

A LOOK AHEAD...

- March 5 - 8
Unit II Real Property Appraisal
Stillwater
- March 14
Board of Equalization Training
Stillwater
- March 20 -22
Unit I Intro. to Assessor's Office
Tulsa
- March 27 - 28
Intro. Data Collection Training
OKC
- March 31
Easter Sunday

DIRECTOR'S NOTES...

LEGISLATURE CONSIDERS SEVERAL AD VALOREM BILLS

We enjoyed seeing all the county assessors and deputies and tax representatives at the recent CODA meeting. I know this is an extremely busy time for county assessors and deputies, and since we now have public service renditions out in the mail, it will be busy for the tax representatives and companies working toward the statutory deadline.

The Ad Valorem Division has appreciated the assistance of all the county assessors and deputies in compiling information on Senior Freezes and other data on the various exemptions in the ad valorem system.

We've gotten an invitation from the Oklahoma Association of Tax Representatives to attend their spring convention in May and I'm looking forward to meeting with that important group. I just hope this cold weather is over by May.

Legislature Convenes: This month's biggest event has been the opening of the 2002 Oklahoma Legislature. We've attended some of the Senate Finance and House Revenue and Taxation Committees. Several ad valorem bills are already under consideration. Many cover changes of some kind to the additional homestead exemption statute.

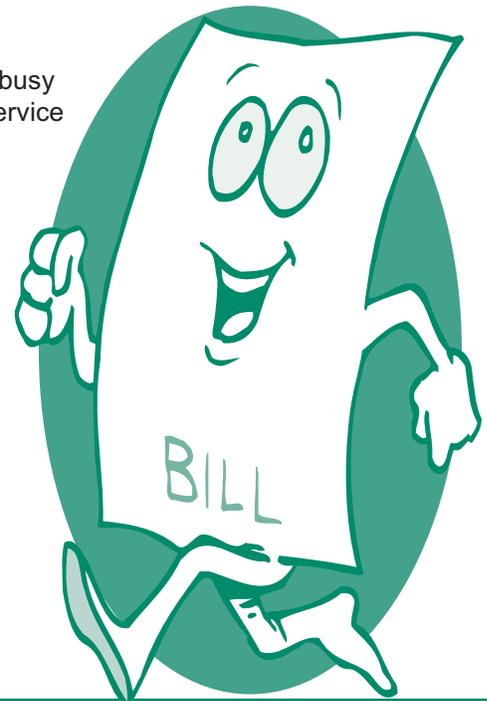
Mark your calendars. We have a complete schedule now of the 2002 District meeting dates:

Southwest: May 10 (Cleveland County)
Southeast: May 17 (McCurtain County)
Northwest May 24 (Cimarron County)
Northeast: May 31 (Osage County)

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". We're looking forward to a great year!

Jeff Spelman, CAE
Director, Ad Valorem Division

P.S. *"A father is a man who expects his children to be as good as he meant to be."*
-Carolyn Coats



DATA COLLECTION

"TIP OF THE MONTH"

When classing a home, don't let outside elements that are not attached to the house influence your decision on quality class. For example, tennis courts, swimming pools, spas, saunas, cabanas, gazebos, exceptional landscaping, lawn sprinkler systems, outdoor yard lighting, extra paving, water fountains, fences, lot size, security gate, greenhouse, and carports should not influence the quality class. Selection of quality class should be based on the probable construction cost of the home only.

\$1.5 MILLION GRANT PROGRAM ANNOUNCED BY GIS FIRM

Smart Data Strategies, Inc. (SDS) of Franklin, Tenn. recently announced a Technical Services Grant Program. Between January 1, 2002 and January 1, 2003, SDS will set aside \$1.5 million to assist state, county, and city assessment offices with their expanding GIS needs.

The technical services grant is designed to pay for some portion of the software and technical services that best meet the needs of qualified applicants.

SDS has worked extensively with various local government offices across the United States. SDS assists assessment offices with services using the grant program to help cover the costs of implementing GIS.

After applying for the grant, SDS will assess the agency's petition and evaluate how SDS can meet their needs with a grant of technical services, software or consulting.

"As our company has grown to serve clients throughout North America, so has our desire to institute a formal method of providing certain products and services for free," states Susan Marlow, President and founder of SDS.

"This grant program will provide a way for us to help assessment offices improve their GIS services."

SDS is recognized for its assessment products and services, and has a customizable set of software solutions designed for the state, county, and city assessment offices.

The software, called DREAMaps, fulfills all aspects of the cadastral data life cycle, from document collection to custom data distribution. SDS also specializes in digital parcel mapping, deed research, geodatabase development, database design, consulting and training.

To be considered for this grant program, please contact the SDS Grant Program Coordinator at (615) 794-5280 or email grants@sds-inc.com.

For more information about SDS you can also visit their web site at www.sds-inc.com.



MAPPING MINUTE

WITH TROY FRAZIER

Mapping software, mapping software, mapping software... ArcView? AutoCAD Map? MicroStation? MIMS? ArcInfo?

There seems to be a herd mentality when it comes to mapping software. It seems that whatever is in style at that particular moment is what everyone wants. During the last couple of years, it was AutoCAD Map. Now, it seems to be ArcView.

Several counties have gone from MIMS or MicroStation to AutoCAD Map to ArcView in just a few years time. Some counties are actually on their fourth different mapping system.

Do not be fooled- each mapping system has its strengths and weaknesses. In my opinion, none of the current mapping systems

being offered to you is vastly superior to the **current** version of mapping software you already have. If you want a comparison of one mapping software system to another, please give me a call.

Remember: Regardless of what mapping software you do settle on, we will try to support it through regular visits, annual school training, regional training, and periodic mapping layer updates. We do not care which mapping system you use. We just ask that you continue mapping and use your mapping to make your job easier.

MARCH 12TH

EIGHTH ANNUAL GIS DAY AT THE CAPITOL

The eighth annual GIS Day at the Capitol is scheduled for Tuesday, March 12 from 9:00 a.m. to 3:00 p.m. Many different government agencies will display projects and accomplishments, providing an opportunity to visit with GIS practitioners from around the state.

The Ad Valorem Division will participate, and several counties may choose to show their accomplishments also.

If you would like to participate in GIS Day, please contact Shellie Willoughby at (405) 521-4828 or shelliew@okcc.state.ok.us. She is the GIS Council contact and works for the Oklahoma Conservation Commission.

If you have any questions about whether or not to participate, please contact Troy Frazier at (405) 521-3178 or tfrazier@oktax.state.ok.us. Booth space at the "GIS Day at the Capitol" is limited to first come, first served.

PUBLIC SERVICE UPDATE

Unless you've been under a rock since October, you have no doubt heard some news regarding the largest bankruptcy in history, that of the Enron Corporation. What was once a stock highly sought after by mutual funds and individual investors now trades at around 60 to 70 cents a share and portions of the company are being sold off piecemeal to satisfy creditors. As a result of this bankruptcy there will probably be changes in rules made by both F.A.S.B (Financial Accounting Standards Board) and G.A.A.P. (Generally Accepted Accounting Principles) which will affect regulatory reports that these companies are responsible for

filing. These same regulatory reports are included in, and utilized by the Ad Valorem Division, as reference materials for public service company returns.

In Oklahoma for 2001, and with a total assessed value of \$29,530,423, five public service companies were filed with Enron Corporation as its parent company. They were: EOTT Energy Pipeline, LP, Northern Natural Gas Company, Transwestern Pipeline Company, Enron Broadband Services, Inc., and Backbone Trust I. For 2002, while ownership of the property may have changed for one reason or another, the property is still there and will be valued.

PHONY FEE FOR HOMESTEAD EXEMPTION

(By Susan Hylton, Tulsa World Staff Writer, appearing in the 1-17-02 edition)

The Tulsa County Assessor's Office recently warned homeowners about a company that is mailing notices which seek a \$29.50 processing fee to prepare homestead exemption applications.

"This does make me angry, because we make every effort to make the process easy, accessible and free," County Assessor Jack Gordon said.

He said the company, Property Tax Reduction, is simply out to get people's money. Better Business Bureau President Rick Brinkley said the company's practice is misleading people to believe that they have to pay a fee to file for homestead exemption.

Gordon said the notices appear to be official.

"It looks like they're from us, but they're not," he said.

The notices include a response deadline and warn of a "possible tax overpayment."

"It makes me angry. I hate to think about how many people are actually sending them money," said Betty Braithwait, a homeowner who said she received the notice.

Brinkley said the BBB has not been able to track down the company but that its address is an off-site mailbox facility near Woodland Hills Mall.

"The letters are posted out of Dallas and Fort Worth, but we don't know if it's someone from Texas or here locally," he said.

"The word we got is that the mailbox place was receiving the mail but that no one had ever reserved that box, so they were returning mail return to sender," Brinkley added.

UPDATE ON DETERMINATION OF GROSS HOUSEHOLD INCOME

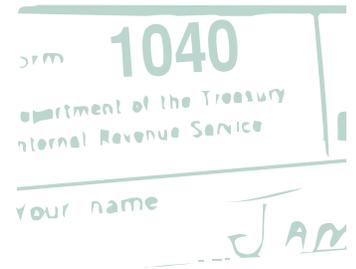
The following review procedure for determination of Gross Household Income includes updates that conform to current IRS forms.

When determining the amount of gross household income pursuant to eligibility requirements for the Additional Homestead Exemption or Senior Valuation Limitation, OTC form 994 shall be used for the application.

If additional income verification is required, the county assessor may request any documentation necessary from the taxpayer. If using federal income tax returns for verification, the following should be considered.

When using Federal Income Tax Returns:

- Use the most recent return (Return 2000 and after).
- Form 1040: Line 22 (Total Income) LESS any amounts which appear on lines 12, 13, 14, 17, or 18. Line 22 will not be Gross Income.
- Schedule F: Add line 11 to adjusted line 22 on form 1040.
- Schedule C: Add line 7 to adjusted line 22 on form 1040.
- Schedule C-EZ: Add line 1 to adjusted line 22 on form 1040.
- Schedule E: Add line 3 and 4 to adjusted line 22 on form 1040.
- Form 1040A: Use line 15 (Total Income)
- Form 1040EZ: Use line 4 (Adjusted Gross Income)



As to the Form 1040, taking line 22 and adding back certain gross income amounts from Schedules C, D, E, or F does not account for all types of gross household income as outlined in 68 O.S. Section 2890. Specifically, include tax exempt bond interest income, Social Security, Pension or other annuity income. 68 O.S. Section 2890 requires the inclusion of the aforementioned regardless of their taxability. Also, there are a variety of income items that are not required to be included on a Federal Income Tax Return. Some examples of this include Child Support receipts, Welfare or assistance payments (AFDC and food stamps), Personal injury settlements, Federal Earned Income Tax Refunds and certain state refunds (Low Income Sales Tax Relief).

In summary, utilizing federal income tax returns will not always accurately reflect actual gross household income. It is difficult to ascertain true gross income without input from the taxpayer as to non-taxable or non-reportable income.

When requesting income verification from the Tax Commission, OTC form 996 must be used for each individual request. The application form 994 signed by the taxpayer must be attached to the request for verification form 996.

The Tax Commission verification is based on Oklahoma Gross Adjusted Income and may not represent actual gross income. If no Oklahoma Income Tax Return was filed the Tax Commission will be unable to verify the income. Individual income tax records cannot be released under Oklahoma confidentiality statutes.

If you have further questions about determination of gross household income, please contact the Ad Valorem Division at (405) 521-3178.

PUBLIC TRUSTS CAN'T FINANCE EXEMPT PROPERTIES

A recent Attorney General opinion states that Section 178.6 of Title 60 prohibits public trusts from financing housing or housing programs involving properties exempt from ad valorem taxation pursuant to Section 2887 of Title 68.

The opinion, 01-56, dated December 13, 2001, was

requested by Representative Larry Rice to clarify the issue.

The opinion states that **“only property that is subject to ad valorem taxation and located within the geographic boundaries of the beneficiary or beneficiaries of the public trust”** can be financed by public trusts.

A copy of Attorney General

Opinion 01-56 was sent to County Assessors in Tax Commission Bulletin number 02-05, dated January 17, 2002. If you have any further questions regarding the Attorney General Opinion or the Tax Commission Bulletin on this subject, please contact the Ad Valorem Division at (405) 521-3178.