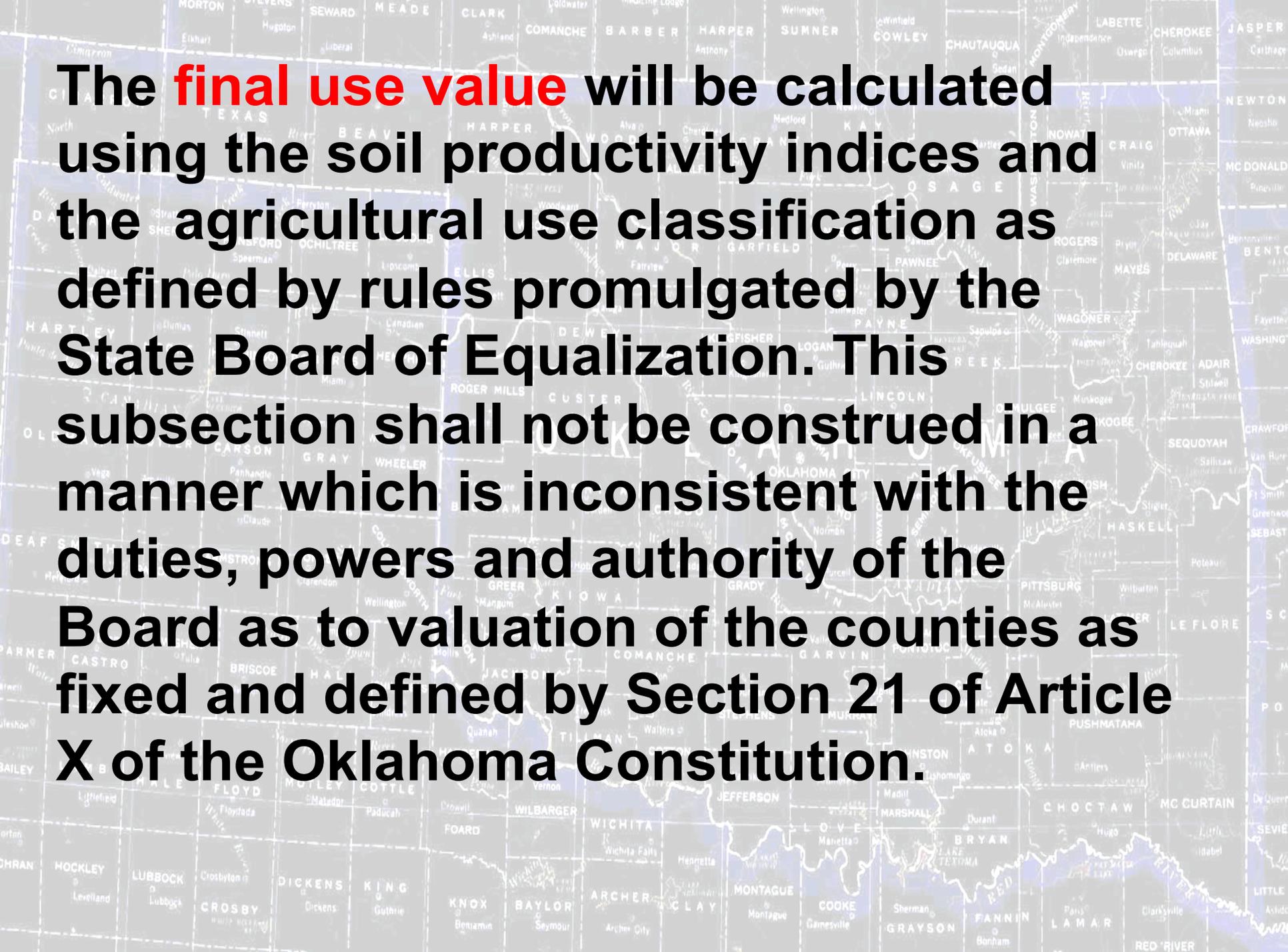
C. The use value of agricultural land shall be based on the income capitalization approach using cash rent. The rental income shall be calculated using the direct capitalization method based upon factors including, but not limited to:

A map of Oklahoma counties is shown in the background, with county names like Cimarron, DeWey, and Tulsa visible. The text is overlaid on this map.

1. **Soil types**, as depicted on soil maps published by the Natural Resources Conservation Service of the United States Department of Agriculture;

2. **Soil productivity** indices approved by the Ad Valorem Division of the Tax Commission;

3. The specific agricultural purpose of the soil based on **use categories** approved by the Ad Valorem Division of the Tax Commission;

A map of Oklahoma showing county boundaries and names. The text is overlaid on the map. The word "final use value" is highlighted in red in the original image.

The **final use value** will be calculated using the soil productivity indices and the agricultural use classification as defined by rules promulgated by the State Board of Equalization. This subsection shall not be construed in a manner which is inconsistent with the duties, powers and authority of the Board as to valuation of the counties as fixed and defined by Section 21 of Article X of the Oklahoma Constitution.

An aerial photograph of agricultural fields, showing various plots and structures. A large black rectangular box is overlaid on the center of the image, containing white text. The text is arranged in a list format, with the first two items starting with the number '2'.

Agricultural Land Value based on:

2 Ag Factors

2 Market Factors

Capitalization Rate

2 - Agricultural Factors

a. Agricultural Use (4 subclasses)

Cropland

Improved Pasture

Native Pasture

Timber / Waste

2 - Agricultural Factors

b. Soil Type and Soil Productivity

2 – Market Factors

a. Sale Price

Farms that have sold

b. Rental Fee

**Farms that are leased
for cash rent**

Capitalization Rate

Calculated and provided by the

OTC

based on the income capitalization approach using cash rent

$$V = I \div R$$

An aerial photograph of a rural landscape, showing a grid of fields and roads. The text is overlaid on the image.

Use determined by:

Aerial Photo

Physical Inspection

FSA Maps

Farm Service Agency

Ag Factors (con' t)

Soil Type

by County - soil map

Determined by NRCS-FSA

Name and Location

alpha or numeric

9-T20N R2W

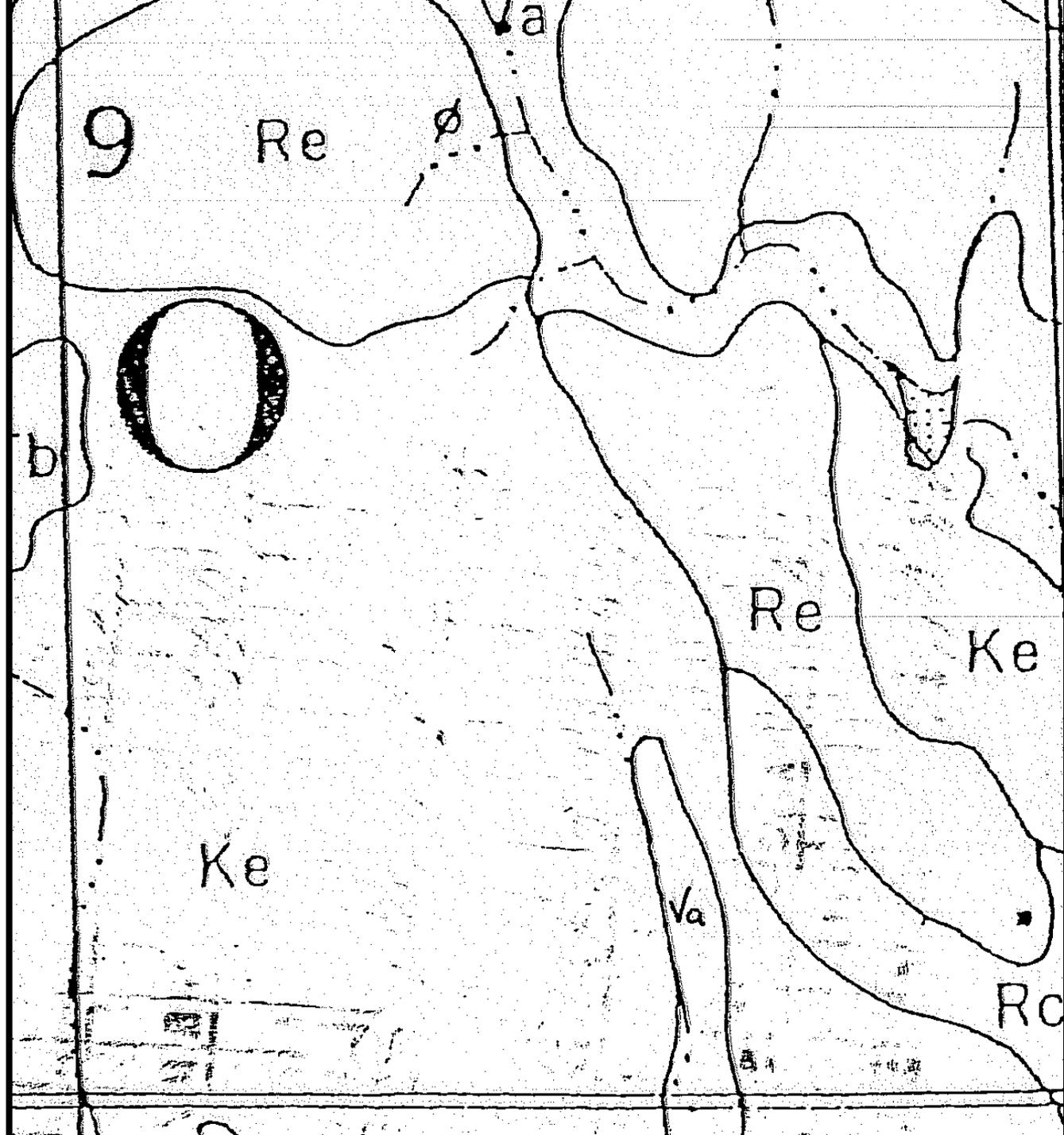
MCNEIL OLIVIA MARIE

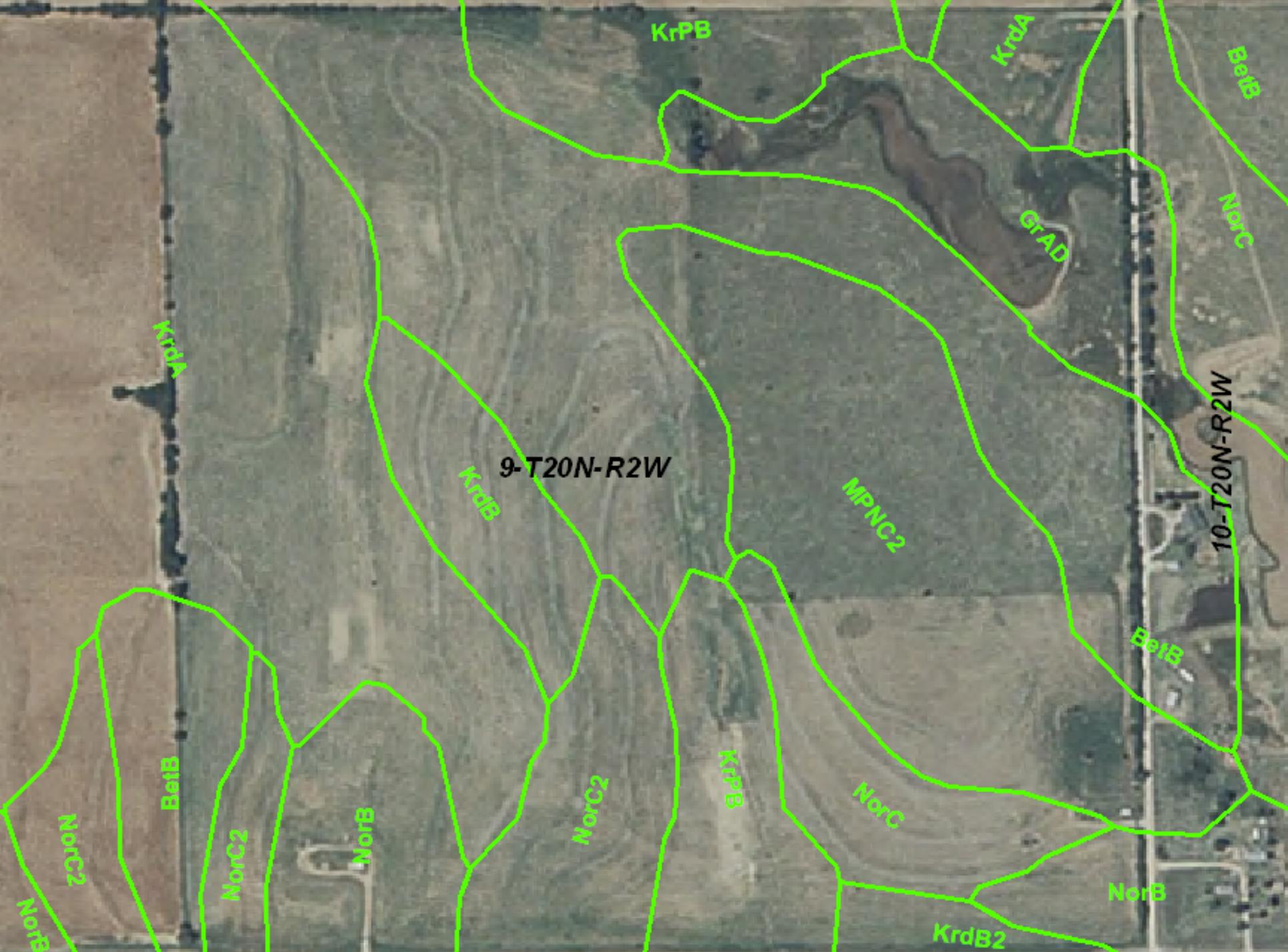
JOHNSON RONALD D ETUX
County Road 40

MCDONALD TRACY D ETUX

JOHNSON RO







KrPB

KrdA

BetB

NorC

GrAD

KrdA

9-T20N-R2W

KrdB

MPNC2

10-T20N-R2W

BetB

NorC2

BetB

NorC2

NorB

NorC2

KrdB

NorC

NorB

KrdB2

NorA

Ag Factors (con' t)

Soil Productivity

Index (higher the number -
more productive)

based on the ability of cropland,
improved pasture, native pasture,
or wasteland to produce food
products or sustain livestock.

Ag Factors (con' t)

Soil Productivity

**OTC provides each County a
schedule of indexes**

**Indexes by Soil Type by County
due rainfall, sunshine,
temperature, climate**

Agricultural Point Study

Procedure to determine 4 Land Use Multipliers

Land Use Multipliers represent the dollars per productivity point for each of the 4 Ag Uses in your County

Agricultural Use Value

Determine land use acres by soil type

For each soil type, record Index

Total up Productivity Points by each Use

Multiply total points by Land Use

Multiplier to determine each Use
Value

Ag Use Value = sum of all 4 Use Values

USE	DESCRIPTION	ACRES	INDEX	MULTIPLIER	VALUE
KE	KIRKLAND SLIT	75.00	65	4.17	\$20,329
RC	RENFROW SILT 4	6.00	47	4.17	\$1,294
RE	RENFROW SILT 2	18.00	59	4.17	\$4,429
TOTAL CROPLAND					\$26,052
KE	KIRKLAND SLIT	24.00	65	2.91	\$4,540
RC	RENFROW SILT 4	4.40	47	2.91	\$602
RE	RENFROW SILT 2	12.00	59	2.91	\$2,060
VA	VERNON CLAY	20.00	24	2.91	\$1,397
TOTAL NATIVE PASTURE					\$8,599
TOTAL ACRES		160.00			
TOTAL AGRICULTURAL VALUE					\$34,651

An aerial photograph of a rural landscape, showing a grid of roads and fields. The terrain is mostly brown and tan, with some green patches. The text is overlaid on the image.

“Grading Out”

“Gradin it Out”

Agricultural Use Value

Accreditation Unit 7

OSU / CLGT / ATAP

Oklahoma State University, Center for
Local Government Technology,
Assessor Training Accreditation
Program

O.S. 68 § 2817 (B)

All taxable real property shall be assessed annually as of January 1, at its fair cash value, estimated at the price it would bring at a fair voluntary sale for:

68 O.S § 2817 B

- 1. The highest and best use for which the property was actually used during the preceding calendar year; or**
- 2. The highest and best use for which the property was last classified for use if not actually used during the preceding calendar year.**

An aerial photograph of a rural landscape featuring a grid of roads and various agricultural fields. The fields are in different stages of cultivation, showing different colors like brown, tan, and green. A prominent road runs vertically through the center of the image.

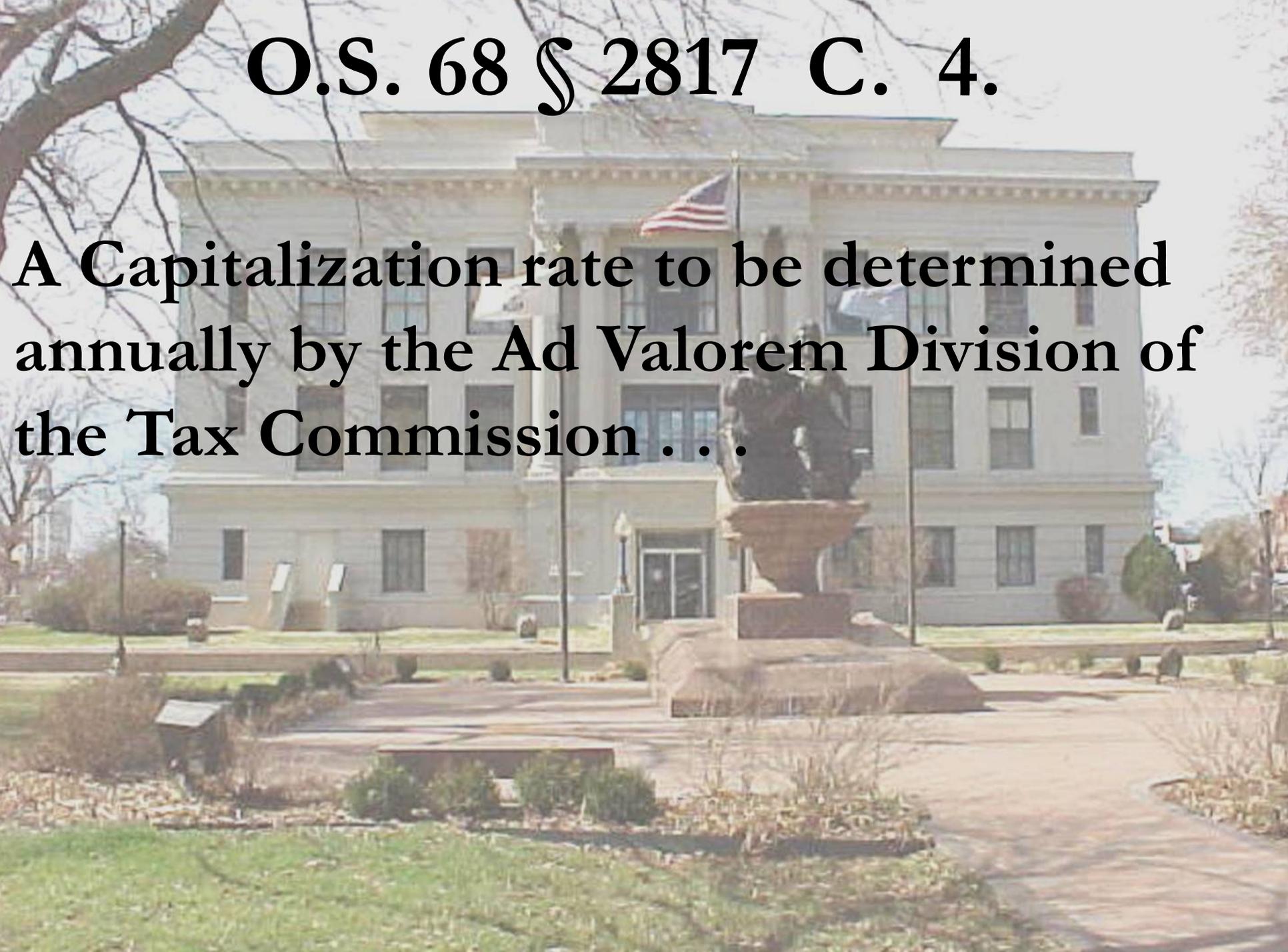
If Ag, what subclass?

Cropland, Native Pasture, Improved
Pasture, or Timber/Waste

What part of tract is Residential and Ag?

O.S. 68 § 2817 C. 4.

A Capitalization rate to be determined annually by the Ad Valorem Division of the Tax Commission . . .



Rec 2/21/06



OKLAHOMA TAX COMMISSION
AD VALOREM DIVISION



BULLETIN

SUBJECT: 2005 Use-Value Capitalization Rate
DATE: February 17, 2006

NUMBER: 06-09

Dear County Assessor:

The Ad Valorem Division is statutorily mandated to annually determine the capitalization rate for use value of agricultural land. This is in keeping with 68 O.S. Section 2817 which provides the following:

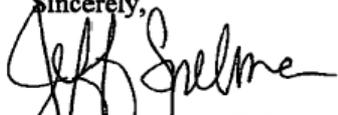
C. The use value of agricultural land shall be based on the income capitalization approach using cash rent. The rental income shall be calculated using the direct capitalization method based upon factors including...

4. A capitalization rate to be determined annually by the Ad Valorem Division of the Oklahoma Tax Commission based on the sum of the average first mortgage interest rate charged by the Federal Land Bank for the immediately preceding five (5) years, weighted with the prevailing rate or rates for additional loans or equity, and the effective tax rate.

Criteria utilized was derived from 2005 data, and the resulting determination is reflective of prevailing economic conditions.

The 2006 capitalization rate is 7.05%.

Remember, this is **NOT** a fractional assessment percentage.

Sincerely,

Jeff Spelman, CAE, Director

Enclosures

O.S. 68 § 2817 C. 4.

“The final use value will be calculated using the approved agricultural use value methodology and using the most current approved dollar per point”



OFFICE OF ATTORNEY GENERAL
STATE OF OKLAHOMA

Attorney General Opinion
99-8

The Honorable Stratton Taylor
President Pro Tempore
Oklahoma State Senate
422 State Capitol Building
Oklahoma City, Oklahoma 73105

March 31, 1999

Dear Senator Taylor:

This office has received your letter requesting an Official Opinion addressing, in effect, the following question:

In establishing the "use value" of property for purposes of ad valorem taxation as required by Article X, § 8 of the Oklahoma Constitution, may a county assessor require that a property be of a minimum number of acres to be classified for agricultural use?

FAIR CASH VALUE

Any analysis of ad valorem taxation begins with the basic proposition that all property in this State, except that which is specifically exempt by law, is subject to ad valorem tax. 68 O.S. 1991, § 2804. The basic rule of ad valorem taxation valuation is found at Article X, § 8 of the Oklahoma Constitution:

Except as otherwise provided in Article X of this Constitution, beginning January 1, 1997, *all property which may be taxed ad valorem shall be assessed for taxation as follows:*

1. Tangible personal property shall not be assessed for taxation at less than ten percent (10%) nor more than

Attorney General Opinion

99-8

In establishing the “use value” of property for purposes of ad valorem taxation as required by Article X § 8 of the Okla. Constitution, may a county assessor require that a property be a minimum number of acres to be classified for agricultural use?

The Honorable Stratton Taylor
President Pro Tempore, Oklahoma State Senate

Opinion 99-8
Page 5

It is, therefore, the official Opinion of the Attorney General that:

When establishing the fair cash value for the highest and best use for which a property was actually used or previously classified as required by Article X, § 8 of the Oklahoma Constitution and 68 O.S. Supp.1998, § 2817(B), an assessor must make an informed valuation and may, therefore, not simply establish an arbitrary number of acres as the standard for determining whether or not a tract was actually used for agricultural purposes.



W.A. Drew Edmondson
W.A. DREW EDMONDSON
ATTORNEY GENERAL OF OKLAHOMA

Douglas F. Price
DOUGLAS F. PRICE
ASSISTANT ATTORNEY GENERAL

Official Opinion

When establishing the fair cash value for the highest and best use for which a property was actually used or previously classified as required by Article X, § 8 of the Oklahoma Constitution and 68 O.S. Supp 1998, § 2817(B), an assessor must make an informed valuation and may, therefore, **NOT** simply establish an arbitrary number of acres as the standard for determining whether or not a tract was actually used for agricultural purposes.





SDC2 10 3W 34011

SDC2 10 3W 35025



SDC2 9 3W 1003

SDC2 9 3W 2015

SDC2 9 3W 1008

SDC2 9 3W 1009

SDC2 9 3W 30012

NCC2WESEA 001

SDC2 9 3W 2030

SDC2 9 3W 30012

SDC2 9 3W 2030

SDC2 9 3W 1009

SDC2 9 3W 3013

SDC2 9 3W 1015

SDC2 9 3W 3011

SDC2 9 3W 1012

SDC2 9 3W 3010

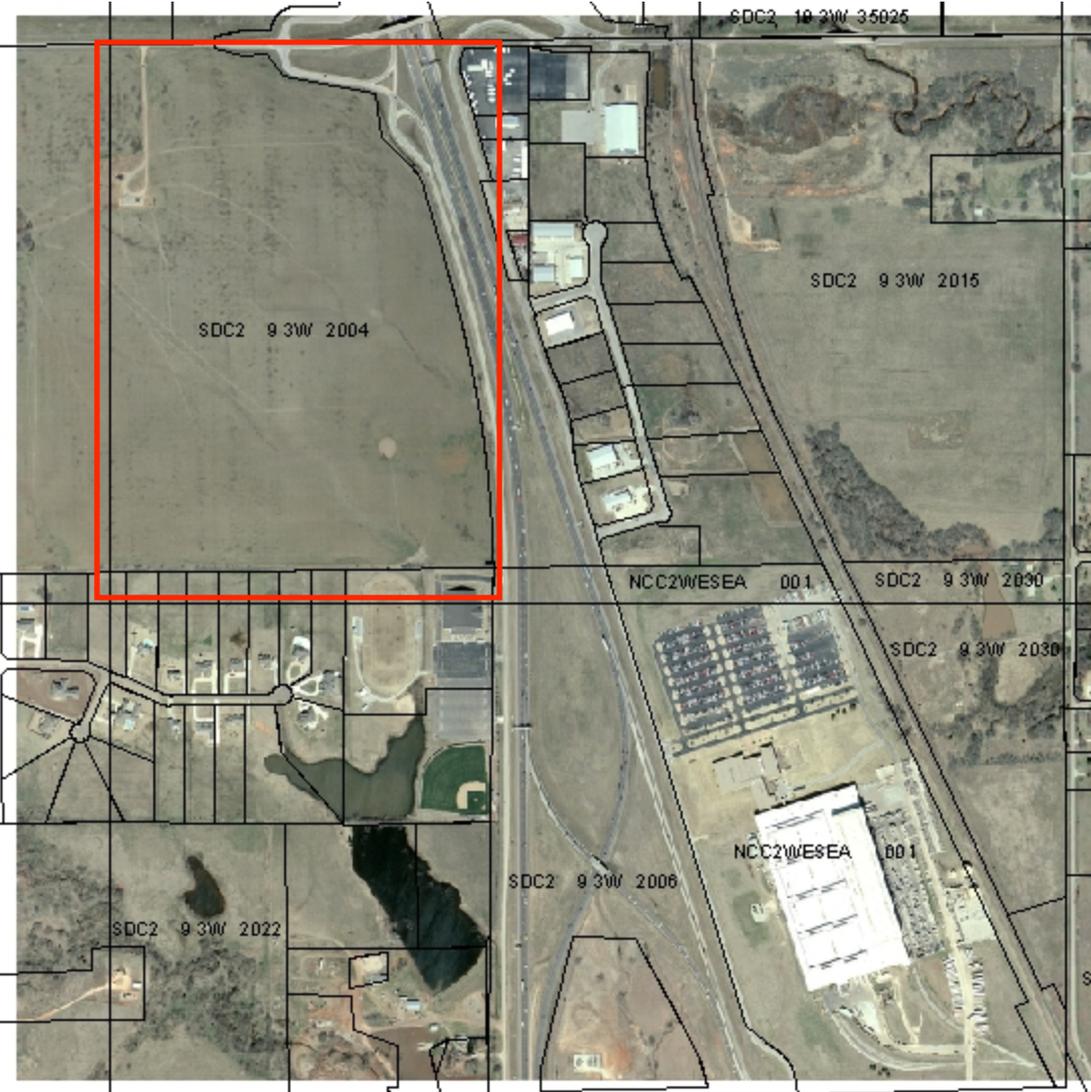
SDC2 9 3W 1011

SDC2 9 3W 2022

SDC2 9 3W 2006

NCC2WESEA 001

SDC2 9 3W 1028



**CLEVELAND COUNTY ASSESSOR
PROPERTY PROFILE**

Account #: R0076352

Parcel #: SDC2 9 3W 2004
MH Seq #: MH Space:

Appr Year: 2007 Levy: 95.97 # of Bldgs: 0 Active On: 11/29/2006
Tax Dist: SDC2 Map #: LEA: AGLND InactiveOn:
Assign To: Agricultural Initials: DTINSLEY Acct Type: Agricultural Last Updated: 11/29/2006
New Growth: 0

Owner's Name and Address:

APEX PROPERTIES, LLC OK LMTD C

SCARAMUCCI DOMER JR-MGR
3245 S HATTIE AVE
OKLAHOMA CITY OK 731296621

Property Address:

Street: 0 36TH AVE NW
City: NORMAN

Business/Complex:

Sales Summary

Sale Date	Sale Price	Deed Type	Reception #	Book	Page #	Grantor
4/1/1993	\$354,000	WD	2438520	2438	520	SELLER

Legal Description

2-9-3W 131.02 AC LOTS 3-4 & S/2 NW/4 NW/4 LYING W OF I-35

Land Valuation Summary

Land Type	Ag Code	Abst Code	Unit of Measure	Number Of Units	Value Per Unit	Actual Value	Assmt Percent	*Assessed Value
Agricultural	TM C99	14TM	Acres	1.12	\$0.00	\$28.00	0.12	\$3.36
Agricultural	CR C51	14CR	Acres	8	\$263.00	\$2,104.00	0.12	\$252.48
Agricultural	CR C53	14CR	Acres	17	\$294.00	\$4,998.00	0.12	\$599.76
Agricultural	CR C50	14CR	Acres	115	\$419.00	\$48,185.00	0.12	\$5,782.20
Agricultural	HMSITE H1	14RA	Acres	1	\$2,100.00	\$2,100.00	0.12	\$252.00
Land Subtotal:				142.12		\$57,415.00		\$6,889.80

Buildings Valuation Summary

What does the Assessor need to do?

If it's Ag:

Grade it out (by Land Use, Soil
Type and Productivity)

**Apply most current
approved \$\$ per point.**

What does the Assessor need to do?

Remember

If

**Being used for Agricultural
Purposes**

Value = Ag Use!!

What is the definition of Ag Use ?

TECHNIQUES, GUIDELINES AND DEFINITIONS FOR DETERMINING USE VALUE OF REAL PROP- ERTY FOR AD VALOREM TAX PURPOSES.

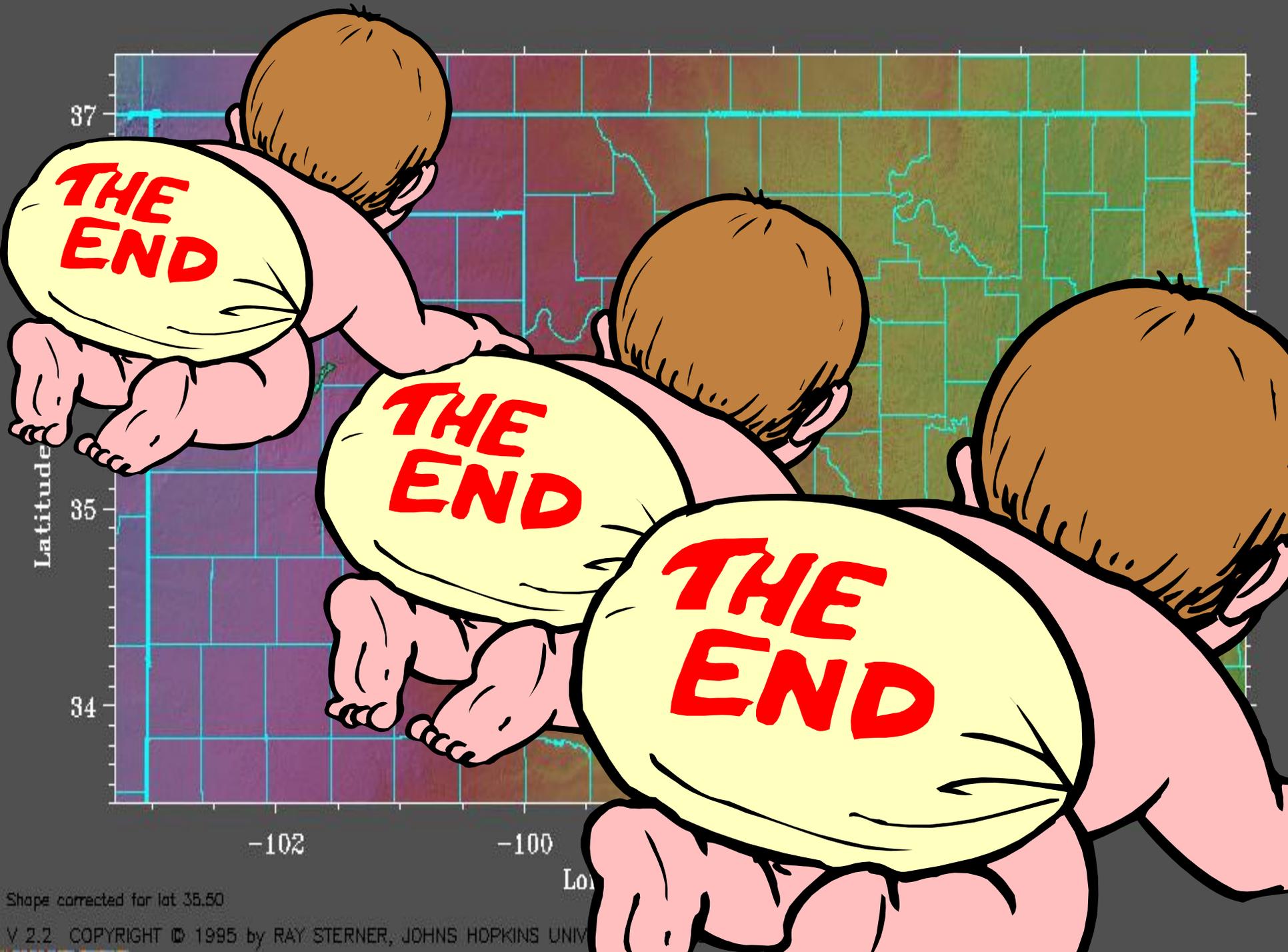
1. Agricultural real property means land and improvements thereon necessary or convenient for agricultural purposes, including residences for agricultural employees, and used for cultivating the land for the production of agricultural commodities, or the breeding and raising of stock, including any industry practiced by a cultivator of the soil and generally recognized as farming, ranching, dairying or forestry.

What is the definition of Ag Use ?

Review the OTC Rules on Sales Tax Exemptions

PART 3. AGRICULTURAL TRANSACTIONS

[710:65-13-15](#). "Agricultural production" defined; taxable and exempt transactions



37

35

34

-102

-100

Lon

Latitude

**THE
END**

**THE
END**

**THE
END**

Shape corrected for lat 35.50

V 2.2 COPYRIGHT © 1995 by RAY STERNER, JOHNS HOPKINS UNIV

ABCs of Appraisal

Presented by :

Gary Snyder and Doug Warr

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Oklahoma State University.
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APPRAISAL PROCESS

Appraisal is an *OPINION*

Estimate of Value

If all properties are discovered and appraised correctly, then

TAX BURDEN EVENLY DISTRIBUTED

Primary goal of assessment process

PROPERTY VALUE



Why property has
value

Concepts of value

Types of value

Concepts of Value

UTILITY

Property must be useful

SCARCITY

Not an over abundance of the type of property

DESIRABILITY

Someone wants it and has ability to pay

TRANSFERABILITY

Current owner has authority to transfer rights



TYPES OF VALUE

Fair Cash (Market)

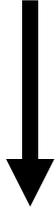
Assessed

Use

Investment

Insurable

MARKET PRICE



Amount
actually paid



MARKET VALUE



Estimated sale
price



MARKET VALUE (Okla, Statute)

Fair Cash Value is the value or price at which a willing buyer would purchase and a willing seller would sell property if both parties are knowledgeable about the property and it's uses and if neither party is under undue pressure to buy or sell and for real property shall mean the value for the highest and best use for which such property was actually used or was previously classified for use.

Questionable Market Value Sales

Family Members

Out of town buyer

Not on the market very long

Foreclosure

Auctions

Adjoining Property

Bank Owned

Charitable Org. Sale



Arms Length Transaction

In determining **Market Value**

It is essential to use

**Good Judgement
and Common Sense**

Assessor uses both:

- Mass Appraisal
- Single Property Appraisal

Mass

Single

Similar Both use same Economic Principles

Differences

Short time frame

Takes longer

Large Scale

Small scale

Many People

One person

Quality Control

Mass

Statistical Methods

Single

Sales Comparison

APPRAISAL PROCESS

Before appraisal comes?

“Discovery”

DISCOVERY

All taxable real and personal property

Needs adequate manpower and resources

Standards, guidelines, policies, and law

Methods of Discovery

Real Property

Visual Inspection

Building Permits

Employee Reporting

Taxpayer Reporting

Discover of

Personal Property

Discovery Reviews

Chattel Mortgages

Corporate Charters filed in Clerk's Office

Self Declarations

Renditions # 1 method

Desk Audits

Telephone Checks

Physical Inspection

Detailed Audits and Tax Commission

STEPS TO APPRAISAL

Define the problem

Preliminary Survey and Planning

Data Collection and Analysis

Application of Data

Correlation of Indicated Values

Final Estimate of Value

Data Collection and Analysis

Accurate Property Data

“good property data gives good appraisals”

determine data needs

evaluate **quality** of existing data

evaluate the **quantity** of existing data

Improvement Data

Size

Shape

Materials

Quality

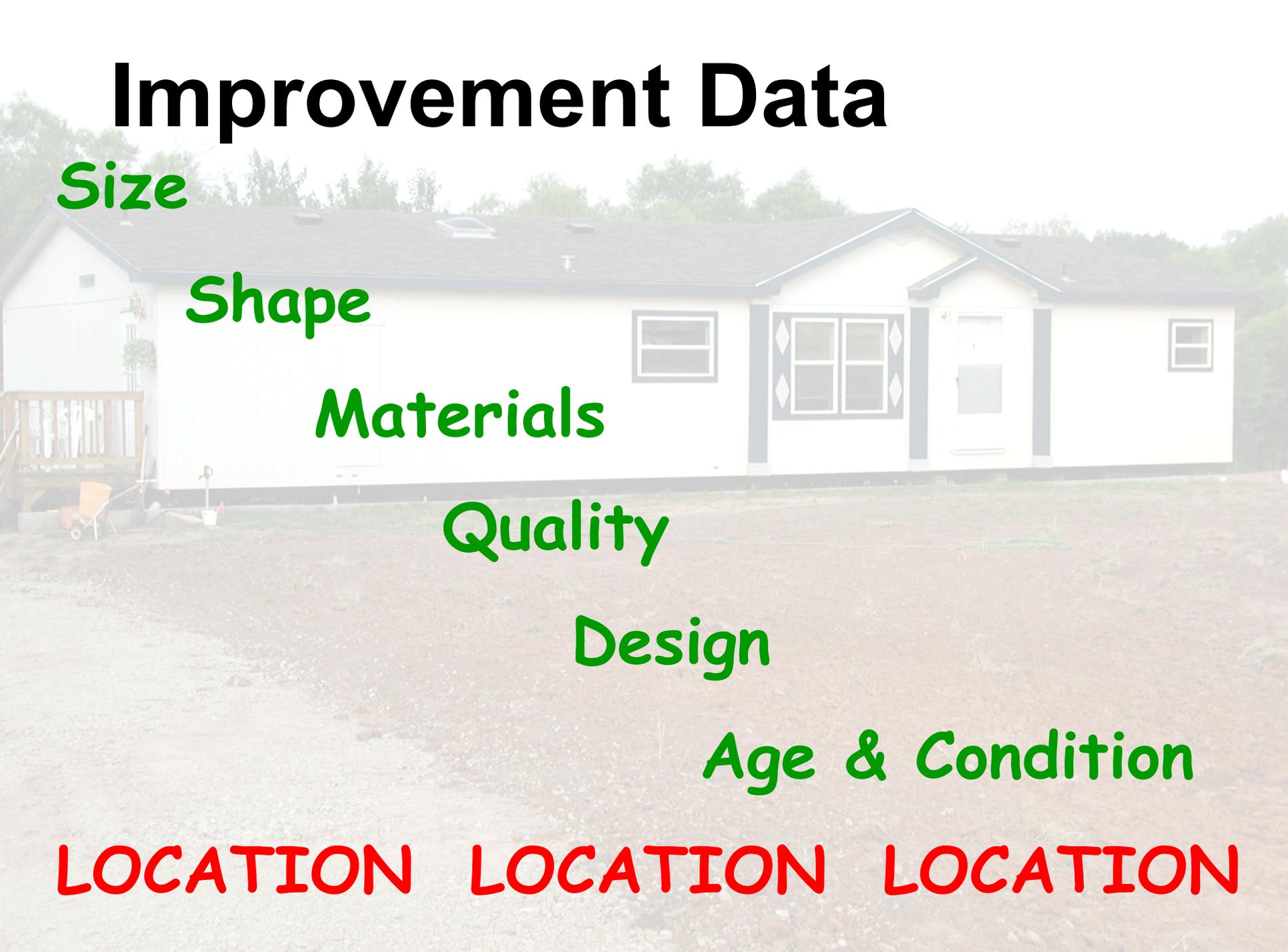
Design

Age & Condition

LOCATION

LOCATION

LOCATION



Site Data

A photograph of a white, single-story house with a dark grey roof. The house features a central front porch with a white door and a window with decorative diamond-shaped panes. To the left, there is a small wooden deck. The house is set on a dirt lot with some sparse grass. The background shows a line of green trees under a clear sky.

Parcel Size

Land Use

Lot Characteristics

Service & Transportation

Locational Characteristics

Neighborhood

Accurate Sales Data

“Arms Length Transaction”

Sales Questionnaires

(seller)

Verify Information

personal property (boat)

inventory (furniture)

“funny financing”



Accurate Sales Data

needs to be

Current

Current

Current

Current

APPROACHES TO VALUE

Cost Approach

Sales Comparison Approach

Income Approach

Using **MASS APPRAISAL** Techniques

Cost Approach

$$\text{RCN} \text{ LD} + \text{LAND} = \text{VALUE}$$

Replacement Cost New **Less Depreciation**

= market **value** of improvements

+ **value of the dirt**

= **Total Market Value**

Most common approach used in Mass Appraisal

Backbone of most assessment systems

Cost Approach

depends on:

- accurate coding of building classes
- type of construction
- building features

Type of Construction



Accurate Coding of Building Classes

Important!!!



Accurate Coding of Building Classes

Important!!!



DEPRECIATION

Loss in value from any cause

Most difficult to determine - experience

**Weakest link in the
Cost Approach**



Physical Deterioration

Wearing out

Loss of Usefulness

Functional Obsolescence

Outside Forces

Economic Obsolescence

Sales Comparison Approach

Direct method of estimating value

Comparing subject property to good valid sales

Comes from the **MARKET**

Comparables – use ones with least amount of adjustments

And never adjust the subject property



Income Approach

Applicable only to income producing properties

Value based on amount of net income property will generate.



Value = Income ÷ Capitalization Rate

(Always collect current income and expense information)

Correlation of Values

- The amount and reliability of data
- Strengths and weaknesses of each approach
- The appropriateness of each approach

AND

- NEVER, NEVER, NEVER

AVERAGE!

Measuring Quality

COD

Deviation from the median

How uniform

**High and low valued
properties treated equally**



County Board of Equalization



The Equalization Boards

County Board of Equalization

State Board of Equalization



Primary Roll of County Board

to be certain that each taxpayer in the county is treated *justly*, *fairly*, and *equitably*.



Membership of Board

1 member appointed by the following:

1. Oklahoma Tax Commission
2. Board of County Commissioners
3. District Judge

Qualifications

Qualified elector and resident of County

Only 1 member from each Commissioner District

Attend Educational program within 18 months of appointment

Members may not:

Hold an elected office

File for an elected office before resigning

Do business with the county

Serve as an employee, official, or attorney for County, City, or Town

Represent any taxpayer before the Board

What are the duties?

Raise or lower Appraisals to conform to the fair cash value of the property

Add Omitted property

Cancel Assessments of non-taxable or tax exempt property

Hear all grievances and protests filed with the board secretary as outlined in 68§2877

OKLAHOMA TAX COMMISSION

October 13, 1997

Re: Attorney General Opinion #97-74
Limit on County Board of Equalization

Dear County Assessor:

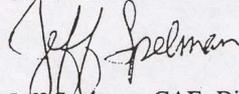
The Attorney General has provided an opinion which addresses the question whether a county board of equalization can raise the valuation of real property when the county assessor has not increased the valuation and on which no protest has been filed. The opinion makes the following determination:

"Pursuant to 68 O.S. 1991, §2863(B)(1), a county board of equalization may not adjust appraisals of property unless the adjustment is made in response to a protest filed as prescribed by law."

A copy of the above-captioned Attorney General opinion is enclosed for your reference.

Sincerely,

OKLAHOMA TAX COMMISSION



Jeff Spelman, CAE, Director
Ad Valorem Tax Division

Enclosure



OFFICE OF ATTORNEY GENERAL
STATE OF OKLAHOMA

September 24, 1997

The Honorable Mike Sullivan
District Attorney, 16th District
Post Office Box 880
Poteau, Oklahoma 74953

Opinion No. 97-74

Dear District Attorney Sullivan:

This office has received your request for an official Opinion addressing the following question:

When a county assessor has not increased the valuation of a parcel of real property over the assessment from the preceding year, and no protest has been filed, does the county board of equalization have the authority to raise the valuation of the real property?

Assessment of property for purposes of ad valorem taxation begins with the county assessor ("the Assessor"). The Assessor must determine the value of all taxable property that the Assessor is required to assess. 68 O.S. 1991, § 2819. This assessment is done by estimating the price the property would bring at a fair, voluntary sale as of the first day of January. 68 O.S. Supp.1996, § 2817(A). If the Assessor increases the valuation of any property over the valuation from the preceding year, the Assessor is required to notify in writing the person in whose name such property is listed. 68 O.S.1991, § 2876(A).

Paragraphs D and E of Section 2876 of Title 68 allow a taxpayer an opportunity to file a complaint if the taxpayer disputes the Assessor's valuation of the property. Once such a protest has been filed the Assessor shall schedule an informal hearing. The Assessor is required to take final action within five (5) working days of the hearing. A taxpayer may file an appeal from the Assessor's action with the county board of equalization. County boards of equalization are created at 68 O.S. Supp.1996, § 2861. The boards' authority is found at 68 O.S.1991, § 2863(B), which provides:

It shall be the duty of said boards and they shall have the authority to:

1. *raise or lower appraisals to conform to the fair cash value of said property, as defined by law in response to a protest filed as prescribed by law; and*
2. add omitted property; and
3. cancel assessments of property not taxable; and
4. hear all grievances and protests filed with the board secretary as outlined in Section 2877 of this title.

68 O.S.1991, § 2863(B) (emphasis added).

In *Keyes v. Everest*, 794 P.2d 1214 (Okla. Ct. App. 1990), the Court of Appeals held that county boards of equalization have the discretion to hear complaints not filed within the statutory twenty-day protest period. In *Keyes*, the county assessor of Oklahoma County sought review of a decision by the county equalization board to adjust assessed valuations of property for taxpayers who had not filed timely complaints. The Court of Appeals made the following statement:

[E]ven if no taxpayer complaint is filed, county boards of equalization still have the duty and the authority under 68 O.S.Supp.1988 § 2459, to "equalize, correct and adjust the assessed valuation of real and personal property by raising or lowering the valuation of the property, real or personal, of any taxpayer to conform to the fair cash value of said property, as defined by law." *This statute does not restrict the Board's authority to adjust or lower the assessed valuation of property to only those situations in which taxpayer protests are filed.*

Keyes, 794 P.2d at 1216 (emphasis added).

Section 2459 granted county boards of equalization broad power to raise or lower the valuation of any taxpayer's property. Section 2459 of Title 68 was repealed in 1989 and in its place, Section 2863 provides:

It shall be the duty of said boards and they shall have the authority to:

1. raise or lower appraisals to conform to the fair cash value of said property, as defined by law in response to a protest filed as prescribed by law[.]

68 O.S.1991, § 2863(B).

It is a well-established law in Oklahoma that where the language of a statute is plain and unambiguous and its meaning clear, no rules of construction are used and its evident meaning must be accepted. *Jackson v. Independent School District No. 16*, 648 P.2d 26, 29 (Okla. 1982). Section 2863 of Title 68 is unambiguous wherein it limits a county board of equalization's authority to raise or lower appraisals to those situations in which the board is ruling upon a lawful protest. The board, therefore, has no authority to adjust appraisals of property in the absence of a lawful protest as to the value of said property.

It is, therefore, the official Opinion of the Attorney General that:

Pursuant to 68 O.S. 1991, § 2863(B)(1), a county board of equalization may not adjust appraisals of property unless the adjustment is made in response to a protest filed as prescribed by law.



W.A. Drew Edmondson
W.A. DREW EDMONDSON
ATTORNEY GENERAL OF OKLAHOMA
Douglas F. Price
DOUGLAS F. PRICE
ASSISTANT ATTORNEY GENERAL

The BOE is to:

**Cooperate and assist the
County Assessor in performing
the duties imposed upon the
assessor by statutes**

The Board shall not:

**Raise or lower assessed values
without:**

Competent Evidence

**Inspection by board – written
report**

A change made by the board:

Shall not be inconsistent with the equalized value of other similar properties.

Most Counties

Regular Sessions of Board begins

April 1 and runs through May 31

Special meetings are allowed as follows:

County Assessed Valuation

Greater than \$1 Billion

Up to \$1 Billion

Regular Session

4th Monday in Jan. to May 31

April 1 to May 31

Special Session

March 1 thru March 31

March 1 thru March 31

June 1 thru July 31

June 1 thru July 31

State Board of Equalization

Created by State Constitution

members, powers, duties, authority

County Assessor's functions are reported and reviewed by State Board

County Abstract of Assessment presented in form of

Equalization Ratio Study

MEMBERSHIP

Governor	Mary Fallin
State Auditor and Inspector	Gary Jones
State Treasurer	Ken Miller
Lieutenant Governor	Todd Lamb
Attorney General	Scott Pruitt
Superintendent of Pub Instr	Janet Barresi
Pres of Bd of Agric	?

County Board of Equalization

Is included in the

Open Meeting Law

All meetings must be held

At specified **times** and **places**

Must be convenient and open to the

PUBLIC

Agenda

Posted Agenda will include **all** Known Business to be discussed and acted upon

may have **NEW BUSINESS**

No prior knowledge or not
reasonably foreseen prior to
posting agenda

meeting may be continued @ later date

Minutes

County Clerk keeps written minutes
(official summary of its proceedings)

May want to record the proceedings

Must be a public roll call vote

Who can file an Appeal ?

Anyone

With an increase in value

Without an increase in value

By *1st Monday in May*

Must be on prescribed forms

Notice of Change

Fair Cash Value

Taxable Value

Assessment Rate

Assessed Value

Both Current and Previous Year

both Real and Personal Property

What if you get an appeal?

Informal Hearing



What if the taxpayer goes to
the Board? **Formal Hearing**



What should the County Assessor do at the Board ?

Be prepared to defend your value:

KNOW YOUR SUBJECT

Documentation

Comparable Sales

Did you treat all fair and equal?



Corrections to Tax Roll



Board of Tax Roll Corrections

Correct or alter the tax roll upon
discovery of mistakes or errors

Board of Tax Roll Corrections

Deals with changes effecting taxes

MEMBERS?

Chairman – Chairman or Vice of Co. Comm.

V. Chair - Chairman or Vice of Bd of Equal.

Member - Assessor

Purpose of Bd of Corrections

- **CAN NOT hear complaints on values**
- **Can alter or correct the Tax Roll because of errors**
- **Only 17 reasons**

Clerical Error Certificates

8 Reasons

Does not effect taxes

Omitted Property

Personal Property 3 years

Real Property 15 years

Certificate of Assessment of Omitted Property

County Treasurer

County Clerk

County Assessor

