

A LOOK AHEAD...



February 5 - 8
Unit IV
Income Approach
OKC

February 18
President's Day

February 21-22
Unit VII
Ag Land
Tulsa

DIRECTOR'S NOTES...

NEW YEAR BRINGS MANY CHALLENGES

Happy New Year!

After all the tragedy and heartache of 2001, I'm sure everyone is looking forward to 2002. For us at the Ad Valorem Division, we're all optimistic about the next twelve months and our "To Do List for 2002" is pretty long, despite whatever barriers and challenges (self-imposed or otherwise) lie ahead of us.

For 2002, a busy year lies ahead. The first few months, as usual, will be filled with homestead and additional homestead exemption work; and we'll also see the first filings in the next few months of the public service renditions.

Our CAMA section has spent a lot of time this past month installing the update and Glen Blood reports that the new Windows version of the State Computer System is coming along well. We're continuing to see many counties make use of CAMA on personal property and take laptops out in the field for personal property renditions. This should save a lot of work as well as providing good service to taxpayers. That's a good sign of progress.

Public service anticipates another busy year. We've had a number of important issues in the last few months. The State Board of Equalization (SBOE) subcommittee addressing the central to local should report in February 2002.

But one of the highest items on the priority list for 2002 will be the continued good working relations with the State Auditor and Inspector (SA&I) and Center for Local Government Technology (CLGT), Cooperative Extension, the County Assessors' Association, the Oklahoma Association of Tax Representatives (OATR) and the Oklahoma Tax Commission. A good solid

relationship between these groups helps everyone in the ad valorem system and provides better service for state taxpayers.

Kevin Trudeau, the memory expert, talks about self-imposed barriers. In the old time flea circuses of the 1930s, the flea trainer would put a clear glass pane over the top of the tiny three-ring circus (Personally, I didn't know flea circuses were for real).

Once, twice, a thousand times, the flea would try to fly out of the container, only to slam into the top of the barrier. After a while, the flea gives up. He won't fly within an inch of the bottom of the barrier, and then the trainer takes the glass lid off, but the flea never flies away. The barrier has been self-imposed. "We can't do something that would be a good idea because it hasn't been done before." Or my all time least favorite statement in county government, "But it's always been done that way; we can't do something different."

We appreciate the hard work and conscientious effort of all county assessors and deputies out there working to improve the Oklahoma ad valorem system and make it better than it was given to us for taxpayers everywhere. Like Tom Cusack says, "Keep in mind, we should be the guardian of fairness." Happy New Year. This is going to be a great year.

Jeff Spelman, CAE
Director, Ad Valorem Division

P.S.- "Be Bold. If you're going to make an error make it a doozy; don't be afraid to hit the ball." - Billy Jean King.

STATE SUPREME COURT RULES IN RIGHT OF WAY CASE



In a December ruling, the State Supreme Court has determined that pipeline rights of way fall within the statutory definition of real property, and may not be taxed as personal property.

In a case involving Oneok Field Services Gathering and Washita County, Oneok protested the Washita County Assessor's personal property valuation for the 2000 tax year.

The Washita County Board of Equalization sustained the assessor's valuation. Oneok appealed to the district court raising a single legal issue as to whether pipeline rights of way may be included in the valuation of personal property.

The District Court entered a summary judgment in favor of Oneok, and ordered a reduction in the valuation of Oneok's personal property by the amount attributable to Oneok's pipeline rights of way.

The District Court concluded as a matter of law that rights of way are interest in real property as defined in the ad valorem tax statutes and all interests in real property are taxed to the fee owner.

The District Court denied the assessor's motion for a new trial, and upon appeal to the State Supreme Court, the decision was upheld.

The Supreme Court in its opinion stated that in defining the types and kinds of property subject to assessment by a county assessor, the Legislature has classified pipeline rights of way as real property. In the absence of a statute providing otherwise, the various interests which may be held in real property are not severable for the purpose of ad valorem tax assessment by a county assessor.

MAPPING MINUTE

WITH TROY FRAZIER

Once again I would like to remind you that I'm here to support your mapping efforts. As I finish visiting the rest of the counties for the first time, if you have a specific need, please give me a call. I will try to visit you as soon as possible.

If you can get two or three other counties together and would like to spend 2 to 3 days covering a particular subject, let me know. I am planning to hold 3 to 4 regional training sessions a year.

The southern districts of the Assessors' Association had a half-day set for mapping training the Thursday before their district meetings this past year. If the other districts would like to do the same this year, we can accommodate you. If the districts

want to schedule a full day or more at that time, we can do that also.

As a standing policy, I will try to be in the office every Monday and Friday. If you have a problem that I can assist you with over the phone, please give me a call.

Remember:

For those counties not yet finished mapping: The federal government has the entire state mapped with roads and waterways to within 30 to 300 foot accuracy. They have digitally mapped 12% of the state's soils and 16% of the state's flood planes. So, I'll still bet that you get done before they do!

PUBLIC SERVICE COMPANIES DISCOVERED, VALUED BY DIVISION

Public service companies come and public service companies go. For 2002, the year begins with a list of 276 public service companies. Twenty-two Airlines, 4 gas distribution pipelines, 6 electric, 32 fluid pipelines, 39 gas pipelines, 19 railroads, 131 telecommunications companies and 23 water companies.

Discovery is a primary function of the Public Service section of the Ad Valorem Division. This section researches Corporation Commission filings, reports to pipeline safety, news reports and items, and leads from groups or individuals. As always, individuals in the assessor's office are encouraged to report any property that they feel may be public service in nature. All public service property is to be valued centrally.

OKLAHOMA COUNTY

AD VALOREM DIVISION ASSISTS IN CORDELL TORNADO DAMAGE ASSESSMENT

Several Oklahoma County and Ad Valorem Division employees recently assisted Washita County Assessor Janie Bellah with damage assessment as a result of the devastating October 9 tornado that hit Cordell.

During the week of December 3rd, Mike Means, Ed Hardison, Gary Dodson and Rick Knock with the Oklahoma County Assessors Office helped with re-assessment.

Ron Sosbee, Larry Rawlings, Troy Frazier, Kalee Jantzen, and Dwight Argo of the Ad Valorem Division provided support during the week as well.

The Oklahoma County staff shared important knowledge gained during their own experience with the massive F5 tornado that struck the metro area May 3, 1999.



PULASKI COUNTY ARKANSAS USES NEW APPROACH FOR COLLECTION OF BACK TAXES

To collect back taxes, Pulaski County, Arkansas, turned to a high-tech version of an age-old technique: public humiliation. In July, the county put up a Web site listing companies and individuals with delinquent tax records.

The site, which started out with just the top businesses, now includes personal property taxes, real estate taxes and special improvement district taxes.

The Pulaski County Delinquent Lookup was designed and implemented by the county's information services department at a cost of less than \$5,000.

Other methods of reporting delinquent taxpayers, such as sending out letters or taking out newspaper ads, can cost tens of thousands of dollars. And with tax revenue collection down, the county is trying to squeeze out every last dollar.

Thus far, the site has been effective: When it launched, the county received a flood of calls from apologetic individuals who didn't realize they owed money.

Despite a few initial glitches, such as identifying tax-exempt organizations as delinquent, the site has been accurate. And the community response has been largely positive, especially from citizens who do pay their taxes.

"People absolutely love it," says county Treasurer Debra Buckner, who got the idea for the site from her years of working in mortgage banking. "They don't appreciate that others can get by without paying taxes." Tax-delinquency sites are fairly common on the state level, but harder to find in counties. Although some localities might shy away from publicly embarrassing some of their large businesses, Pulaski County sees its Web site as the most effective way to collect the \$10 million owed in back taxes.

"If you're going to be the tax collector, you can't be too worried about the political implications of collecting taxes," Buckner says.

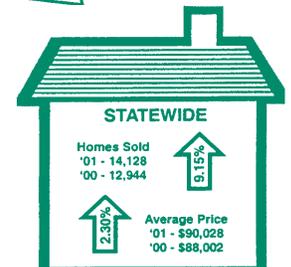
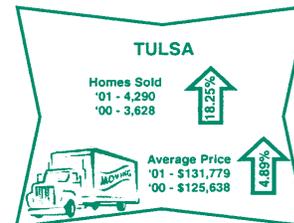
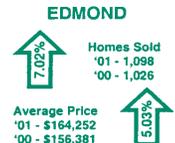
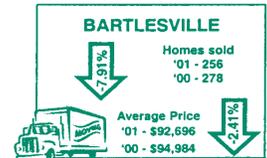
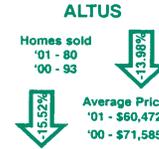
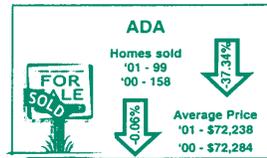
The Pulaski County Delinquent Lookup Web address is : <http://162.39.152.13/login/delinqmenu.php>.

STATE HOME PRICES INCREASE IN 2001

According to the Oklahoma Association of Realtors, statewide sales of new and existing homes reflected an average sales price of \$90,195, which is a 2.5 percent increase from the \$87,996 price posted last year.

Statewide sales of new and existing homes through the third quarter of 2001 total 27,464, which is a 5.25 percent increase in sales activity compared to the same period in 2000.

The Oklahoma Association of Realtors compiled this information from local boards and associations, and the summaries below are from Oklahoma's largest multiple listing services.



TASK FORCE MEETS IN DECEMBER

The Task Force on Ad Valorem Tax Practices met for the second time December 11th, hearing overviews of the assessment process from the Ad Valorem Division and representatives of the County Assessors' Association.

Jeff Spelman, CAE gave a broad overview of the ad valorem system, and Jim Kelley, Cathy Hokit, and Jack Gordon presented assessor perspectives.

Following these presentations the Task Force received a real estate industry update from Lisa

Yates of the Oklahoma Association of Realtors and Leo Cravens with the Oklahoma State Home Builder's Association.

Doug Price presented an overview of Attorney General Opinion 01-36, relating to proper application of the Constitutional valuation limitations, and comments were heard from various agricultural and education organizations.

No date has been established yet for the next Task Force meeting.