

A Look Ahead...

July 4

Independence Day

July 10 - 13

Mass Appraisal
Unit III
Tulsa

July 24 - 27

Mapping
Unit IV
Stillwater



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Director's Notes...

Abstract time again, al ready!

We have been working hard at the Ad Valorem Division to get things ready for the 2001 State Board of Equalization (SBOE) meeting. By the time you receive this newsletter, the SBOE will probably have already met.

The meeting is scheduled for June 18 this year, with June 15 as the statutory due date for abstracts. It's a busy time of year for the Ad Valorem Division as we complete the hundreds of public service valuations, review county abstracts, and prepare to get compliance reports in on time. I'm sure we'll have another successful State Board of Equalization (SBOE) meeting as we did last year. Thanks to all the counties for their hard work and assistance in getting their abstracts completed.

Hopefully, the new computerized abstract procedure worked well. We've certainly put a great deal of effort into that improvement. It's taken a lot of work and thanks are in order to Debbie Gentry for keeping the project on the front burner, Kelly Haan in Communications for her work and Scott Warren at State Auditor and Inspector (SA&I) for his programming efforts. We all set out to develop a computerized abstract several years ago and we've got it done. Hopefully, we can declare victory. Please don't shoot all the messengers if it doesn't go perfectly because I can assure you that Debbie Gentry will be firing a few shots herself.

In looking back over the last month, the 2001 District meetings and the Oklahoma Association of Tax Representatives were great.

Thanks a million to Rosemary Neeley, Tom Porton, Cathy Hokit, and Judy Rousey and their deputies, along with Beverly Stokes of the OATR.

We enjoyed the hospitality we received in Blaine, McCurtain, Stephens, and Cherokee Counties, and Tulsa hospitality at the OATR. I say it often, but it bears repeating—Oklahoma is truly an amazing state.

In the month of May, I've been from Woodward to Broken Bow, Tahlequah to Duncan, McAlester to Watonga. We have some terrific scenery and a great variety of country—beautiful prairie, water like Lake Tenkiller, statuesque pine trees in McCurtain County, and the fascinating culture of the Five Civilized Tribes in Tahlequah. We logged many miles in May, but it's been a unique experience.

It's hard to believe, but the Tulsa Educational Conference is fast approaching. The planning is proceeding extremely well. State Auditor and Inspector (SA&I) and Center for Local Government Technology (CLGT) are preparing to assist with the classes again this year. We have a number of good sessions planned. See the article profiling these sessions elsewhere in this newsletter.

We've also met with the County Assessors' Association officers at Duncan and have done some coordination of social activities. We'll continue to stay in touch with Mike Means and the officers. Watch for further school details in the [Ad Valorem Forum](#).

We appreciate all you do for your taxpayers

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“Boss Thy Neighbor” Homeowner Associations are an Increasingly Troubled Form of Local Government

(Excerpts from an article appearing in the April, 2001 *Governing Magazine* by Christopher Conte)

With its finely landscaped and opulent master-planned communities, Southern Nevada may seem like the epitome of the easy-going life. But if you tune into KLAV radio on Tuesday afternoons, you'll come away with a sense that there is trouble in paradise.

“You can come to Nevada to drink and gamble, but don't even think about buying a home here,” warns Bobbie Feldman, an announcer for the “Homeowner's Voice.” She says homeowner associations—private corporations with government-like powers—are trampling individual liberties with invasive regulations and iron-fisted enforcement. Amidst calls for a boycott on home buying in Nevada, the program fades to its country-western theme song, “The Silver Bullet:”

“Those petty rules and regulations, It's enough to make you cry. No statues, ponds or Christmas trees, and no one knows just why. Slick managers and lawyers, slither close but they won't tell. If your condo's in Las Vegas, you've bought a one-way ticket to hell.”

Feldman and co-host Phil Testa are part of a backlash against a 40-year experiment in neighborhood government. Their organization, Justice for Home and Condo Owners, has counterparts in about a dozen states—mostly in the Sun Belt, where new homes and homeowner associations are emerging at a rapid pace but where traditional beliefs in property rights and personal liberties are fervently held, too.

Although advocates of association living dismiss these renegades as a fringe band of malcontents, state and local officials would be wise to take heed: The battle in America's neighborhoods raises important questions about the role of government and the challenges cities face creating healthy communities in a nation where new subdivisions spring up almost overnight.

The campaign against homeowner associations faces a powerful array of interests. Many developers see associations as a tool for maintaining parks, swimming pools, clubhouses and other amenities that increase property values.

Many homebuyers see them as protection from obnoxious neighbors who let their property deteriorate, paint their homes offensive colors or keep rusty old cars on blocks in the front yard.

And city officials across the country compel builders to set them up in an effort to make new developments pay more of their own way.

As a result, the number of associations has soared from just 10,000 in 1970 to 230,000 today. The number of housing units—condominiums, cooperatives, townhouses and detached homes—in associations has almost doubled since 1990 to more than 20 million.

Each year, around 8,000 more households become part of associations, meaning they pay dues as well as taxes, elect directors as well as city council members, and are subject to “covenant, conditions and restrictions” as well as city codes and ordinances defining what they can and can't do with their property.

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New Assessor Named in Washington County

A county Sheriff employee was sworn in recently as the new Washington County Assessor. District Judge John Lanning issued the oath of office for Todd Mathes, 30, who had worked for two years for Sheriff Pat Ballard.

County commissioners appointed Mathes to succeed longtime Assessor Elmer Bright, who retired.

Thirteen candidates applied for the post, including three from the Assessor's Office. With the appointment of Mathes, a Republican, every county-level political office in Washington County now is held by the GOP. Bright, a Democrat, held the post for 20 years.

Mathes worked for five years as the news director for KYFM and KWON radio stations in Bartlesville before joining the Sheriff's Office.



Two Veteran Assessors Retire

Together, they have a combined 60 years of experience in the Assessor's office. Eugene Cheatwood, Okfuskee County Assessor and Duane Carter, Woods County Assessor are both retiring at the end of this month.

Duane Carter started work in the Woods County Assessor's Office in August of 1972, and was appointed assessor in January, 1985 to fill the remaining two years of previous Assessor James Nusser's Term upon his departure.

Duane's first day on the job was a real challenge. They went out into the field to locate drilling rigs for assessment with a blizzard in progress. Somehow they made it back to the office, and survived the ordeal. It obviously wasn't enough to scare him away from the profession, judging by his years of service!

Eugene Cheatwood started at the Okfuskee County Assessor's Office in March of 1970, at the urging of his friend and assessor at the time, Thomas Fox. In 1974, Eugene ran for the office and became assessor in January of 1975.

The Ad Valorem Division wishes to express gratitude for the friendships and good working relationships developed with these two individuals over the years, and extends its best wishes to both for an enjoyable and well-deserved retirement.





One of the most popular links on our site, the "Forms, Rules and Publications" link offers the most common income tax and business tax forms downloadable in PDF format, the Oklahoma Tax Commission Rules by tax type, and a variety of common publications. The publications section includes downloadable sales and use tax rate charts, newsletters and recently added, a CSV and Excel file for downloading sales and use tax rates directly onto your computer.

The "Hot News" link highlights those pages within the OTC site that have had recent major changes. Also new pages added to the site due to taxpayer demand for information and/or legislative change are shown here.

This link offers information on vehicle title and registration, tag agency contact information, lien and record data, IRP and IFTA links, and telephone and mailing lists. Also available on this page is a listing of common motor vehicle forms that can be downloaded onto your computer and printed out for your use.

The "Gross Production" link offers several items pertaining to oil and royalty issues. The gross production rate changes monthly and is posted on this page. Also available are common gross production forms and royalty withholding information.

This link offers information on payments, methods of payments and collections plans available to taxpayers. Newly added in March is a credit card payment link. Credit card payments were accepted last year for individual income tax payments only. This year, payments are accepted for current and past income tax (individual and corporate), estimated payments (individual and corporate), withholding tax payments and franchise tax payments. The accepted credit cards include MasterCard, Discover/Novus, and American Express. There is a 2.5% convenience fee added to your tax payment that is retained by the vendor, Official Payments, who is under contract with the Oklahoma Treasurer's Office for this payment service. This payment service is also available by telephone for the same tax types by calling toll-free 1-888-2PAY-TAX, jurisdiction code: 4600.

The "Assistance Center" link offers general information such as a topical telephone directory, mailing address list by tax type, tax type definitions, mission statement, and structural and historical information about the agency.

This link offers a wide variety of business information. From this page you can access common business tax forms available for download, view current business tax workshops available across the state, examine different business formats and the factors that affect each structure, read a step-by-step guide in forming a business, and access information of common business taxes. Not only can you access all this great business information, but you can also utilize e-mail links at the end of the page to e-mail the Oklahoma Tax Commission with any tax question you might have that is not addressed on our site. Whether your question is about your accounts, a form, a sales taxation issue or any other business tax issue, our e-mail team is ready to assist you.

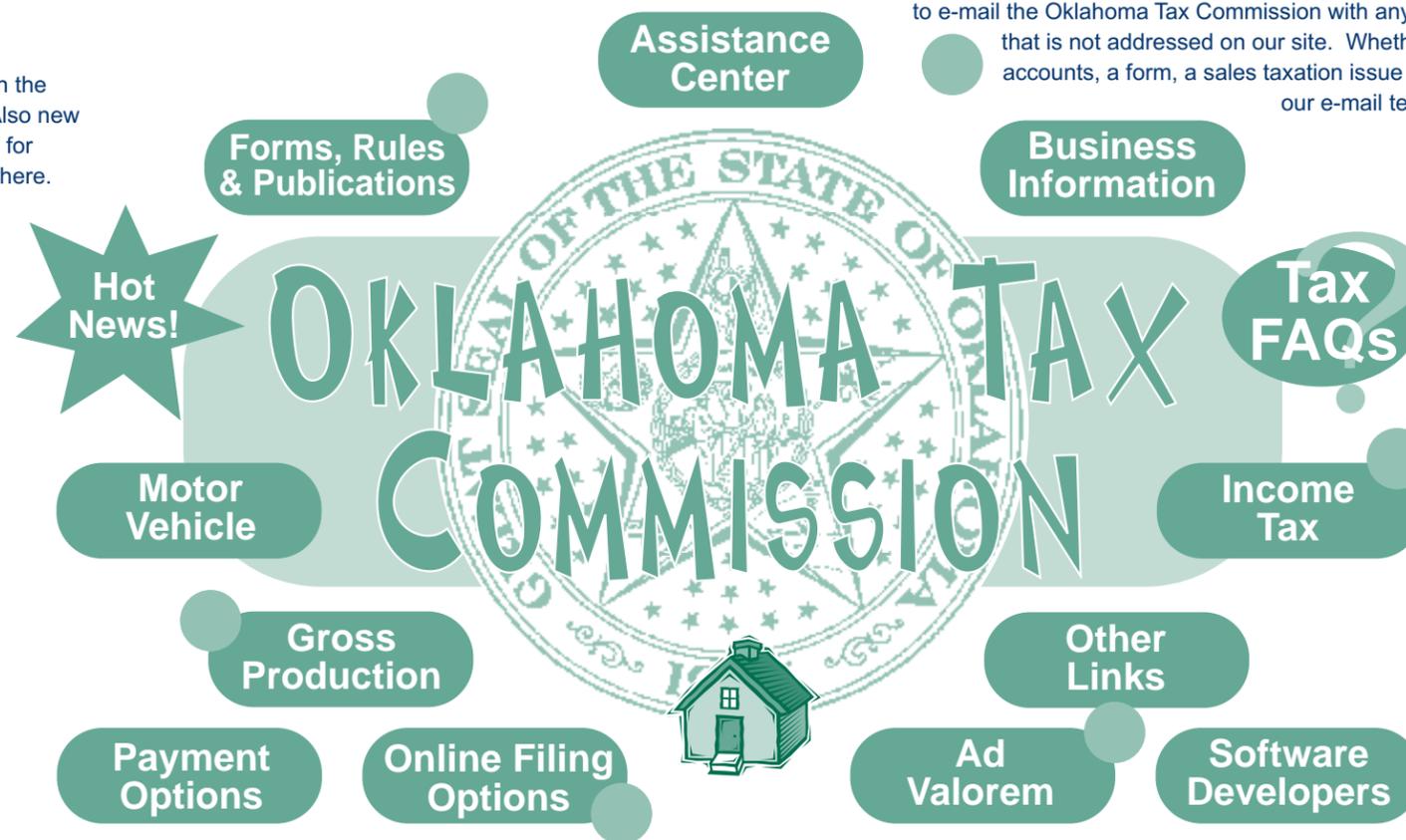
The link with the big question mark is just as it looks: answers to questions. Divided by tax topic, we list common questions and answers here. This page can be accessed from many locations within our web site. We are constantly adding to this site based on common questions you, the taxpayer, e-mail or call and ask us. So be sure and check this page often for the latest in tax answers.

Now don't think of that as a bad word. This site is designed to provide you with the information you need to make sound decisions regarding your individual or corporate income tax filing. *Have a question about rates?* The answer is there. *Have questions about extensions?* The answer is there. *How about a question about income tax on an estate?* That answer is there too. This link also provides valuable information regarding penalty and interest rates on income tax remittances.

Looking for a link to the IRS web site or how about the general Oklahoma government link? This is where to find it. We have links to several web sites that we have found to be of interest to taxpayers that are topically linked to Oklahoma, taxes and/or government issues.

The link "Ad Valorem" will take you to a site containing county assessor, along with county treasurer and clerk, links and information. All 77 counties are listed and can be accessed from a map of the state. This link is currently being updated to provide forms, reports, statistical data and other information.

This site will show you which software developers have had their form **layouts** approved by the OTC. This approval does not show endorsement of their product or software.



The "Online Filing Options" link on our web site is one of the newest additions. This link offers two formats for online tax filing. The first is for current year individual income tax. This is through a partnership with Intuit's TurboTax. Taxpayers who wish to file their Federal and Oklahoma income taxes together can file online for free by utilizing this service. This speeds up processing and refunds.

The second online filing option is called "QuickTax". This is a business tax filing option that will begin accepting sales tax filing on April 1, 2001. Initially, those sales tax filers who owe \$100,000 or more per month will be allowed to utilize this new online system. Sales tax is the first option to be unveiled. Other tax types, including withholding and tourism tax reporting, are in development for later this year. We plan to open the system up to all sales tax filers in July 2001. This system allows you to select your own personal identification number (PIN) for use with each filing. This online option offers you completely paperless filing as even your payment methods are paperless. EFT, ACH debit, and ACH credits payment options are all available for your sales tax remittance.

Fifty-Seventh Annual Educational Conference Approaching

The fifty-seventh Annual Educational Conference for Assessing Officers will be conducted August 13-16, 2001. The location will be the Marriott Southern Hills, 1902 E. 71st Street in Tulsa.

Registration will begin at 10:00 a.m. on Monday, August 13. The opening session commences at 2:00 p.m. Full-day classes will be conducted on Tuesday and Wednesday. The agenda for Thursday is morning classes only, and the conference concludes at noon on that day.

To guarantee each county has sleeping rooms at the conference site, a reservation for a single and a double room has been made at the Marriott in the name of each county.

A separate confirmation number has been issued for each room. You will need to provide the hotel with your smoking preference, and this will be honored if at all possible. The room rates are \$61.00 for single occupancy, and \$65.00 for double occupancy (up to four to a room).

Overflow rooms are available at the Hilton Tulsa Southern Hills for the same rates. This hotel is located at 7902 S. Lewis. Telephone numbers for the Hilton are (918) 492-5000, or (800) 444-7263. Ask for the block of rooms designated for the Oklahoma Tax Commission. **The Hilton block is open until August 6.**

In order to curtail expenses and work within county budgetary constraints, it is suggested that double rooms be utilized whenever possible. The double room rate is a tremendous benefit which will enable assessors to bring more staff to the Conference.

Please do not cancel any room reservations with the hotel. When cancelled, the room is dropped from our block. Contact Cathy Gibson or Cyndi Heath and advise them that you have an extra room which someone else may use. It will be assigned to another county who needs more space. Your cooperation in this matter is greatly appreciated by your fellow assessors.

Abstract time ... (Continued from Page 1...)

and all the hard work of county assessors and deputies everywhere. 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

P.S. I want to make a comment about Eugene Cheatwood's retirement. I've appreciated his leadership over the years. He and I worked together when I was with the Oklahoma County Assessor's office on the ad valorem reform legislation and we've continued that since I've been at the Oklahoma Tax Commission. Eugene has made a great contribution. I'll miss his wise counsel and solid, no nonsense common sense.

With Elmer Bright, Duane Carter, and Eugene leaving we're going to have some big shoes to fill.

P.S. "Choosing between the lesser of two evils is still choosing evil." – Jerry Garcia.



Annual Conference Offers Educational “Smorgasbord”

The 57th Annual Educational Conference For Assessing Officers scheduled for August 13-16 at the Tulsa Marriott Southern Hills offers something for everyone when it comes to education and training sessions.

Attendees this year are encouraged to select sessions that will be the most informative and helpful to them when returning to the counties. For example, the assessor should not feel restricted to classes in the administrative area only, and should examine the entire Conference offerings when planning their schedule for the week.

Administrative sessions will include the following topics: Public Service Update, Indian Law, Legislative Update, Manufactured Homes, AG Opinions, Oil Field Equipment, Deeds and Trusts, Agricultural Sales Tax and Central to Local Assessment.

Computer support hands-on sessions will be held at the OSU/Tulsa campus, with some of the user group meetings and general sessions taking place at the Marriott Southern Hills. These offerings include Introduction to Windows, Microsoft Word, Microsoft Excel, Terrasoft Windows demonstration, SA&I AA Training, Terrasoft Windows overview, Terrascan User Meeting, Colorado Customware User Meeting, and Terrasoft/SAI User Meeting.

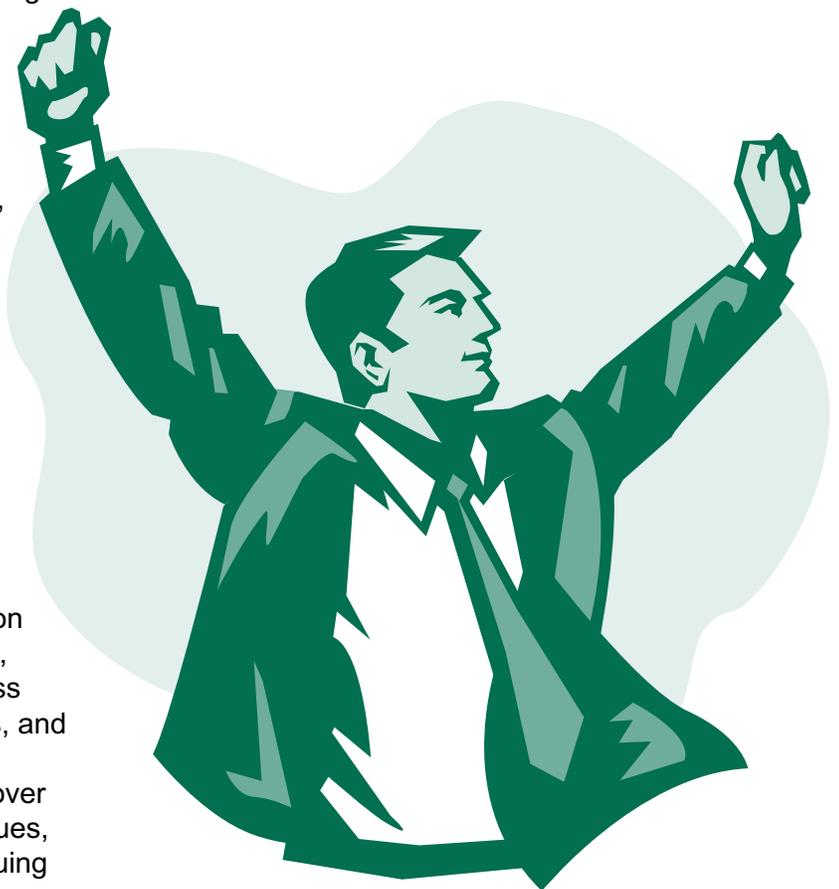
Mapping-related presentations will provide a wealth of information on the following diverse topics: MIMS 101, MIMS 102, ArcView 101, ArcView 102, GeoMedia 101, AutoCAD Map 101, Q&A Basic Mapping 101, GIS Council Report, County Website Development, Importance of GIS, The Computer Mapping Company, ESRI, AutoDesk—AutoCAD Map, and Intergraph—GeoMedia.

Appraiser/Data Collection sessions focus on appraisal topics and will include Unit Valuation, Surveying (two-day session), Safety First, Mass Appraisal—Cause and Effect, Digital Cameras, and Effective Witness.

Business Personal Property classes will cover varied topics including Telecommunication Issues, Five-Year Tax Exempt Manufacturing, and Valuing Cellular Towers.

The Introduction and Review of Assessment Administration and Appraisal program is designed for county assessors and deputies with limited experience in the ad valorem system, or those who would appreciate an overall review of the assessor's office. Topics include Assessment Appraisal, Administration, Public Service, Income Approach & IRV, Business Personal, Agricultural Per Point Study, 5-Year Manufacturing Exemption, Equalization Study, Mobile Homes, Ad Valorem Tax Laws, Statutes, Marshall & Swift Valuation Guide, Mapping, OTC Reports, Deed Research, Land Valuation & Sales File, IQ Procedures, Neighborhood Delineation & Market Adjustments.

The only problem attendees should encounter is figuring out which of these many sessions they want to attend. The Ad Valorem Division is excited about this year's Conference offerings and looks forward to seeing everyone in Tulsa!



“Boss thy neighbor” ...

(Continued from Page 2...)

If controversy over homeowner associations proves anything, though, it's that clubhouses and rules alone don't turn a neighborhood into a true community. Critics say the emphasis on restrictions drives neighbors apart, and that government this close to the people increases conflict and makes impartial decision-making all but impossible.

“The very existence of a homeowner association tends to polarize a community,” says Shu Bartholomew, host of “On the Commons,” a Fairfax County, Virginia radio talk show dealing with association issues. “You can't get an unbiased judgment because everybody has a vested interest in the outcome of every dispute.”

While the bickering often seems petty, the stakes can get high: In Harris County, Texas, an activist says, homeowner associations have foreclosed on more than 4,000 property owners since 1995—many for minor infractions.

Advocates of association living brush aside such complaints. Dissenters are a “vocal minority with personal agendas,” suggests Frank Pancratz, vice president of the Del Webb Corp., a leading builder throughout the Southwest.

He argues that associations give neighborhoods aesthetic purity, high property values, recreational facilities and grassroots democracy, too. “We're allowing residents, rather than elected officials and parties from the greater community, to determine what kinds of services they are going to have, what kind of structures and what level of maintenance,” Pancratz says.

If associations seem heavy-handed, he thinks it may be because they are more vulnerable to dissent than traditional governments. “In the city at large, you also can see a vocal minority at work with their personal agendas, but they're operating in a large environment,” Pancratz notes.

“Homeowner associations aren't as big, so the vocal minority sometimes are able to exert more influence or more disturbance.”

Nationwide, associations collect around \$34 billion in dues each year to manage billions of dollars in communal assets—everything from the walls and roofs of condominiums and townhouses to streets, sidewalks, swimming pools, playgrounds, parks, clubhouses, roads and more.

But Robert Nordlund, a California-based specialist on association finance, estimates that one-third of all associations are financially weak, meaning they have set aside reserves adequate to fund no more than 30 percent of their capital needs. Another 50 percent are marginally funded, and only 20 percent are fully funded.

For the moment, it appears the number of Americans living in homeowner associations is likely to keep growing. Critics such as Bobbie Feldman and Phil Testa, the Las Vegas valley talk show hosts and self-proclaimed “Voice of the Homeowner,” see little hope they'll get relief from city governments, and they expect only modest reforms, at most, from state government.

Henderson, Nevada code enforcer Dan Parrot says many of his city's neighborhoods are so new that they lack the bonds of friendship and personal relationships that tie people together and help them forge a common destiny. In short, they lack that elusive thing called community.

Parrot isn't sure how to create it, with block parties, hayrides, sports events, or what. But he knows Henderson needs it.

“If neighbors just knew each other better, they'd get along,” he says. “And if they get along, they wouldn't complain so much about each other.”