



Public Service Update

Oklahoma Tax Commission

Ad Valorem Division

August 2009





Public Service Valuation

- Receive approximately 255 company renditions
- Valuation of \$12.25 Billion FCV
- Assessed Value \$2,657,138,873 (Billion)
- Approximately \$265,713,887 tax dollars

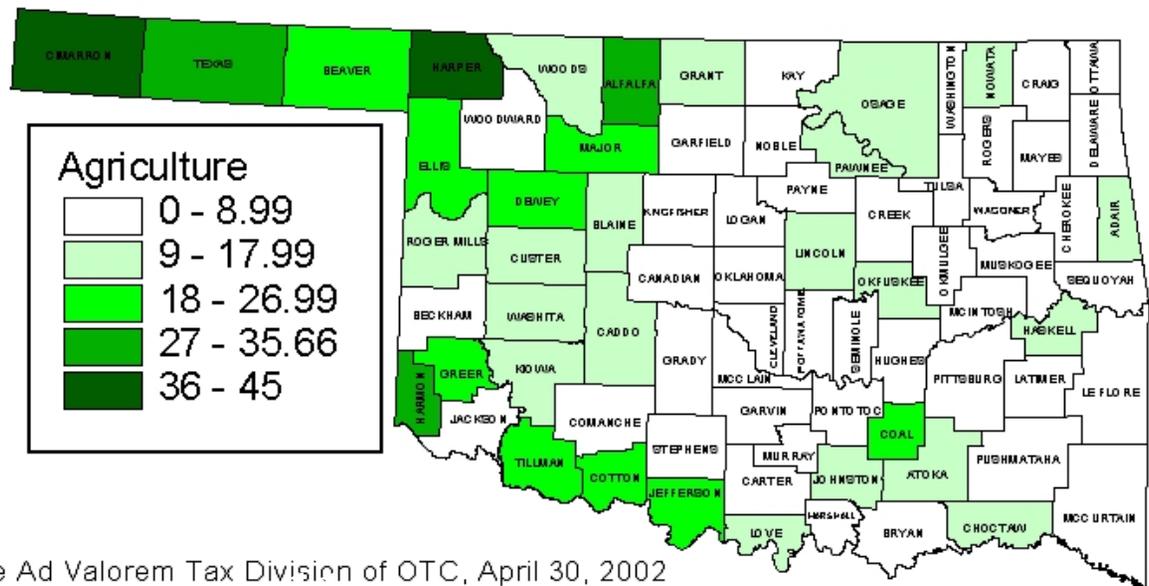
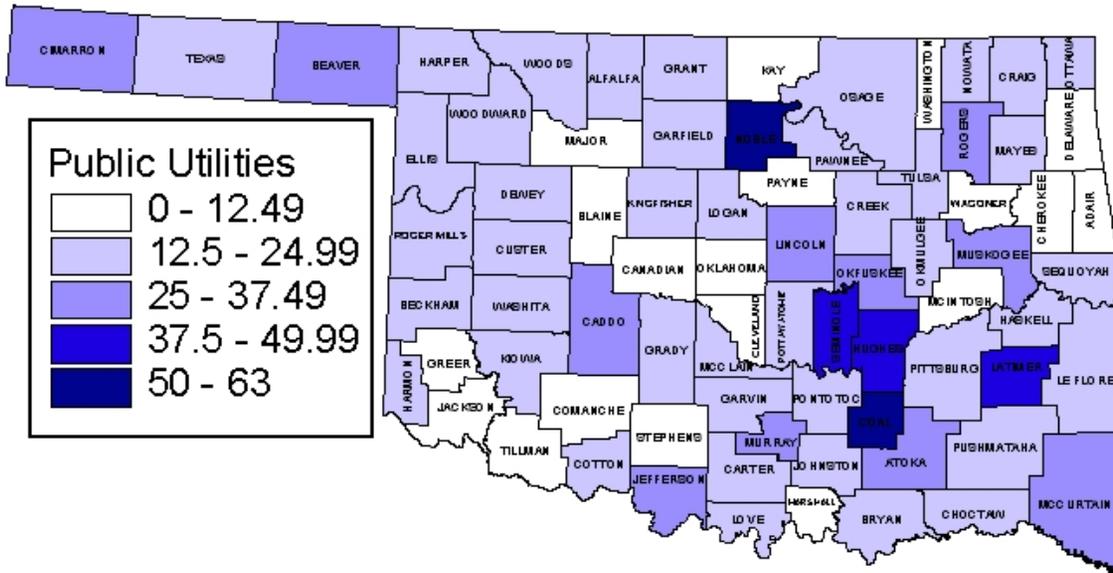
Public Service Valuation

- Public Service--13.5% of State Ad Valorem Tax Base.
- Equal to Tax Base of Cleveland, Canadian, and Comanche.
- Large part of many county tax bases

Public Service Valuation

- Public Service Valuation larger than any county except: Tulsa and Oklahoma
- Public Service Valuation important portion of county tax bases.

Percentage of Tax Base



Maps created by the Ad Valorem Tax Division of OTC, April 30, 2002
 Jeff Spelman, CAE, Director - Phone (405) 521-3178

2009 Public Service Returns

- Penalty (68, Section 2857)
- Encouraged any filing in past.
- Need Complete Return

2009 Public Service Returns

- New Forms Use (easier to fill out)
- Added ability to fill out form on line
- Several letters of Insufficient Information
- Some County Details Sheets **Not** complete as requested.



2009 Protests

- United Airlines (Two Counties)
- Windstream Oklahoma (multiple counties in Southern part of state)
- Protesting Valuation

Apportionment Quote

■ Arlo Woolery, CAE

■ Unit Value is difficult. Distribution is simpler, but sometimes more controversial.

■ Market value is not “distributed value”

Apportionment of Valuation

- Update 2,805 Valuation Records
- Add Apportionment Data for 13,400 taxing districts (Schools, Counties, Career-Tech, EMS, and others)
- Respond to County Questions (**Log Questions**)

County Review Sheet

- Discussion with Officers
- Anticipate County Questions
- Identify capital expenditures, acquisitions, and changes affecting apportionment
- ***No confidential information.***



***Call Us With
Questions***

Apportionment Issues

- **Call/write/FAX**
- **Help as “Eyes and Ears”**
- **Allow time for us to contact company**

Assessor Suggestions

- Email Communications
- Ad Valorem Forum/ Assessor Only Web Site
- Update on Apportionment Problems

Public Service Updates

- Emails on information
- Public Service Review Sheet
- Track County questions
- Call about questions or concerns

Continuing to Update our Process

- Improve our Process
- Respond to Changes
- Update valuation process

Cap Rate Conferences March 2008 and 2009

- Hear from Industry and Groups
- Review economic changes
- Open, Transparent Process

Review of Cap Rate

- Posted Cap Rate Study on OTC Web Site
- Ten day comment period
- Received Comments
- Final Cap Rate posted April 30th.



Communications

2010

- Similar Process as in 2008-09 Tax Year
- Written Comments from Interested Parties
- Open Process
- Cap Rate Conference in March 2010



Railroads

Railroad

- Fuel Costs not as hard on railroads as airlines or trucking
- Impact of recession
- Freight traffic declined, but revenue still strong



Airlines



Airlines

- Major Issues
- Fuel costs (30%-40% of Revenue)
- Air Traffic down because of recession and industry over capacity
- Fewer Bookings and Economy Class



Telecommunications



Telecommunication

- Impact of Recession
- Competition
- Landline replaced by cell phone
- Still fairly strong revenues overall





Electric

- Electric good in first part of recession
- Electric now trending downward
- May see cut back and dividend reductions

Green Power, Wind, Renewable



Natural Gas

- Impact of recession
- Usage down
- Price declines

Green Power



Thanks to Counties and Industry

- Good attendance during Cap Rate process
- Good comments on process
- Thanks to Counties for Submitting Questions on Distribution/Appportionment.

The End

**Ad Valorem Division
Public Service Section**