



A LOOK AHEAD...

June 4 -7
Unit VI, Mapping
Stillwater

June 19-21
Unit V, Property
Stillwater

DIRECTOR'S NOTES...

DISTRICT MEETINGS HIGHLIGHT MAY SCHEDULE

The Ad Valorem Division Road Tour 2002...

By the time, you get this newsletter we should be winding down the district meetings. I was especially looking forward to visiting my home county, as well as the other meeting sites. I always enjoy the District meetings and seeing everyone. Boise City to Idabel is the record for distance between meetings.

Oklahoma is really an amazing state when you consider the variety, history and interesting things to see in the state. It's an amazing place. The new format of four County Assessors' Association Districts is working out well, and it is also good to have four meetings instead of five during the last busy weeks of the Legislative session.

We enjoyed meeting with the Oklahoma Association of Tax Representatives. I always appreciate their invitation to the Ad Valorem Division and a chance to discuss their issues and concerns. The OATR membership has lots of experience and knowledge in the process.

The Legislative session is starting to wind down, but there are still a number of important issues under consideration. 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.

The Ad Valorem Division will be sending out reminders on the abstract submission dates later this month. Please remember that the abstracts are due on June 15, but if my calendar is correct that's Saturday. Please avoid any delay by getting those abstracts in as early as possible. Statutes are pretty strict on the deadline so please let us know. We'll be sending a bulletin reminder out shortly.

The planning process for the Annual Conference in 2002 is proceeding subject to budgetary changes. We're excited about this year's conference. We'll meet with Jim Kelley and the County Assessors' Association officers in the new few weeks. 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 even if we have to modify aspects of the conference as a result of budget (It's interesting to note that the Annual Conference continued throughout WWII so we need to carry on the effort) .

We'll see 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. Like Tom Cusack says, "keep in mind, we should be the guardian of fairness."

**Sincerely,
Jeff Spelman, CAE
Director, Ad Valorem Division**

P.S. Every man and woman does something foolish at least once or twice each day; the trick is to try not to exceed your limit.



PUBLIC SERVICE APPRAISALS

By now most public service companies have received an appraisal report from the Ad Valorem Division indicating their company's correlated unit value and the Oklahoma taxable unit value.

These reports show the numbers and factors utilized by the Division in determining the income, cost, stock and debt, and cash flow value indicators for each company. Also enclosed with each appraisal is the company's apportionment data as submitted to us by them for their verification.

With this mail-out each company has the responsibility of reviewing the appraisal and apportionment data for their company. This review gives the tax representative an opportunity to better understand our methodology, which makes meeting filing requirements in future periods easier, and to check for possible errors.

This step in our process is critical in that it reduces the potential for protests and corrected certificates being issued reapportioning public service assessed values after budgets have already been determined. With a staff of six we are dependent on the public service company to know where their property is.

After receiving their appraisal report, companies can schedule an informal conference providing them a final opportunity to present supplemental data, understand methodology or just state their case before values are presented to the State Board of Equalization for certification. We are always willing to hear the tax representative's position on their industry or company and those factors that influence it.

RURAL COUNTY GOVERNANCE CENTER

The National Association of Counties has created the Rural County Governance Center to increase the capacity of rural county elected officials to develop and sustain vibrant rural communities.

According to NACo President Javier Gonzales, the Center was established to provide rural public officials with information on emerging and current issues facing rural communities in the 21st century.

The Rural County Governance Center's

activities this year will focus on developing a virtual library containing model programs, information resources and funding information.

It will sponsor applied research and publish research reports of vital interest. The Center will also conduct various conferences and workshops on critical issues during the year.

Links to the various on-line resources of the Center can be accessed from the NACo web site at

<http://www.naco.org>.

MAPPING MINUTE WITH TROY FRAZIER

I have good news and bad news and more bad news. The good news is that we still have our health. Also the "Digital Atlas of Oklahoma" update is still on schedule for a mid-August release.

The bad news and more bad news is concerning the 2002 aerial photos and the digital soil maps.

The plan to have the Farm Services Administration (FSA) pay to have the State reflowed this year in color is **dead**. USGS still wants to fly the State this year; however, no one is stepping forward to cover the cost of totaling around \$1,250,000 or so.

I talked with Jim Henley of the State office of the Natural Resources Conservation Service (NRCS). His office is collecting the information to digitize the old county soil books.

They dropped their estimate from twelve counties to seven or eight counties a year. After they collect the information, they send it to a "national digitizing center." Once the maps are digitized, they are sent back to Jim Henley's office for an accuracy check.

If the digitized maps pass the check, they are sent to Ft. Worth to be certified and published on the NRCS web site. Since they currently only have eight counties available on their national web site for downloading, I suggest that all counties **NOT** on the NRCS list look at digitizing their own copies of the old soil books.

Here is the NRCS list: Adair, Alfalfa, Beckham, Canadian, Carter, Cherokee, Comanche, Custer, Garfield, Grant, Harmon, Hughes, Kay, Kingfisher, LeFlore, Lincoln, Logan, Murray, Noble, Okfuskee, Oklahoma, Payne, Pittsburg, Pottawatomie, Rogers, Tulsa, Woods, and Woodward.

Maybe I will have more news next month.

Remember: *I don't make this stuff up. There is no need to. The truth is funny enough as it is!*

THE “LOATHSOME” LOCAL LEVY

(Excerpts from an October, 2001 Article by Alan Greenblatt appearing in Governing Magazine)

Senior citizens in Massachusetts who don't want to spend their golden years greeting shoppers at the local discount store can find late-life alternatives in the public sector.

Starting this past summer, about 50 Bay State municipalities put them to work taking tickets at high school football games, reshelving books at libraries and helping to sort paperwork in city hall.

It's not the usual volunteerism associated with “giving back to the community,” though. These seniors are earning credit—up to \$500 a year—against their property-tax bills.

It's one small break among many that seniors all across the country are getting. And they aren't the only ones. As assessments of residential properties have shot up by double-digit percentages in recent years, states and localities are giving every break they can think of to ameliorate homeowners' tax burdens.

Even as receipts from sales, income and capital-gains taxes plummet in many states, it's clear that soaring home values aren't going to translate anytime soon into a source that can make up for revenue deficiencies in those other areas.

Property taxes remain about as unpopular as when the vogue for cutting them struck in California with Proposition 13 in 1978, so politicians continue to bend over backwards to alleviate their bite.

Rising property values translate into higher property-tax burdens only where there's the political will to raise levies.

“The state has a \$300 million budget shortfall, but that hasn't stopped a half-dozen property-tax freeze proposals,” says Harry Kennedy, chairman of the House Ways and Means Committee in Missouri.

For a decade, Cook County, Illinois, has had a mandated property-tax rate limitation tied to the national rate of inflation.

In July, the county's Board of Commissioners decided that limit wasn't generous enough and provided an additional break to residents who have owned their homes for 10 years or more.

Chicago Mayor Richard M. Daley still felt it necessary several weeks later to open a first-floor City Hall tax-assistance center to help angry homeowners appeal their property-tax bills.

More often, property-tax relief is imposed from above, with states dictating to localities what they can and cannot collect.

Twenty-two states have “truth in taxation” laws, which block local governments from raising the total amount of property taxes they collect from one year to the next. Even if assessed values have shot up, town councils or county governments in those states have to cast a vote to increase their total haul and then advertise that action in the newspaper.

Depending on the state, cities and counties can raise their total haul of property taxes to take into account inflation and new construction. However, localities are often required to lower the tax rates on existing, unimproved homes if the assessed value has increased, keeping the actual tax bill steady.

“With the increases in values that we're experiencing and the fact that we're capped over the entire year, it's really becoming relatively constant,” says Ben White, Denver's chief appraiser.

Some localities are reticent even about establishing those higher assessed values. New Jersey's attorney general sued eight cities this year for having failed to perform revaluations for more than a decade.

Paterson, New Jersey, hasn't done a reassessment since 1972, dropping its assessed property value to less than 20 percent of the market value.

In Indiana, the state is undergoing a major reassessment project that will bring the book values of residential properties in line with the market. Assessed values have long been artificially deflated; they're now expected to jump by more than a third. But state lawmakers are already moving to minimize the impact of the new values.

Voters in Washington State this past November approved the second property-tax limitation initiative in three years (The 1999 version was thrown out by the courts).

Property taxes are determined by a complicated formula, but the simple fact is that many states have put all kinds of brakes in place to assure that property-tax bills do not rise as fast as property values.

Much residential property-tax relief shifts a good deal of the burden from homeowners to commercial and industrial property.

In Colorado, limitations to residential property tax increases has meant that homes and condos are now assessed for tax purposes at 8.9 percent of their market value, while commercial property is assessed at 29 percent.

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SEE “LOCAL LEVY...”**

DATA COLLECTION OCCUPANT INTERVIEW QUESTIONS OUTLINED

County appraisers / data collectors can utilize their brief contacts with property owners to gain valuable information to aid in the assessment process.

The following types of questions will assist appraisers in properly completing the data collection card, and allow for adequate information to properly value a parcel.

After introducing yourself and explaining what you are doing, confirm the name of the occupant at the beginning of the interview and determine if they are the owner, tenant, relative, etc.

Next, ask the year the dwelling was built, and the year remodeled if necessary.

While visiting with the occupant, confirm the type of heating and cooling system, the total number of rooms, bedrooms and family room. If the structure appears to have a basement, be sure to verify this and inquire as to the type of finish and its size.

Additionally, find out how many and what type of bathrooms the home has, and the number of fireplaces, if applicable.

Remember to thank the occupant for his/her time, and inform them of the need to measure the dwelling and other structures associated with it.

Be sure to note the date and ID of the data collector along with the proper contact code on the data collection card, as well as the name of the person providing the information.

By being organized, and by asking the right questions of the occupant, the job of data collection can become much less difficult.



ASSOCIATION OFFICERS ASSIST IN AUGUST CONFERENCE PLANNING

The Ad Valorem Division continues to plan the Oklahoma Tax Commission Educational Conference for August, 2002. We met May 7 with the County Assessor's Association Education Committee to review plans for the Conference program.

The Conference theme for this year is "Back To Basics."

Conference bids are not completely finalized, so it is too early to release dates or hotel reservation procedures.

As a result of present state level budget cuts this year, one of our major goals for the Annual Conference will be to make it as cost efficient as possible. The Conference, with the help of the County Assessors' Association, Center

for Local Government Technology (CLGT), and the State Auditor and Inspector (SA&I), will still be professional and informative to meet the applicable statutory training requirements.

To accomplish this, some changes will be made in the Conference format. Most of these modifications will not be noticeable to county assessors and deputies.

By the end of the Legislative session this month, the Oklahoma Tax Commission will have final budget amounts for FY-2003. If state government is required to make additional budget cuts that will modify our plans for the Annual Conference, the Oklahoma Tax Commission may have to make adjustments to our annual Conference. We will continue to keep you informed on this process.

LOCAL LEVY... (CONTINUED FROM PAGE 2)

"People hate the property tax. They hate it for a lot of reasons," says Decatur, Georgia City Manager Peggy Merriss.

"If the government waited all year long and made you turn in your receipts and write them a check for your sales tax, they'd hate that too."