

Oklahoma
ad valorem

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FORUM

A LOOK AHEAD...

July 1-3:
Unit I, Introduction,
Tulsa

July 4:
Independence Day

July 9-12:
Unit III, Mass Appraisal,
Oklahoma City

July 23-26:
Unit VI, Mapping,
Oklahoma City

DIRECTOR'S NOTES...

DISTRICT MEETINGS SUCCESSFUL

We've been working hard at the Ad Valorem Division to get things ready for the 2002 State Board of Equalization (SBOE) meeting. By the time you read this, the Abstract Certification meeting will have taken place. It was scheduled for Monday June 17, 2002 at 10 a.m. since June 15, the statutory due date for abstracts fell on a Saturday.

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. The Public Service Section is submerged in returns, and we have a number of returns and conferences to complete. Thanks to all the counties for their hard work and assistance in getting their abstracts completed.

In looking back over the last month, the 2002 District meetings were great, and we enjoyed our meeting with the Oklahoma Association of Tax Representatives (OATR) in Tulsa.

During May we logged a lot of miles traveling from all the way from McCurtain County to Cimarron County. I enjoyed seeing McCurtain's beautiful trees in the rain and Cimarron County got some rare and welcome misty rain. I really enjoyed getting back to Cimarron County and visiting with everyone. Thanks to Denise Heavner, Tom Porton, Becky Walker, and Gayle Hedgoth for the efforts. If you haven't hosted a District meeting it's pretty amazing to imagine how much work it is.

It's hard to believe, but the Tulsa Educational Conference is fast approaching. We've also met with the County Assessors' Association officers and have done some coordination on the School. The budgetary process is proceeding well, and we're working hard to make this another great school with most of the budgetary changes behind the scenes. 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. Keep watching your bulletins for details.

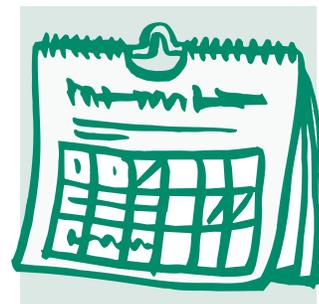
We'll continue to stay in touch with President Jim Kelley and the officers. By the time you get this newsletter, we will all know more about the results of the Legislative session. We had significant legislation discussed throughout the closing hours of the session.

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".

Sincerely,

Jeff Spelman CAE
Director

P.S. Things do not change; we change. David Thoreau.



COPING WITH THOSE ANGRY TAXPAYER SITUATIONS

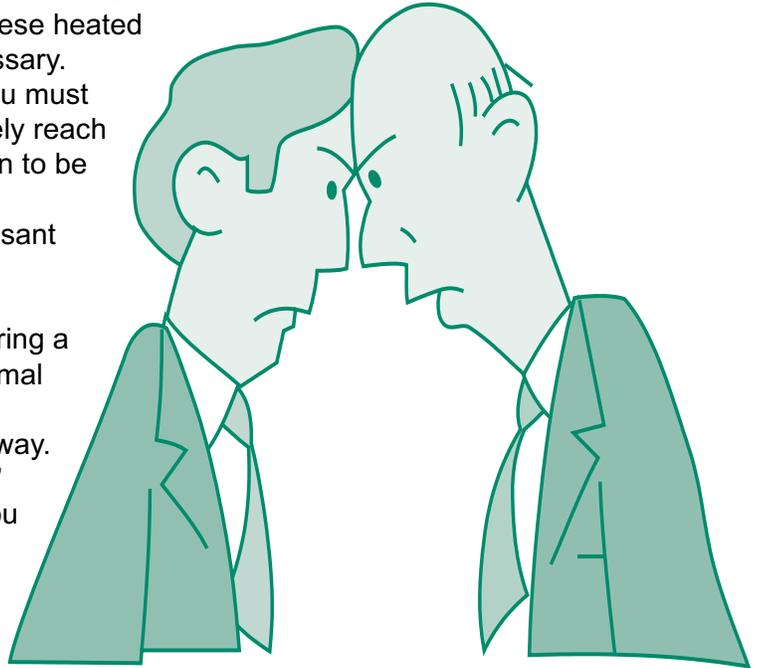
All of us have encountered the taxpayer who for one reason or another is a bit hot under the collar. Sometimes these heated discussions erupt quickly, but they are never necessary.

To work professionally with your community, you must maintain your cool, calm the taxpayer, and ultimately reach a level of communication that will allow the situation to be resolved.

Here are some ways to cope with these unpleasant events and come out with your temper intact:

Offset other's negative vibrations and attitudes by "killing them with kindness." Many times this will bring a discussion headed for the boiling point back to normal levels.

If you sense your temper about to flare, walk away. Excuse yourself to "look up a piece of information," and take a few deep breaths. Remember that if you maintain your cool, the problem can be resolved more quickly than when you lose your temper. Put on a happy face...literally. Don't let them think they can sour your mood by their unpleasantness.



MAPPING MINUTE WITH TROY FRAZIER

As August gets closer and closer, and the "Annual Educational Conference for Assessing Officers" approaches, we are finalizing plans for the mapping sessions.

We will have ArcView 3.2, AVParcel, AutoCAD Map, and MIMS training this year. We will also feature different Internet with mapping solutions and have presentations on different mapping software titles. We will have an update from the State GIS Council and may have some "2002 Digital Atlas of Oklahoma" CD-ROM's to hand out.

If you have any specific mapping concerns that you would like covered at the annual school, please contact me as soon as possible.

Aerial Photography: As the State GIS Council looks at options, we are faced with two facts. One, the 1995 digital aerial photography is seven years out of date. If a new set of photos were flown today, it would take at least a year to process them. Two, the State is in the middle of a budget crunch that will probably last another year or two.

I have noticed several groups are flying aerial photography fairly regularly. It is possible to get one meter, black and white statewide aerials for around \$20 a square mile.

We can get one foot, color statewide aerials for around \$80 a square mile. If we looked at getting photos every two years (as the more affluent cities and counties do), we can cut these prices in half.

If your county is willing to contribute towards this (I do not expect every county to be able to contribute at the same rate), please contact me as soon as possible. This money could come from the visual inspection budget since the aerial photos directly support that purpose.

If I receive a favorable response by several counties, I can then have the GIS Council go to the cities and the state and federal agencies that are currently doing some aerial photography flying.

With everyone committing to contribute what they can reasonably afford, this can happen!

Remember: "*Money makes the world go round.*" An appropriate quote for this "Mapping Minute," don't you think?

NATIONAL COUNTY GROWTH TRENDS

The nation's fastest-growing counties are mostly in the South and near major cities, the Census Bureau announced recently.

But the fastest-growing county is in the West. Douglas County, Colorado, located near Denver, grew 13.6 percent of a 15-month period.

The bureau reported population increases in 55 percent of the 3141 counties in the United States, according to estimates made for April 1, 2000 to July 1, 2001.

The Washington suburb of Loudoun County, Virginia, had the second-largest growth at 12.6 percent, followed by the Atlanta suburb of Forsyth County, Georgia, at 12.1 percent.

The only Northern city in the top 10 was Scott County, Minnesota, outside Minneapolis. It grew 9.9 percent.

Maricopa, Arizona, had the largest population increase of any county, growing by 122,649 people. That represented a 4 percent increase, bringing its population to 3.19 million.

The nation's largest county, Los Angeles County, grew by 118,156 people, a 1.2 percent increase that brought its population up to 9.64 million.

Loving County, Texas, is the least populous

county, with fewer than 100 residents as of July 1.

The estimates are based on 2000 Census data, adjusted by data and estimates for births, deaths and migration.

The top 10 counties for growth by percentage were:

Douglas, Colorado, 13.6%
Loudoun, Virginia, 12.6%
Forsyth, Georgia, 12.1%
Rockwall, Texas, 11.4%
Williamson, Texas, 11.2%
Henry, Georgia, 11.1%
Spencer, Kentucky, 10.8%
Flagler, Florida, 10.3%
Collin, Texas, 10.1%
Scott, Minnesota, 9.9%

Oklahoma population grew at a rate of .3 percent from 2000 to 2001. Rogers County experienced the most rapid growth, reflecting a 4.8 percent increase.

A total of 33 Oklahoma counties showed modest population increases, while the remaining 44 counties declined in population.

Oklahoma County population grew .3 percent, while Tulsa County increased only .1 percent. Cimarron County lost the most population from 2000 to 2001, showing a decline of 4 percent.

Source: Population Division, U.S. Census Bureau

AD VALOREM BILLS SIGNED INTO LAW

As of press date, the following ad valorem bills were either on the Governor's desk for signature, or have been signed. Status on other bills was still uncertain at press time.

Senate Bill 980, dealing with repayment of abated exempt manufacturing taxes, requires that amounts paid equal to ad valorem taxes on exempt manufacturing concerns that do not meet certain criteria shall be paid to the Oklahoma Tax Commission, not the county treasurer.

Additionally, the bill requires the county treasurer to collect \$10 to be deposited in the resale property fund for making a record of assignment to tax sale certificates. This legislation also modifies the cash on hand limitation for county officers to allow for a flat \$1,500 amount. The effective date of SB 980 is November 1, 2002.

Senate Bill 897 established vehicle excise and income tax credits, respectively, for vehicles and residential real property used as a primary residence which were destroyed by the October 9, 2001 tornado in and around Cordell.

The bill limits the vehicle tax credit to the amount of excise tax paid for a destroyed vehicle, to be applied to excise tax due on a replacement vehicle. Income tax credit is limited to the amount paid in ad valorem taxes on property in the year prior to the tornado damage, and the amount paid in the first year after the improvement is completely repaired or rebuilt.

Senate Bill 897 also limits the income tax credit to 80 percent in each of the next four years. This tornado tax credit became effective immediately upon signing with an emergency clause.

Other bills sent to the Governor include: SB-983 (manufactured homes), SB-1281 (housing reinvestment district), SB-1415 (freeport exemption), HB 1457 (gas pipeline task force signed 5/17/02), HB-1302 (exemption for refinery pollution control equipment), HB 2679 (county treasurer tax sale of homestead property signed 5/6/02), and HB 2904 (5% cap transfer of property clarification, clarification of charitable property exemption, TXM warehouse/distribution, deletes TXM tornado damage language, consideration for certain TXM applicants prior to Jan. 1, 1996).

HOW WELL DO YOU KNOW THE SUBJECT OF DEPRECIATION?

Sure, we all remember that there are various types of depreciation, and different ways to measure depreciation. But a quick review on the subject might help to tackle the next big valuation project staring you down.

First, there are three types of depreciation: physical, functional, and economic. Physical deterioration is the loss in value due to wear and tear in service and disintegration of an improvement from the forces of nature.

Among the most common causes of physical deterioration are wear and tear through use, breakage, negligent care, infestation of termites, dry rot, moisture, and the elements.

Functional obsolescence is the loss of value in a property improvement due to changes in style, taste, technology, needs, and demands.

Functional obsolescence exists where a property suffers from poor or inappropriate architecture, lack of modern equipment, wasteful floor plans, inappropriate room sizes, inadequate heating or cooling capacity, and so on.

Economic or external obsolescence is loss in value as a result of an impairment in utility and desirability caused by factors external to the property (outside the property's boundaries) and is generally deemed to be incurable.

Economic or external obsolescence can be caused by a variety of factors such as changes in the highest and best use of a property due to market shifts or governmental actions, restrictions on income, zoning, neighborhood decline, lack of property demand, and national economic conditions.

External or economic influences can cause both land and improvements to lose value.

Estimating the value loss from accrued depreciation is one of the most controversial aspects of the appraisal process. There are five methods used to measure accrued depreciation, two indirect and one direct. Each has advantages and disadvantages, along with different degrees of reliability.

Direct methods involve measuring the depreciation of the subject property, while indirect methods use sales of comparable properties and income loss from rental properties to measure depreciation.

TECHNOLOGY TIPS: TOP 10 COMPUTER RISKS NOT TO TAKE

Everyone has heard horror stories about computers that suddenly cease to work, and hard drives that mysteriously suck information into a "black hole" never to be seen again.

Instead of being a risk-taker with your computer system, try to avoid the following ten risks:

- Risk 1: Neglecting to make regular back-ups
- Risk 2: Failing to properly shut down the system
- Risk 3: Unplugging cables with the computer turned on
- Risk 4: Using save commands infrequently
- Risk 5: Handling diskettes improperly
- Risk 6: Neglecting to check for viruses
- Risk 7: Subjecting computer equipment to the risks of drink, smoke, etc.
- Risk 8: Neglecting to perform disk maintenance
- Risk 9: Taking little or no precaution against power surges
- Risk 10: Tinkering with equipment that's still under warranty.

By using just a little bit of common sense, and by taking a little extra time to perform routine maintenance on your computer network, you can prevent many problems from ever occurring.

