

A Look Ahead...

May 30 - June 1

Personal Property
Unit V
Western Hills Lodge

June 5 - 8

Mapping
Unit VI
Stillwater

June 21 - 22

Introductory Data Collection
Data Entry Class
Ad Valorem Division Offices
Oklahoma City

Director's Notes...

District Meetings, Legislative Session at Forefront

We got off to a good start on the Annual District meetings this year with our session in Blaine County in the last part of April. We have enjoyed getting out for the District meetings and seeing everyone. It's the latest edition of the Ad Valorem Division Road Tour 2001.

I really enjoy the new format of four County Assessors' Association Districts. The new arrangement gives every district a number of counties to choose from when selecting a host each year, and it is also good to have four meetings instead of five during the last busy weeks of the Legislative session.

The Legislative session is starting to wind down, but there are still a number of important issues under consideration. We've heard lots of discussion on the Texas ad valorem system, and several individuals have contacted us with questions about Texas. At first, I thought they had questions about their football team down there. In the next few weeks, there will be some additional discussion as the legislative session concludes. We'll get everyone up to date on new legislation after the session is over.

It seems like we just got back from Tulsa last month, but we are already into the early planning process for this year's Educational Conference. The same hotel that we used last year, the Marriott, was awarded the bid this year. We have reserved two rooms for each county as we have in the past so no county assessor will have to sleep in the lobby (Unless they want to!).

Watch for the mailing; we'll put a sticker on the outside.

We're excited about this year's conference (Not just the repeat of the bowling party planned by the County Assessors' Association). We will have our usual pre-conference meeting with Mike Means and the County Assessors' Association officers to discuss details of the Conference with them. We have planned the computer lab again this year including an introduction to windows, repeat of Word and Excel training from last year, new mapping programs, a demonstration of some new software, sessions on CAMA, Indian law, a session on cell towers and other telecommunication issues, and other topics we are in the process of adding. With the continued help of Center for Local Government Technology (CLGT), State Auditor and Inspector (SA&I) and the County Assessors' Association, we should have another outstanding conference.

This year's Pulitzer Prize for editorials went to the Rutland Herald, a small newspaper in a town about the size of Ada in rural Vermont. To win the prize, the Herald had to compete directly against huge newspapers like the New York Times and the Washington Post. The motto of the Herald comes from Vermont's Constitution written in the late 1700s, and they print it above the masthead every day. It's a great message for elected officials, public servants,

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Online Browsing of Real Estate Records Creates High Public Interest

(Excerpts from a Wall Street Journal article by Patricia Davis)

Pittsburgh is in the throes of a new form of high-tech voyeurism, now that Allegheny County has posted online its property assessors' database of pictures, prices and many other details about 562,000 properties.

More than three million visitors (including repeaters) have checked out 49 million pages of information since the service started in December.

They can see that hockey star Mario Lemieux paid \$1,480,000 for his house on November 20, 1992. It has a concrete patio and an irregularly shaped pool.

You will read that Pittsburgh's mayor, Tom Murphy owns a two-story brick house, built in 1910 that's in "fair condition." And that U.S. Treasury Secretary Paul O'Neill, the former chairman of Alcoa Inc., which has its headquarters in Pittsburgh, paid \$660,000 for his Pittsburgh house in 1987.

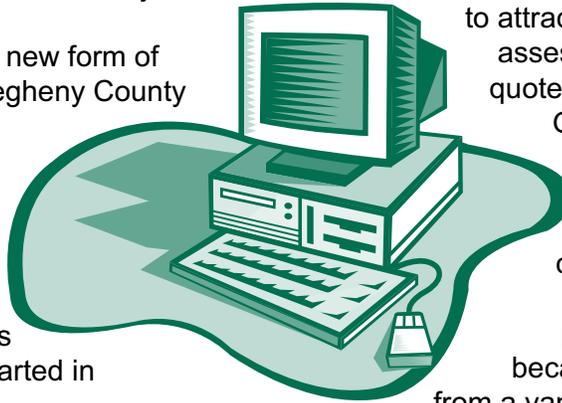
Other cities and counties, including Miami-Dade County, Hamilton County, Ohio, and Fairfax County, Virginia have been putting real estate records on the Internet and seeing their own local waves of online browsing.

The Miami-Dade site has recorded close to three million hits since December. Online services, such as MSN's HomeAdvisor and Realtor.com, have been offering real estate data for a few years, but sites like those in Allegheny and Hamilton County are crammed with more pictures and details for each listing.

Sixth-grader Katie Weber learned how to use the site from her 11-year-old cousin. "Grownups might want to see who used to live in their house or how much it was," she says. "I just look at the pictures."

One homeowner clicked to see the photograph of his three-bedroom home and saw instead a patch of dirt, four cinderblocks and a thicket of trees. Barely visible behind the branches is the side of his house.

"Somebody really worked hard to get a picture



that bad," he says. Since he doesn't want to attract the attention of the tax assessor, he doesn't want to be quoted by name.

George Donatello, an operations manager of Sabre Systems and Services Inc., which the county paid \$24 million to compile the information and take the pictures, explains that photographs might be a little off because they were usually taken from a van parked on public streets.

He thinks his company has done a lot of good work in a very short time:

18 billion pieces of information collected and downloaded by 250 employees in 27 months.

Out of curiosity, Melanie Rose checked her property listing. She found nothing wrong with the data, but the picture of her house was actually a shot of next-door neighbor Francine Spagna's Cape Cod house, with a white SUV parked on the gravel driveway.

She figured that the photos had been switched by mistake, but when Mrs. Rose called up Mrs. Spagna's listing, up popped a photograph of a shed in need of repair belonging to yet another neighbor.

Though Mrs. Spagna was mildly embarrassed that people would go online and think she lived in a shack, she told everyone at work about the mix-up anyway. "They immediately went online," she says. One friend, who had never been to Mrs. Spagna's home, asked, "Does your house look anything like that?"

Once people have run through the homes of their neighbors, classmates, friends, parents of friends and relatives, they can move on to local celebrities. During a ski trip to Utah, laptop in tow, John Buckman showed a friend Mr. Lemieux's home.

The picture isn't great. The house is obscured by a tall row of trees. But Mr. Buckman says, "I thought he got a very good deal."

At least Mr. Buckman is honest about his curiosity. "It's like going in somebody's bathroom and

Attorney General Opinion Clarifies Exemption Requirements for Religious and Charitable Purposes

In Attorney General opinion 01-09, requirements for exemption of property for religious and charitable purposes were clarified.

In order to be exempt from property taxes, church property must be “used exclusively for religious and charitable purposes.” OKLA CONST Article X, Section 6; see also 68 O.S. 2887(7) (2000).

Whether property is being used exclusively for a religious purpose is a question of fact. If the property were used for both exempt and nonexempt purposes, it would be taxable on a pro rata basis.

The fact that the entity using the church property is a nonprofit organization would not itself be determinative of whether the use of the property was for an exempt purpose. As a general rule, use of the property for activities that benefit the community, such as use as a polling place or meeting place for youth organizations or service clubs, may be consistent with the overall exempt purpose of the church.

Charging fees for use of the property that would result in a profit to the church or allowing the use of the property by groups for nonexempt purposes, may subject the church’s property to taxation on a pro rata basis.

Charging fees to groups that use the church for an exempt purpose, such as nonprofit charitable organizations or the County Election Board, for the reimbursement of the actual costs of the use of the facilities would not jeopardize the exemption.

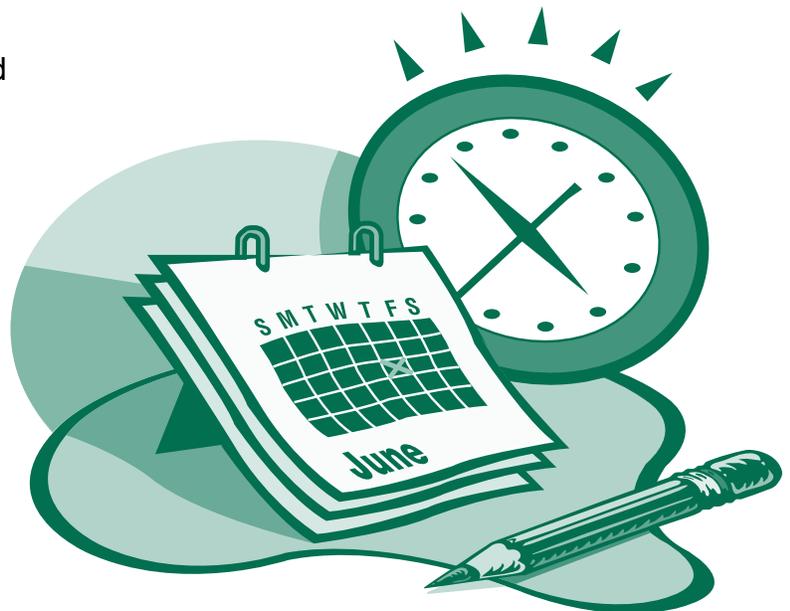
The opinion is summarized in Ad Valorem Division Bulletin number 01-21 dated April 4, 2001. If you have any questions regarding this information, please contact our office at (405) 521-3178.

Reminder of Manufacturers Exemption Deadlines

You have survived the dreaded deadlines of March 15 and April 15. Now don’t let your guard down, as you have two more deadlines to meet by June 15. Everyone is aware of the abstract deadline, but please remember it is also time to submit all of your county’s 5-year Manufacturer’s Exemption applications.

Due to statutes, no extensions are available. Please see that the applications are approved/disapproved by you and your County Board of Equalization and send them to the Ad Valorem Division, attention Sebene Noble.

If you have any questions about 5-year applications, or the 5-year Manufacturer’s Exemption program, please contact Sebene Noble at (405) 521-3178.



New Electronic Trends Develop in Property Tax Collections

Since its launch in October of 2000, the Harris County, Texas electronic tax system has been responsible for the collection of \$3.6 million in property tax paid online by credit card.

This is a dollar volume that exceeds the total amount of taxes collected by 10 of the Tax Office's 14 branch locations. The higher-than-expected volume represents about 1 percent of all tax payments during the system's first three months.

"We thought we'd do about a million and a half during the first year, but the system has been so successful, it's like adding a virtual branch," Bettencourt said.

With the system's launch, Harris County became the only tax authority in the nation to offer online programs for both property tax payments and auto registration. The office is responsible for 3.5 million auto registrations and 1.5 million tax accounts.

About 18 states and a handful of local governments offer Internet-based electronic filing for personal, property, or business taxes.

Taxpayers in 22 Kansas counties, for example, paid approximately \$225,000 in property taxes online via their personal checking accounts during the state's November-December tax session.

The online property tax program was launched November 1 by the Kansas County Treasurers Association, and is slated for expansion this year with the participation of additional counties and an option to pay via credit card.

The rise of online tax systems has its roots in the federal e-file program for individual income tax returns, launched by the Internal Revenue Service in 1987 and expanded four years later to include electronic filing of state returns.

By allowing states to piggyback on federal returns, the IRS' expanded Federal/State e-file program has given states a relatively inexpensive means of introducing e-filing, often with impressive results (From an Article Appearing in March, 2001 *Governing Magazine* by Patrick J. Walsh).

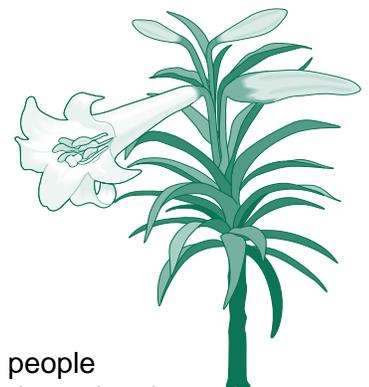


Former Director Remembered in Memorial Service

Bob Hartman, former Ad Valorem Division Director a number of years ago, passed away recently. Several Oklahoma Tax Commission staff members and one former county assessor attended the service.

Bob was instrumental in establishing the National Conference on Unit Valuation, a national organization on public service valuations. He set up the first computerization of ad valorem valuations in the early 1980's and worked closely with the County Assessors' Association during the ad valorem reform of the late 1980's.

At the memorial service, Bob Hartman was honored for his involvement in an Oklahoma-based Christian ministry for prisoners. The minister who conducted the ceremony said that Bob had done some wonderful work in the last years of his life, conquering personal problems, growing closer to his family, and serving the needs of people involved in the Kairos prison ministry. Hartman was 56. He is survived by his wife and two daughters.



Texas Property Tax Fast Facts

The Texas ad valorem system produces about \$20 billion annually compared to about \$1.2 billion in Oklahoma. Schools receive approximately 59 percent of local property taxes levied. In Texas, local school property taxes provide about 42.7 percent of public school funding which is more than in Oklahoma.

Texas has an Appraisal District system rather than a county system. There is an Appraisal District in each county that sets the value of the property each year. An appointed chief appraiser operates as the administrator and runs the district office.

Texas assesses property at 100% of value. There is no fractional percentage as in Oklahoma, which is between 11-13.5%. Texas has several types of homestead exemptions. First, the state mandates a homestead exemption of \$15,000 for the school tax. Other taxing entities may offer an exemption up to 20 percent of the home's value.

The Texas Constitution authorizes local governments to levy property taxes. Counties, cities, school districts and special districts such as rural fire districts, junior colleges, flood control districts and hospitals all can levy property taxes. It is possible for the taxpayer to receive separate bills from several of these entities although the Appraisal district consolidates most of these tax bills.

Agricultural property is appraised based upon productivity value. Landowners must

apply for an agricultural appraisal. If land valued as agricultural changes to a non-agricultural use, the property owner who changes the use will owe a "rollback" tax.

The rollback is due for each of the previous five years in which the land got the productivity appraisal. This tax is based on the difference between the productivity value and market value plus 7 percent interest for each year from the date that the tax would have been due.

Texas has a "cap" of 10 percent on a residence homestead. The appraised value of a residence homestead is limited to the lesser value of the market value of the property or 110 percent of the value for the preceding year plus the market value of any new improvements. Unlike Oklahoma, it does not apply to non-homestead properties.

Texas exempts farm machinery and equipment.

Texas served as a rough model for Oklahoma's SQ 677 Senior Valuation Freeze. The school tax ceiling or "tax freeze" as it is often called is provided for homeowners who receive the mandatory "65 and over" \$10,000 homestead exemption. The tax ceiling provides that school taxes will not increase above the amount of tax imposed the first year. Other taxes are not affected.

And you thought that county government was slow... One week ago I finally received the last piece of software that I had requested in June 2000. Learning how to be patient as the purchase process grinds along has been one of the biggest challenges of the new job.

As you know, I am continuing to visit different counties each month. We cover things from long range planning to actual training in working splits or creating plat books. If you have a specific problem and need me to visit your county soon, please give me a call. I will schedule a trip as soon as possible.

Tulsa is fast approaching. If you have specific subjects that you want to see, please let me know very, very soon. Thanks!

Remember: In most counties, the Assessor's office has the most accurate, up to date, and complete ownership map of their county *in the world!* So always take pride in your work, and in your accomplishments.



Online Browsing ...

(Continued from Page 2...)

looking in the medicine cabinet," says Rich Fitzgerald, an Allegheny County Council member. "They do it but they don't admit it."

Mr. Fitzgerald is in favor of having the information on the Internet, but he opposes listing or searching for properties by the name of their owners. A bill to wipe out having assessment data on the Internet altogether is pending in the Pennsylvania State Legislature.

Police officers, elderly residents, and others have expressed concerns about having the information so readily accessible. Tom Meinert kids his partner, William Green, about being obsessed.

One day he walked into Mr. Green's office and found him checking out homes of the local rich and famous. "Rather than doing real work, he became consumed," says Mr. Meinert.

Mr. Green, president of William J. Green & Associates Inc., a public affairs and communication-counseling firm, finds the search fascinating. "I think everybody looked at Kordell Stewart's, Bill Cowher's," referring to the quarterback and coach of the Pittsburgh Steelers.

He has even been known to call up listings for people as he speaks with them on the telephone. His colleagues told him to get a hobby. "I have," Mr. Green replied.

District Meetings...

(Continued from Page 1...)

and taxpayers. The motto goes like this:

"A firm adherence to justice, moderation, temperance, industry, and frugality, are absolutely necessary to preserve the blessings of liberty, and keep government free; the people ought, therefore to pay particular attention to these points...for good government of the State."

That's a pretty straight arrow approach to expected behavior of county assessors and deputies, but I also like the fact that the motto reminds citizens that they have a role to play in expecting high standards also. It reminds that our jobs are ones of public trust. Whoever wrote the newspaper's motto even though it was many years ago had a good idea.

We have enjoyed seeing everyone at the district meetings. Have a good month. We appreciate all you do for your taxpayers and all the hard work of county assessors and deputies every where. It's a hard job, but ad valorem is an extremely important part of local government in Oklahoma. We're all working to pass the system on better than it was given to us.

Jeff Spelman, CAE
Director of the Ad Valorem Division
Oklahoma Tax Commission

Accreditation Certificates to be Awarded at Conference

Initial and advanced accreditation certificates will be given out each year at the Educational Conference opening session. The last group of certificates were mailed in January of this year.

Assessors will be contacted before the August Educational Conference to notify them of personnel receiving certification, check spelling of employee names, and to verify that names received from CLGT are actually eligible to receive accreditation certificates.

Anyone completing certification prior to the Conference (even those finishing in July) will receive their certificate in Tulsa.