



January 16-19
Unit IV
Income Approach
McAlester

January 23-26
Unit III
Mass Appraisal
Oklahoma City

Director's Notes...

LEGISLATIVE ACTIVITY AT FOREFRONT THIS MONTH

CODA Meeting

We're looking to seeing everyone at the CODA meeting February 21-23, 2001. The meeting is later this year than in the past in order to give county assessors a chance to meet with their legislative delegation. We hope to see lots of county assessors and deputies present at the meeting.

Legislature Convenes:

This month's biggest event has been the opening of the 2001 Oklahoma Legislature. We've attended some of the Senate Finance and House Revenue and Taxation Committee meetings. Several ad valorem bills are already under consideration. Many cover changes of some kind to the additional homestead exemption statute. The County Assessors' Association Legislative Committee will be working hard with the various committees during what should be one of our busiest seasons in several years.

E-Mail :

As I said in the County Assessors' Association newsletter, I've been collecting E-Mail addresses from county assessors. I know its tough for some of the counties with budgets, but it is a good tool for rapid communication. Blaine, Canadian, Carter, Choctaw, Cleveland, Comanche, Creek, Garfield, Garvin, Hughes, Johnston, Kay, Love, Marshall, Murray, Noble, Nowata, Oklahoma, Okmulgee, Osage,

Pawnee, Payne, Pittsburg, Pontotoc, Rogers, Seminole, Stephens, Wagoner, and Woods. It's a great time saver.

Mapping Sixty Seconds.

Troy Frazier has been meeting with lots of counties. He feels that we are getting some good work done on our mapping (there's a lot to do). I appreciate everyone's interest and effort. I've been impressed by those counties that have finished their mapping and are now in maintenance mode. Good job (Mapping for county assessors is like taking your vitamins! it is not as much fun as having dessert, but it really pays off in the long run). As we get more and more map resources out on the net and more agencies use GIS, it's going to be a valuable tool.

Personal Property Schedule for 2001

The Schedule should be in your hands by the time that you receive this newsletter.

District Meetings for 2001

Mark your calendars. We have a complete schedule now the 2001 District Meeting dates:

Northwest: April 27 (Blaine County)
Southeast: May 3&4 (McCurtain County)
Southwest: May 10&11 (Stephens County)
Northeast: May 18 (Cherokee County)

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Good Communications Skills Take Work to Develop

There are two important ways by which people communicate, or convey ideas, to one another. They do it by talking and listening. Or they do it by writing and reading.

In both of these processes, one person sends a message and another person receives it. In both the processes, the sending and receiving require considerable skill.

The principal trouble in this matter of communicating is that so many people think it is really no problem at all. Talking and listening and reading and writing are usually thought of as things everyone knows how to do.

And there is a certain amount of truth in this belief. However, each of these skills has to be studied and learned, and one does not necessarily learn them by going to school.

Many supervisors have failed because they assumed that any or all of the following simple statements were true: 1). Anyone who talks plainly to another person will always be understood; 2). Anyone can listen to another person talking and easily understand the meaning; 3). Anyone can write what he or she means on paper, and the meaning will be understood by anyone else who reads it; 4). Anyone can read what someone else has written and understand what the writer meant. It is dangerous, however, to take these four skills for granted. Many books have been written about language—its uses, weaknesses, and deceptions. We will discuss four aspects of communicating in a way that may be most practical for the supervisor. The four aspects are:

- 1). a supervisor must be able to speak clearly;
- 2). A supervisor must be able to listen effectively;
- 3). A supervisor must be able to write clearly;
- 4). A supervisor must be able to read with understanding.

Talking-Listening:

Of the two skills involved in the talking-listening process, most people seem to have the can therefore listen.

But listening as we are using the word here requires

not only that you hear but also that you understand what you hear. To do this, you must *think about* what you hear another person say when the person is talking to you.

Actually, your speaker may not be skillful at all in getting ideas across.

The key to successful listening is to be an active, *demanding listener*. The idea is that you try as hard as you can to be sure you understand correctly what a speaker is trying to tell you. This means that you cannot be thinking of

what *you* are going to say

as soon as your speaker pauses for breath.

We are often so anxious to get our own ideas across that we try to do all the talking and hence we miss what others want to tell us. We must devote our *whole* attention to the business of listening.



Writing-Reading:

Many experts have worked on the problem of making writing as readable as possible. All of them have approached the problem on somewhat the same basis. They have taken sizable groups of people and tested their comprehension of different types of written material.

They ascertained what kind of writing was easily understood by people with a fifth-grade education, sixth-grade, seventh-grade, and so on, up through college.

On the basis of many years of study of hundreds of people and their reading comprehension, various formulas have been developed. These formulas can be used to classify most kinds of written material. When in doubt, simplify what you are trying to say through the written word. Reduce the amount of verbiage and go for a clear and concise message. This will give the receiver of the message a better chance of correctly reading and interpreting what you are trying to communicate.

Property Tax News from Around the Country

Alaska:

A ballot initiative was rejected that would have limited municipal assessment values for property tax purposes to 1 percent of the assessed value of a property.

The ballot also would have restricted assessment increases to the rate of inflation and would have prohibited any assessed property's value from being raised more than 2 percent in any given year.

Arkansas:

An amendment has been approved that places a limit of 5 percent on the value of assessed homesteads, if the parcel is the taxpayers principal place of residence in counties that conducted reappraisals between the years of 1986 and 2000.

The amendment also provides homeowners with a property tax credit of at least \$300.

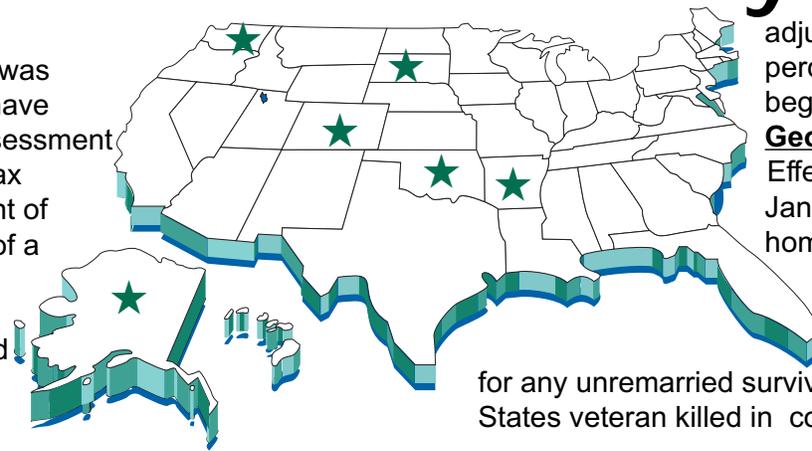
Colorado:

A proposal to establish a \$25 tax cut, to be increased by \$25 yearly, that would have lowered each tax in each tax bill for each 2001 and later district has been rejected.

Utility customer and occupation tax, and franchise charge; vehicle sales, use, and ownership tax; annual income tax; and property tax are some of the taxes that would have been affected by the proposal.

Voters have approved a referendum applicable to the tax years following 2001 to provide a homestead exemption for real property owned by persons aged sixty-five or older who have resided at the property for at least ten years.

The exemption will apply to 50 percent of the first \$250,000 of actual value. The initiative also authorizes the Colorado General Assembly to



adjust the maximum percentage for tax years beginning after 2002.

Georgia:

Effective January 1, 2001, a homestead exemption from any state, county, municipal, or school property tax will apply for any unmarried surviving spouse of a United States veteran killed in combat.

The exemption applies only to the surviving spouses primary residence, with a maximum of \$32,500 or the maximum granted to disabled veterans under 38 U.S.C. Sec. 2102, which is currently set at \$43,000.

Effective January 1, 2001, the property tax exemption for certain agricultural products has been expanded to include farm equipment owned and used by family-owned qualified farm product producers.

The personal property exemption for all tools and implements of manual laborers has been increased from \$300 to \$2,500, effective January 1.

The Georgia Constitution has been amended to provide for an annual homeowners incentive adjustment on the tax return of those claiming a homestead exemption.

The maximum adjustment is \$18,000 of the assessed value of the property or the ad valorem tax liability whichever is less.

Oklahoma:

A new amendment was approved that would allow school districts to make permanent additional emergency levies, local support levies, and building fund levies of Oklahoma property tax.

Under previous constitutional requirements, the levies had to be approved by electors of a school district for each year that the district wanted to enforce the levy.

New Requirements for Exempt Charitable Residential Property

Due to Senate Bill 1041 this past legislative session, there are new requirements for charitable institutions requesting exemption for residential rental accommodations pursuant to 68 O.S. 2000 Supp. Sec. 2887-8. These requirements do not affect any other exemptions listed in Section 2887.

The most significant new requirement is that certain residential rental accommodations must satisfy both the INCOME and OCCUPANCY standards set forth in Internal Revenue Service Procedure 96-32.

The IRS Procedure is very specific as to the amount of income a resident tenant is allowed and the percentage of units that must be occupied by residents that qualify as low-income or very low-income.

Income and Occupancy Requirements:

The organization must establish for each project that:

- (a) At least 75% of the units are occupied by residents that qualify as low-income.
- (b) At least 20% of the units are occupied by residents that also meet the very low income limit for the area, or 40% of the units are occupied by residents that do not exceed 120% of the areas very low- income limit.
- (c) Up to 20% of the units may be provided at market rates to persons who have incomes in excess of the low-income limit.
- (d) The units are actually occupied by poor and distressed residents as measured by published IRS income requirements.

Income limits are established by the IRS for metropolitan areas (MSA) and specific counties within Oklahoma. The IRS published income limits must be used when determining eligibility. These income limits will be subject to change each year.

Application for Exemption:

All charitable institutions requesting an exemption pursuant to the provisions of Title 68 Section 2888-8 beginning January 1 of this year shall be required to file an initial application for exemption with the county assessor.

These charitable institutions shall annually file an affidavit (OTC Form 988) with the county assessor attaching supporting documentation to satisfy both income and occupancy requirements of Internal Revenue Procedure 96-32 as evidence of compliance with the requirements to which the property is qualified for the exemption. Affidavits must be filed by March 15 of the year the exemption is requested.

As with any exemption from ad valorem tax, the burden of proof of qualification is on the taxpayer and is a question of fact as to actual qualification to be determined by the county assessor.

The county assessor may request any and all documentation from the applicant to determine the taxable status of the property (Ref. To 68 O.S. 1991, Sec 2818-B and 2839-B).

These changes only affect entities requesting exemption pursuant to 2887-8 as amended.

The Ad Valorem Division will be glad to answer any questions concerning this statutory change. Please call (405) 521-3178 if you need additional information.

Manufactured Home Title Information Changes

Due to Legislative change, manufactured home titles issued after October 1, 2000 will no longer indicate the Factory Delivered Price or the Total Delivered Price.

The Title Receipt and the Motor License Agent database will now reflect the actual purchase price of the manufactured home.

The Purchase Price will be available from the Title Transaction Receipt or from the Motor License Agent. The receipt which previously reflected Factory Delivered Price/Total Delivered Price will now reflect the actual Purchase Price.

When completing the OTC Form 936, you will now be using the Purchase Price in the Title Information section of the form in place of the Factory Delivered Price/Total Delivered Price.

For titles issued after October 1, 2000 this will require contacting the Motor License Agent if the Title Transaction Receipt is not available.

If you have any questions regarding this Legislative change, please contact the Ad Valorem Division at (405) 521-3178.



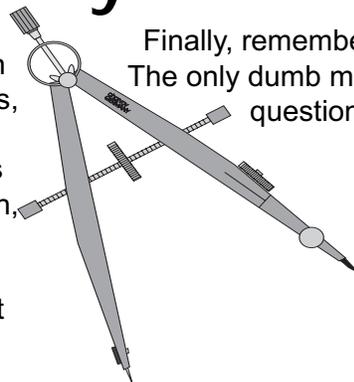
Mapping Minute with Troy Frazier

Troy Frazier is currently scheduling mapping visits throughout the state. If you have any preference as to when he visits your county, please let him know as soon as possible.

Troy will have a couple of regional training sessions in the first half of the year. He is planning on a total of six

sessions in the second half. If you would like to host a session for several surrounding counties, please let Troy know.

If you have older computers or plotters that you can part with, please notify the Ad Valorem Division. Several counties are looking for older equipment that they can afford.



Finally, remember this:
The only dumb mapping question is the one never asked.

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Upon the approval by electors in the school district, the amended provisions allow the levies to be permanent.

Once approved, the levies will only change if another election is held, and the voters withdraw their prior action.

Such election will be held if a petition is signed by 10 percent of the electors of the school district or if the board of education recommends an annual vote on such levies.

South Dakota:

A ballot item amending the South Dakota Constitution to *disallow* the classification of agricultural property as a separate class for the purpose of real property tax for school funding has been approved by the voters.

Washington:

Voters have approved an initiative that rolls back any tax and fee increases adopted between July 2, 1999, and December 31, 1999, and requires them to be refunded to taxpayers.

The measure also limits increases in property valuation to the lesser of 2 percent per year or the rate of inflation.

It also bases the value of newly constructed or manufactured property on its comparable value in 1999, plus annual growth of 2 percent or the rate of inflation. It also exempts from property tax any increases in property value due to maintenance improvements or reconstruction following a fire or natural disaster.

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That should be a fun time as always.

Thanks for your hard work. I know that this is a busy time of year in the county assessors' offices and we appreciate everyone's effort.

Jeff Spelman, CAE
Director, Ad Valorem Division

P.S. *"Never talk about a friend with someone else because even if you start out talking about their good points, you may end up dwelling on their bad traits."* -The Talmud.