



State of the Ad Valorem System

- **What's happening in the ad valorem system?**
- **What does the Ad Valorem Division see?**
- *“An ounce of prevention is cheaper than the price of the cure.”*

A wide-angle photograph of a vast field of golden wheat. The wheat stalks are in full maturity, with their heads heavy and drooping. The field stretches to the horizon, where a dense line of green trees is visible against a sky filled with soft, grey clouds. The overall scene conveys a sense of agricultural abundance and natural beauty.

Ad Valorem System is Healthy.

Ad Valorem System Steady Growth



**Stable
Slow Growth
Turtle, Not Rabbit
Local Revenue**

Where is the Growth Occurring?

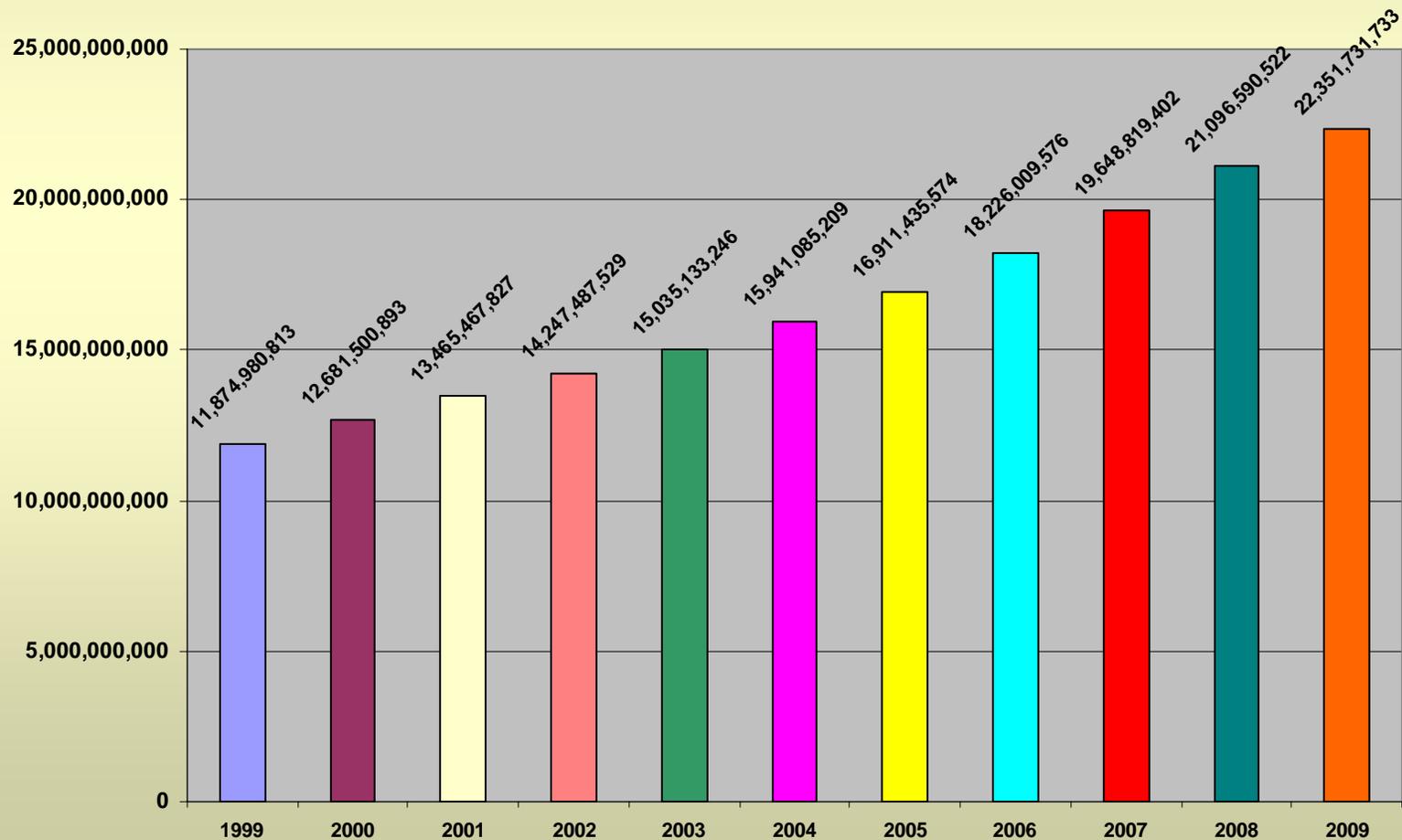
- **Locally Assessed**
- **Metro areas**
- **Smaller Counties (Wind and Petroleum)**
- **Public Service**

Ad Valorem Valuation 2009

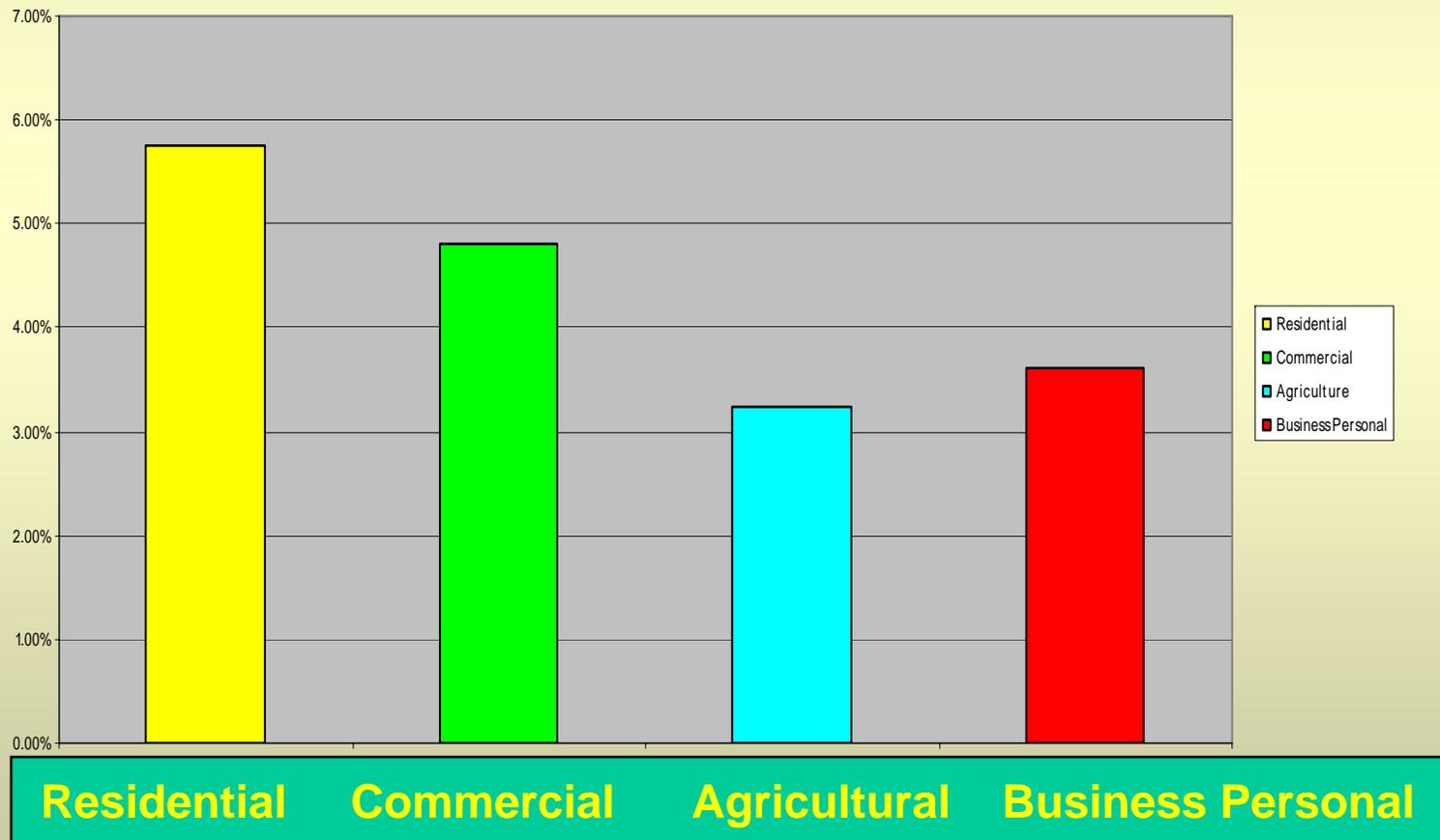
- **Local: 5.94% Increase**
- **(\$1,254,177,172 NAV increase)**
- **Public Service 6.11% Increase**
- **(\$153,051,578 NAV increase)**

Ad Valorem Growth

1999 - 2009 Locally Assessed Valuations



Increase by Property Type 2009



County by County Comparison

Oklahoma

Tulsa

Cleveland

Canadian

Rogers

BIG Dogs

- **Coal**

- **Roger Mills**

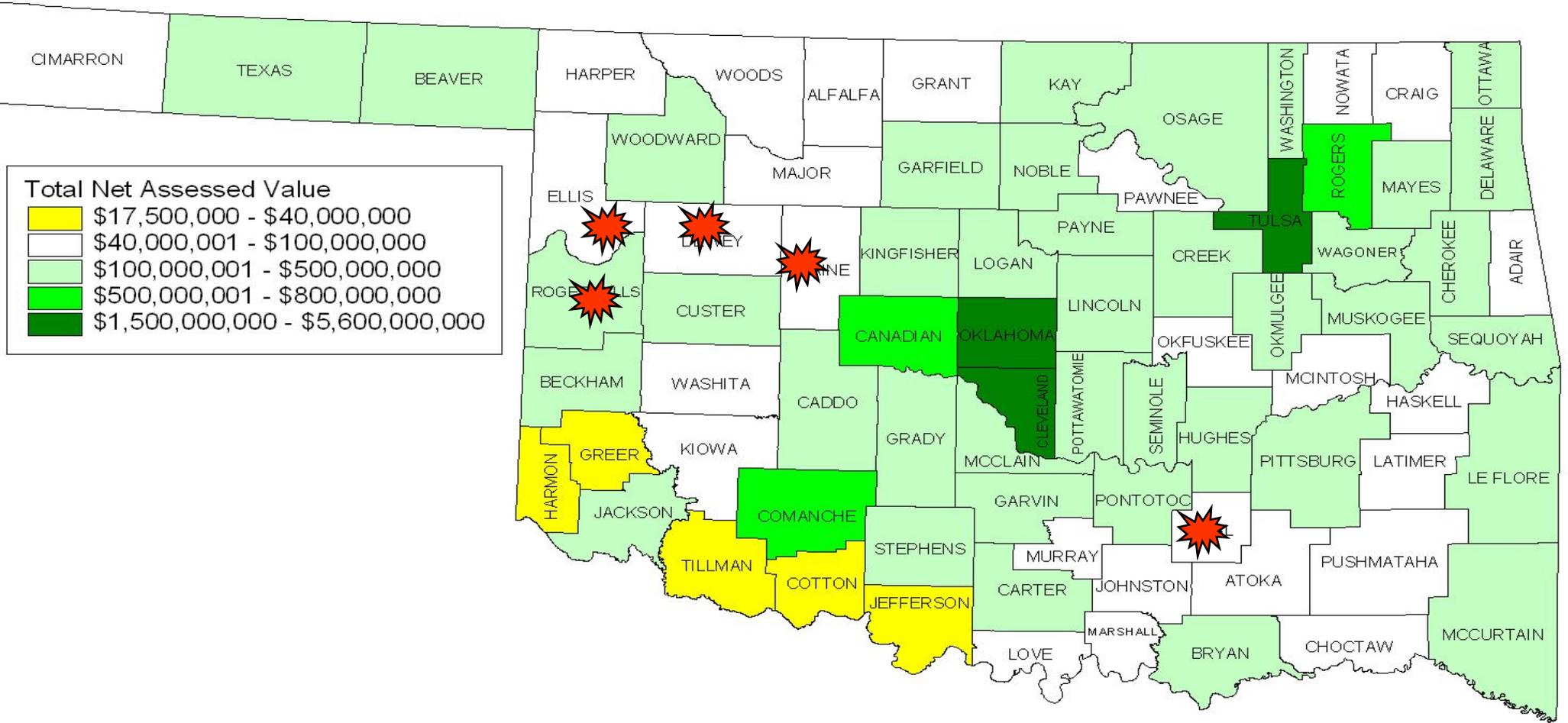
- **Ellis**

- **Blaine**

- **Dewey**

- **Fast Growers**

Total Net Assessed Values



Map created by the Ad Valorem Division of OTC, July 20, 2009
 Jeff Spelman, CAE, Director - Phone (405) 319-8200

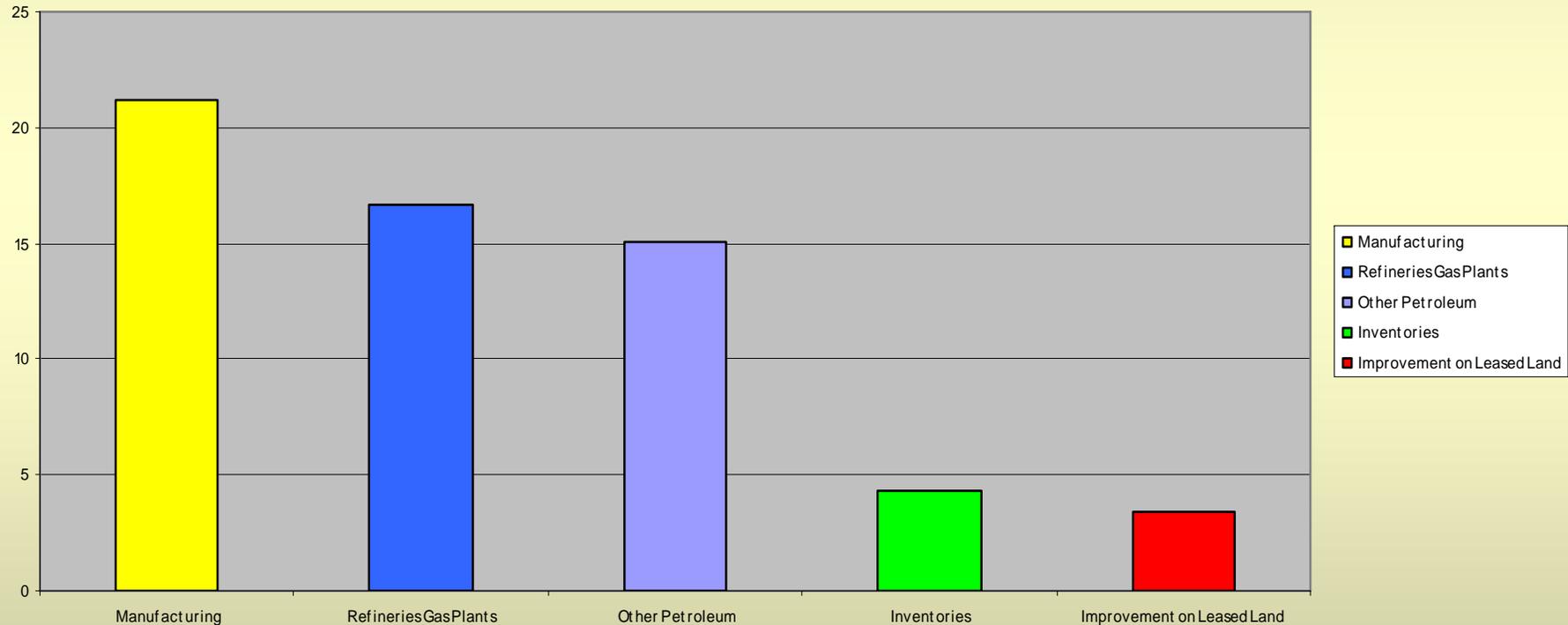
Business Personal Growth



**Urban Area
PP Software
Audit
Economic Activity
Overall Growth**

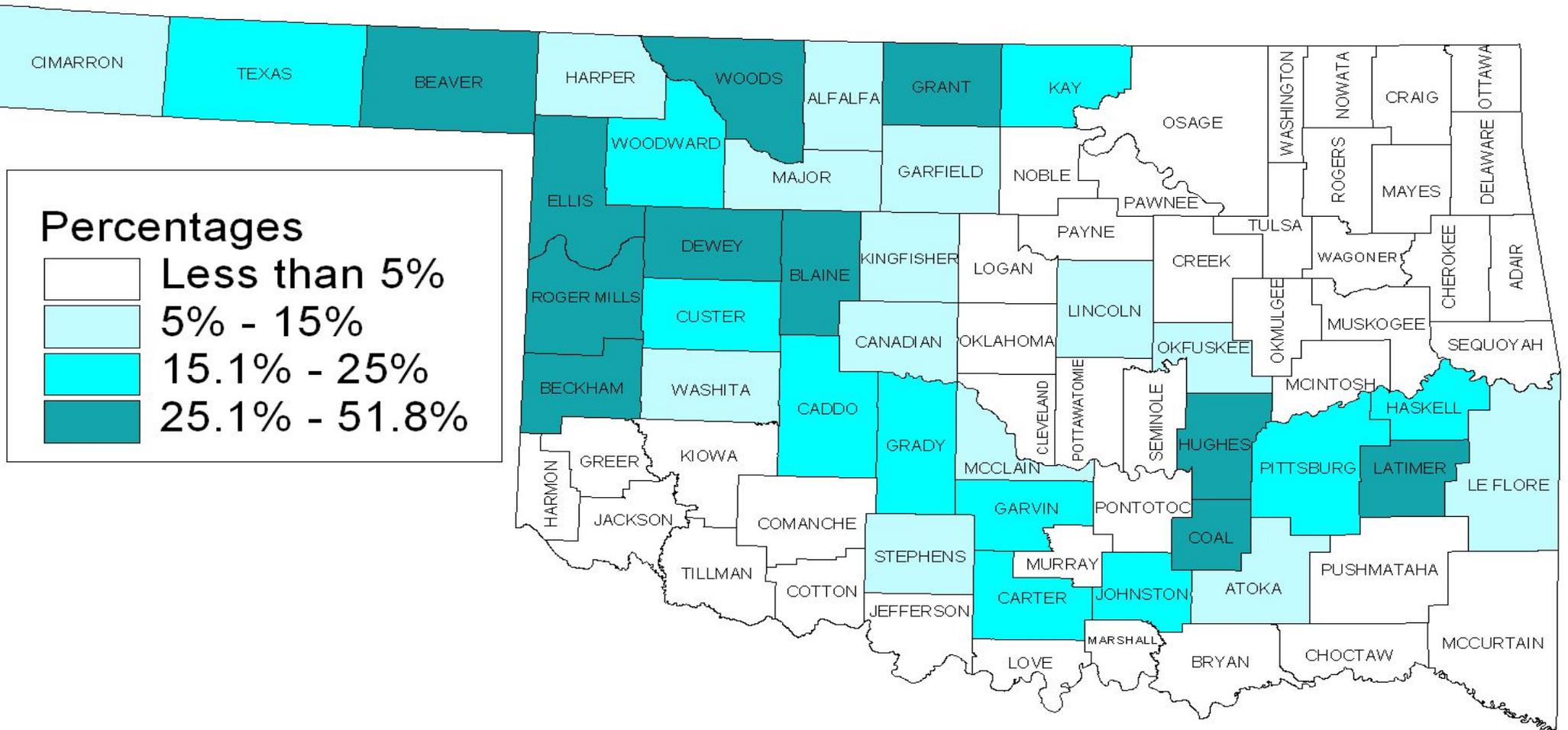
Business Personal Categories

Business Personal Property Category Type



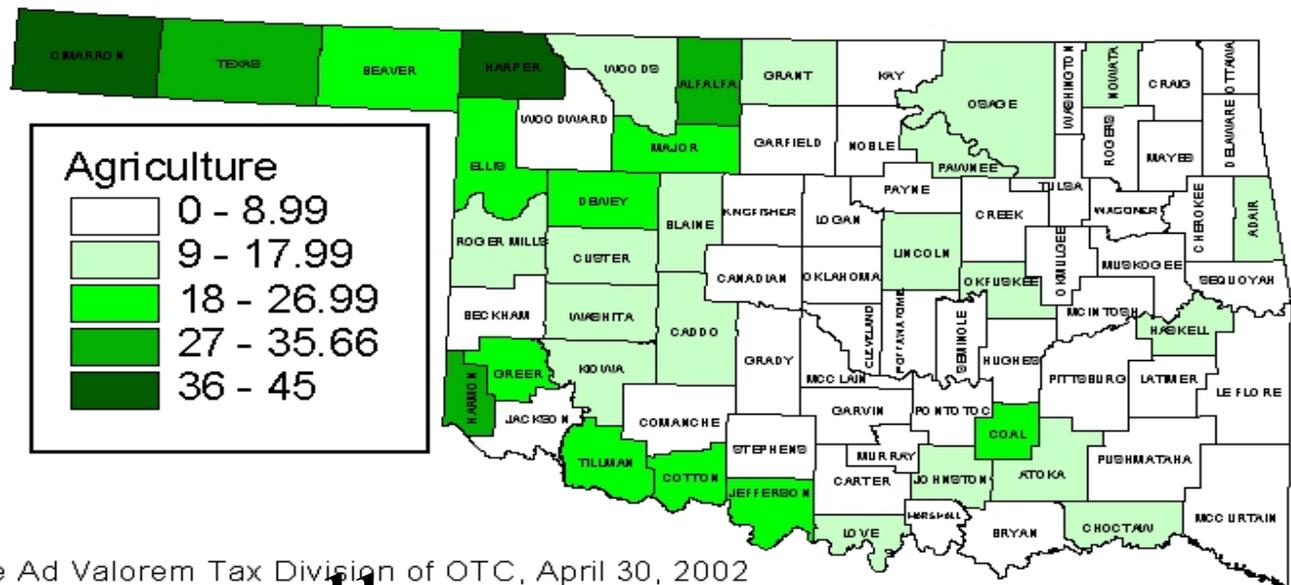
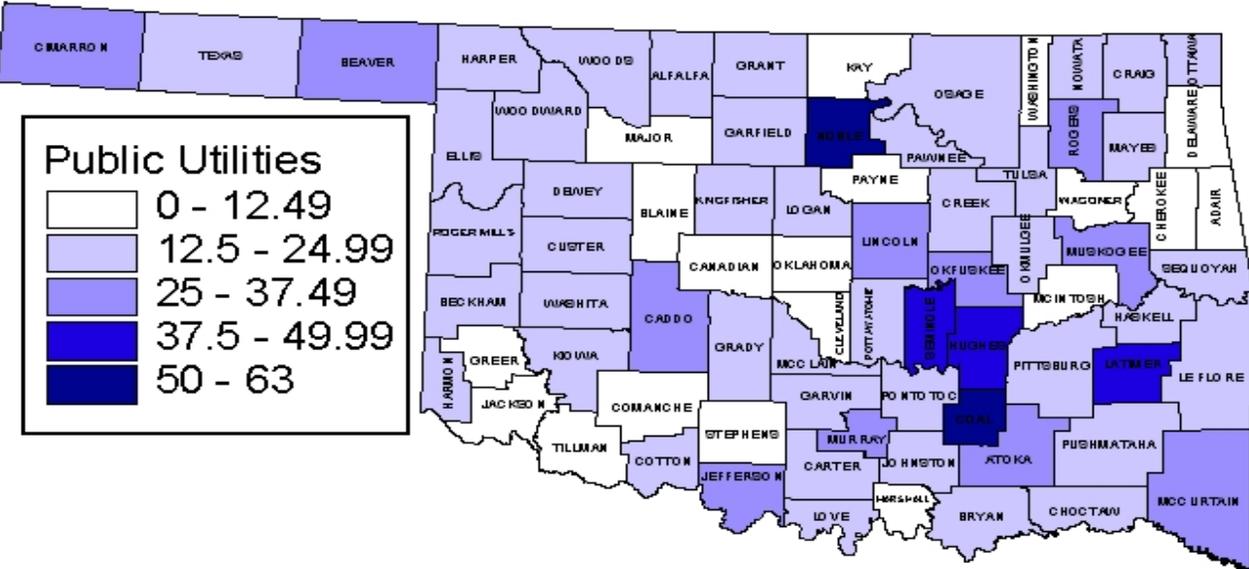
Manufacturing Refineries Other Petroleum Inventories Leasehold

Percentage of Tax Roll for Refineries, Gas Plants, & etc.



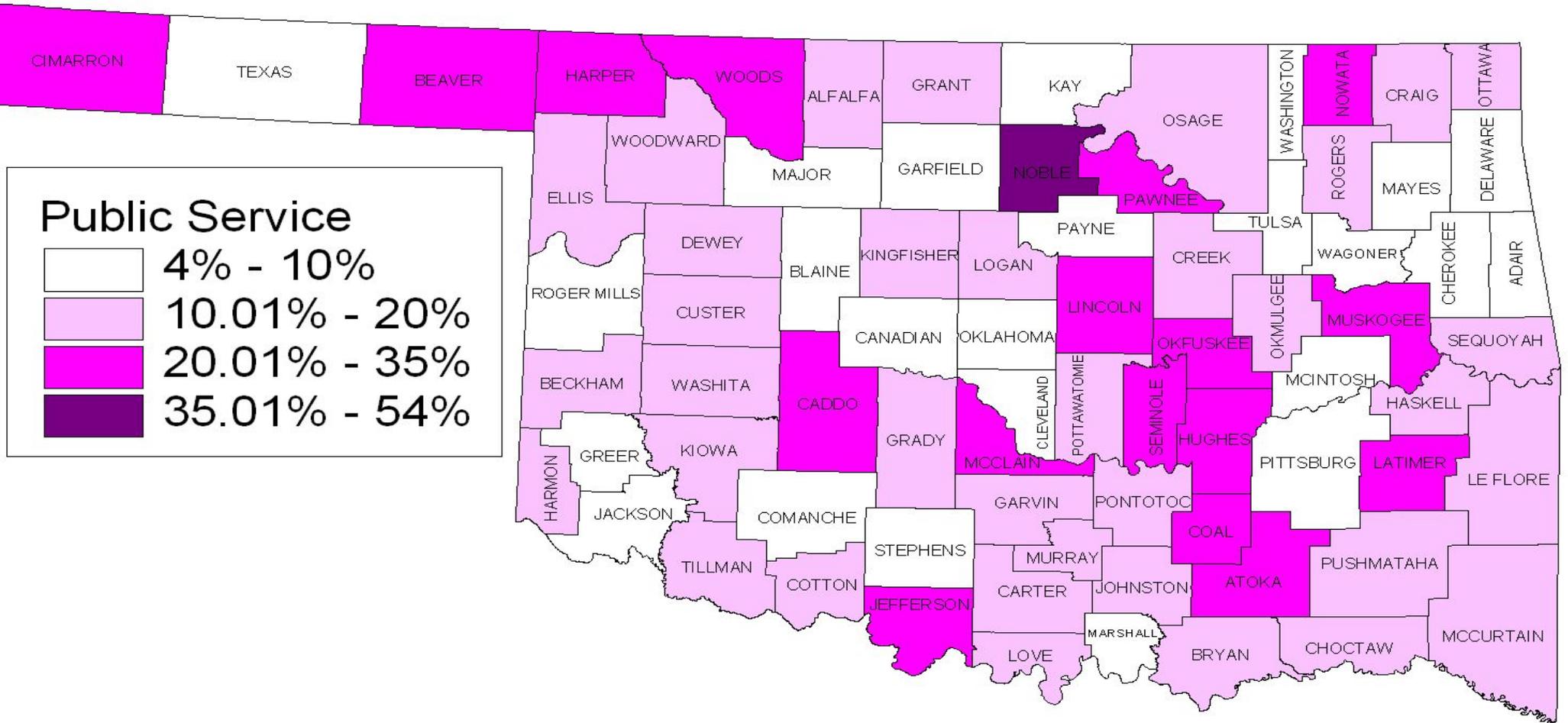
Map created by the Ad Valorem Division of OTC, July 20, 2009
 Jeff Spelman, CAE, Director - Phone (405) 319-8200

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

Percentage of Total Tax Roll



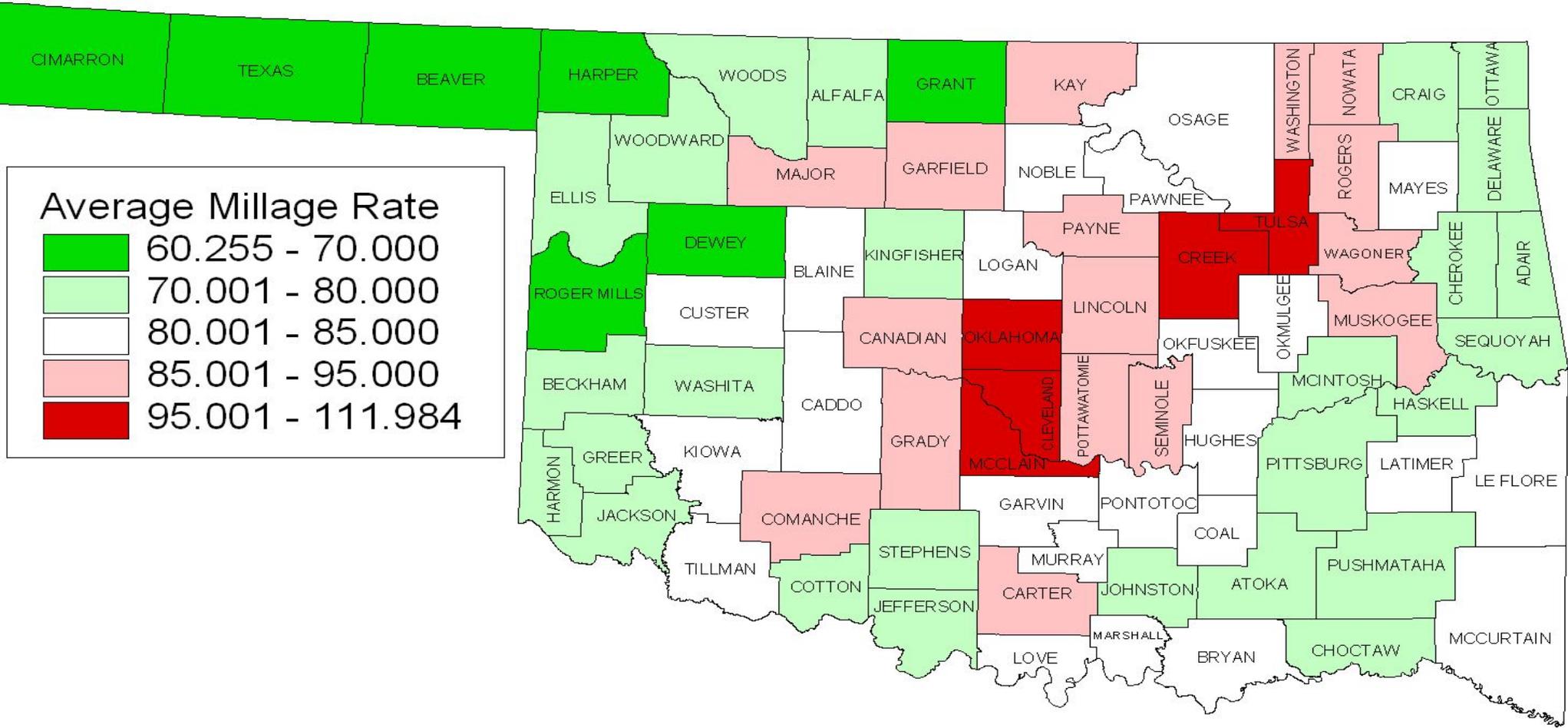
Map created by the Ad Valorem Division of OTC, July 20, 2009
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Ad Valorem Millages



**Higher in Urban
Career Tech
Bond Issues**

Average County Millage Rate



Map created by the Ad Valorem Division of OTC, July 20, 2009
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Mill Levies State-wide

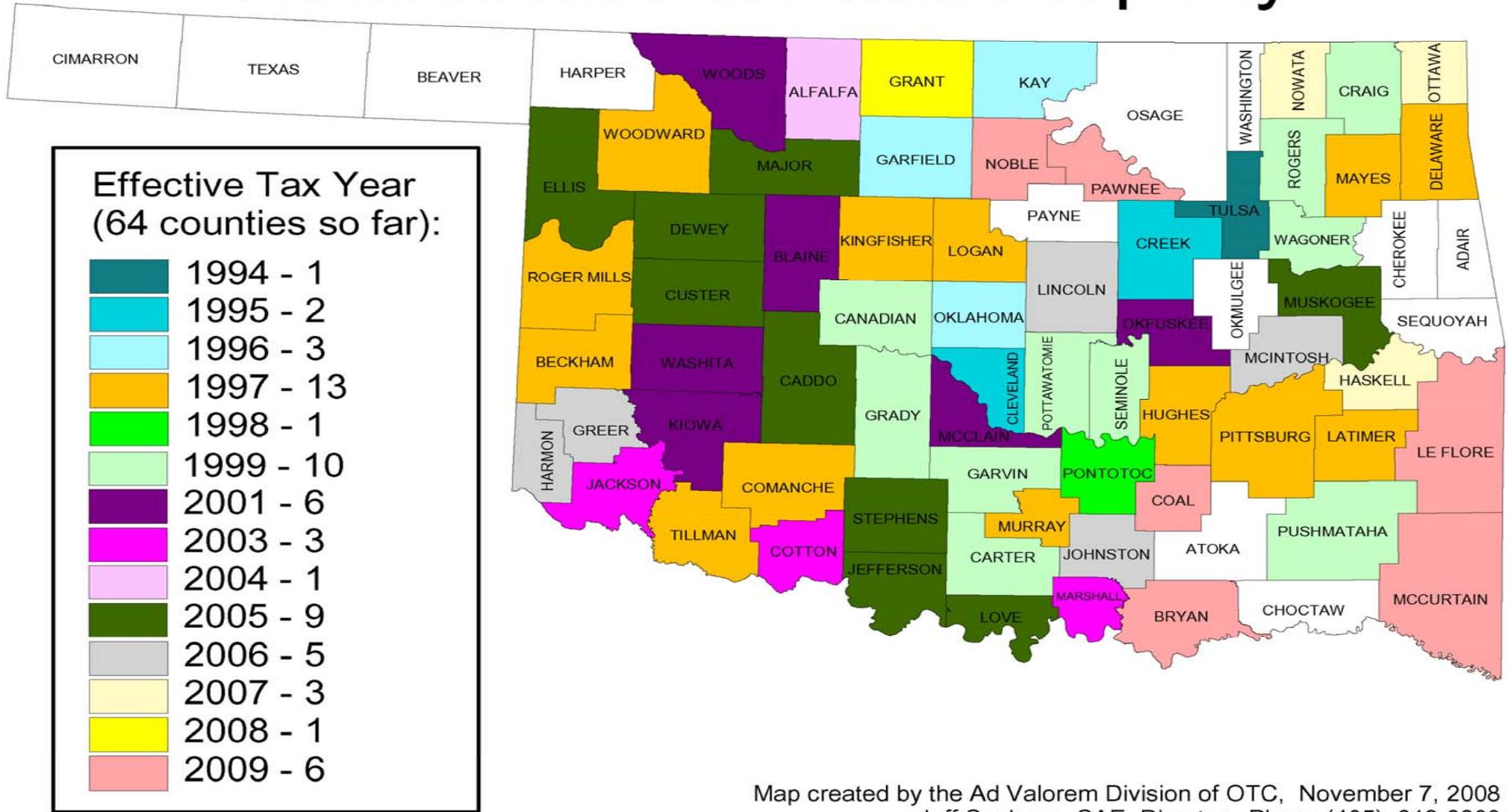
- **What is the average millage?**
- **State Weighted Average Levy \$99.99**
- **Median \$84.28**

Mill Levies State-wide

- **Tulsa (Jenks/Bixby)** **\$130.90**
- **Oklahoma (Deer Creek)** **\$129.92**
- **McClain (Dibble)** **\$125.05**

- **Canadian (Okarche)** **\$57.47**
- **Cimarron (Plainview)** **\$56.00**
- **Beaver (Balko)** **\$55.00**

Counties that have Repealed Household Personal Property



Map created by the Ad Valorem Division of OTC, November 7, 2008
 Jeff Spelman, CAE, Director - Phone (405) 319-8200

Impact on Lower Income Taxpayers

- Homesteads slowly increased *53 in 2009*
- Additional homesteads *decreased 2,410*
- Additional homestead *\$20,000*



Senior Valuation Limitation (SQ 677)

- **Senior Valuation Freeze**
- **HUD Median Family Income** 75,000 (2008)
- **Oklahoma County MSA: *\$55,300***
- **Pushmataha County: *\$34,100***

State of State Improvement

- **Abstracts**
- **Forms**
- **Agriculture
Parcels**
- **Compliance**



State of State Improvement

- **Ad Valorem Calendar**
- **Notices**
- **Time Periods**
- **CAMA Timetable**
- **Quality Control**



Teresa and Teresa Slide

- **If Teresa's are not happy; no one's happy.**
 - **Abstracts**
 - **Homestead Exemptions**
 - **Additional Homestead Reports**
 - **Form 993's**
- **Keep the Teresa's happy.**

State Board of Equalization (SBOE)

- **Last five years average of 71.5 abstracts filed timely**
- **Three or four years all abstracts filed on time.**
- **Challenge with Dates (June 15 falls on Saturday)**

Abstract

- Print on Card Stock
- Submit early (and often) *SIGN IT*
- FAXes can't **READ THEM**
- Check all figures carefully

Abstracts

- **History: Old days very labor intensive.**
- **Penalty remains: 68 O.S. 2001, Section 2867**
- **“county assessor fails to comply...neither the county assessor or ...deputies shall be paid...June and succeeding months....”**

State Board of Equalization (SBOE)

- **Abstracts received after the State Board of Equalization (SBOE) checked by Ad Valorem Division**
- **Certified by State Auditor and Inspector (SA&I)**

Abstract

- **Get it in as early as possible**
- **Call Teresa (either one) if you have problems.**
- **Don't FAX it unless you have to.**

Homestead Exemption Reports

- **Not Signed**
- **Due same time as abstract; some late.**
- **Number of Homestead Exemptions *must match* Abstract; sometimes run a few days apart.**

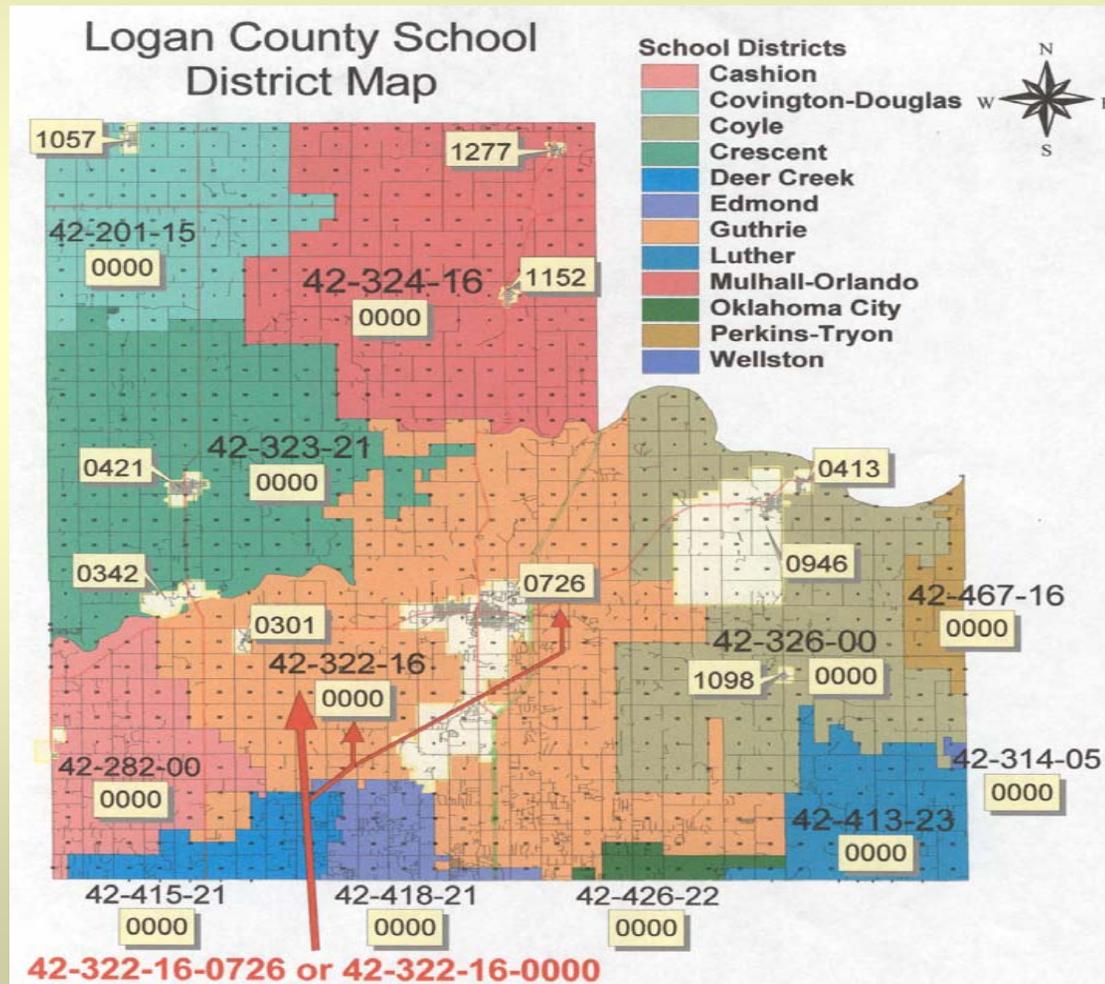
Additional Exemption Reports

- Totals don't match Homestead Exemption Report.
- Incorrect levies apply (city levies backed out)
- Make sure Commissioner's signature correct
- No \$\$ available. **We don't like to work it either!**

Tax Roll Abstract/Form 993

- Need Ad Valorem Reference Number on School District
- Duplicate Ad Valorem Reference Numbers
- No Levies on report (**watch for amended levies**)

Taxing Districts



Five Year Manufacturing Exemptions

- Review application (especially page 4)
- Approval/Disapproval signed by **both assessor and County Board of Equalization**
- Check asset list with application (Page 3)
- **Must balance!!!!!!**

Five Year Manufacturing Exemption

- Must receive at Oklahoma Tax Commission by **June 15.**
- Optional: Call and remind companies on program **before March 15**
- Call Larry Rawlings, Patti Heath, Doug Brydon or Paula Gibson

Forms

- Most forms on the web site. (**Working to Reduce Ink usage**)
- If you have any questions, contact Ad Valorem Division (Kenny Chuculate The King of Forms)
- Check with your field analyst.

Forms

- Renegade Forms (**Don't forget computer forms**)
- Section 2875 D (2) “ Prescribe forms with numbers ascribed thereto....
- Section 2875 F **The county assessors shall not use any form not prescribed or approved by the Ad Valorem Division .**

Travel and Called Meetings

- The Ad Valorem Division has three “called meetings” under 74 O.S. 2001, § 166.
- **Annual Conference**
- **District Meetings**
- **County Assessors Convention**
- **Commission has withheld travel.**

Travel and Called Meetings

- Attendance is reimbursable
- Absents must be excused for valid reason.
- **(Going to a horse race or NASCAR event not usually acceptable.)**

A wide-angle photograph of a vast agricultural field filled with golden wheat. The wheat stalks are in full maturity, with their heads clearly visible. In the background, a dense line of green trees stretches across the horizon under a sky filled with soft, grey clouds. The overall scene is a typical rural landscape.

Agricultural Parcels

What is an Agricultural Parcel?

- Agricultural use
- In the late 1970s, the County Assessors Association set 40 acres as minimum
- Informal only: Many counties use 20 acres, 5 acres, and others.

What is an Agricultural Parcel?

- Attorney General's Opinion 99-8
- Agricultural Usage base on “informed valuation”
- **“May...NOT use an arbitrary number of acres...” Usage of tract is basis.**

A wide-angle photograph of a vast field of golden wheat. The wheat stalks are in full maturity, with their heads heavy and drooping. The field stretches to a flat horizon line. In the background, a dense line of green trees is visible against a sky filled with soft, grey clouds. The overall scene is a typical rural landscape during harvest time.

Compliance Issues

Oklahoma Constitution

- Article X, Section 21
-
- State Board of Equalization (SBOE)
- “..shall... **adjust and equalize the valuation of real and personal property of the several counties in the state....**”

Equalization Study

- Study of all 77 counties
- Assessment and Equalization Analyst visit every county
- Equalization Study and Annual Valuation Audit

Findings of Study

- Improvements Occurring
- Good CAMA progress in some counties
- Need Improvement in Annual Valuation and Property Records

Equalization Study 2007

- Improvements Occurring
- Good CAMA progress in some counties
- Need Improvement in Annual Valuation and Property Records
- **This slide shown in October 2007**

Equalization Study 2008

- Improvements Occurring
- Good CAMA progress in some counties
- Need Improvement in Annual Valuation and Property Records



**Improvements
and Concerns Letters**

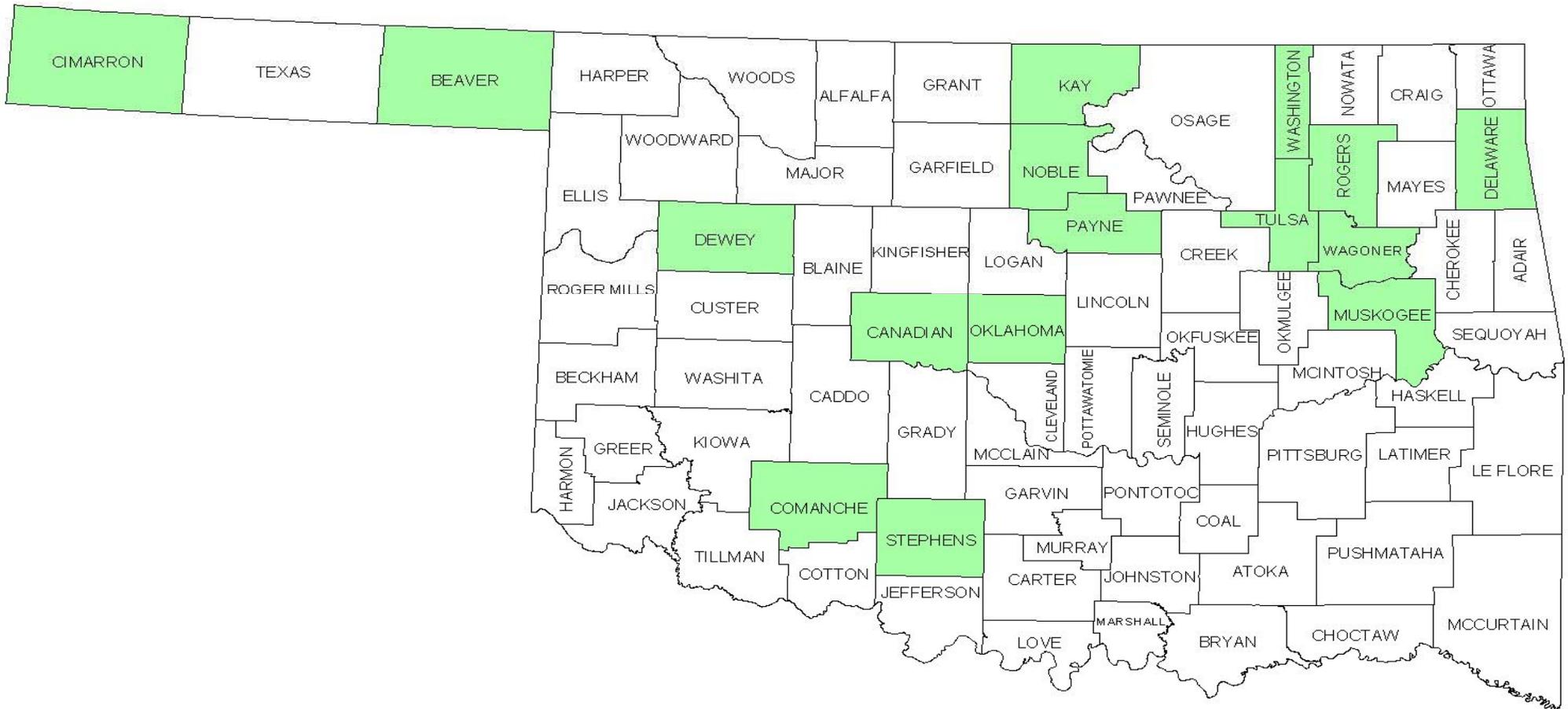
Top Ten Reasons for Letters

- **Not a non-compliance finding by State Board**
- **Does not involve other County Officials, State Board or Schools.**
- **“Early Warning” on Compliance**
- **Can Be Reviewed by OTC**

Letters of Improvement/Concern

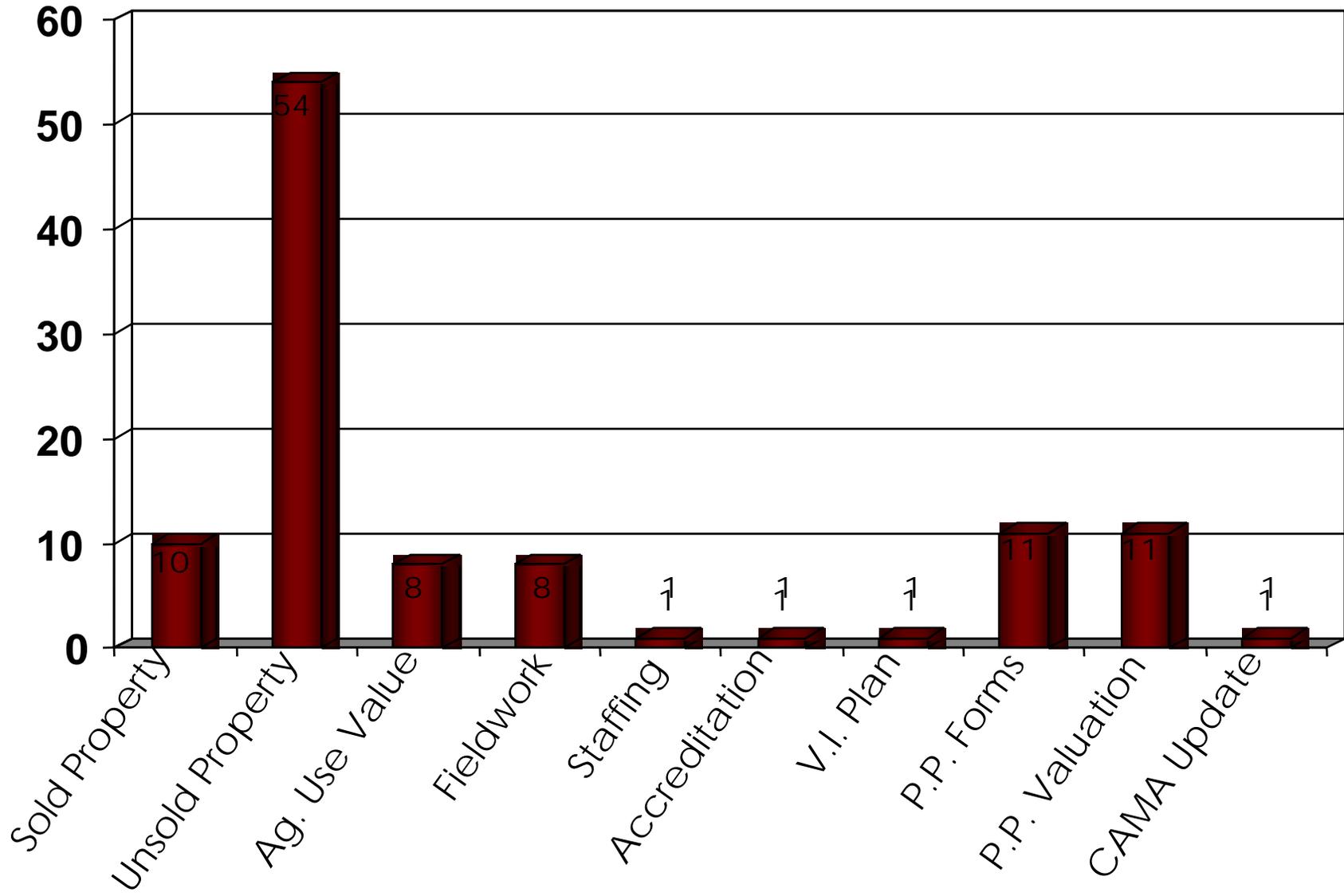
- Under Rules (710: 10-4-9 e) OTC may notify county assessor of areas of improvement or concern.
- Pre-compliance issues
- Please look at that letter and discuss it with A&E Analysts.

Counties Not Receiving 2007 Improvements & Concerns Letters

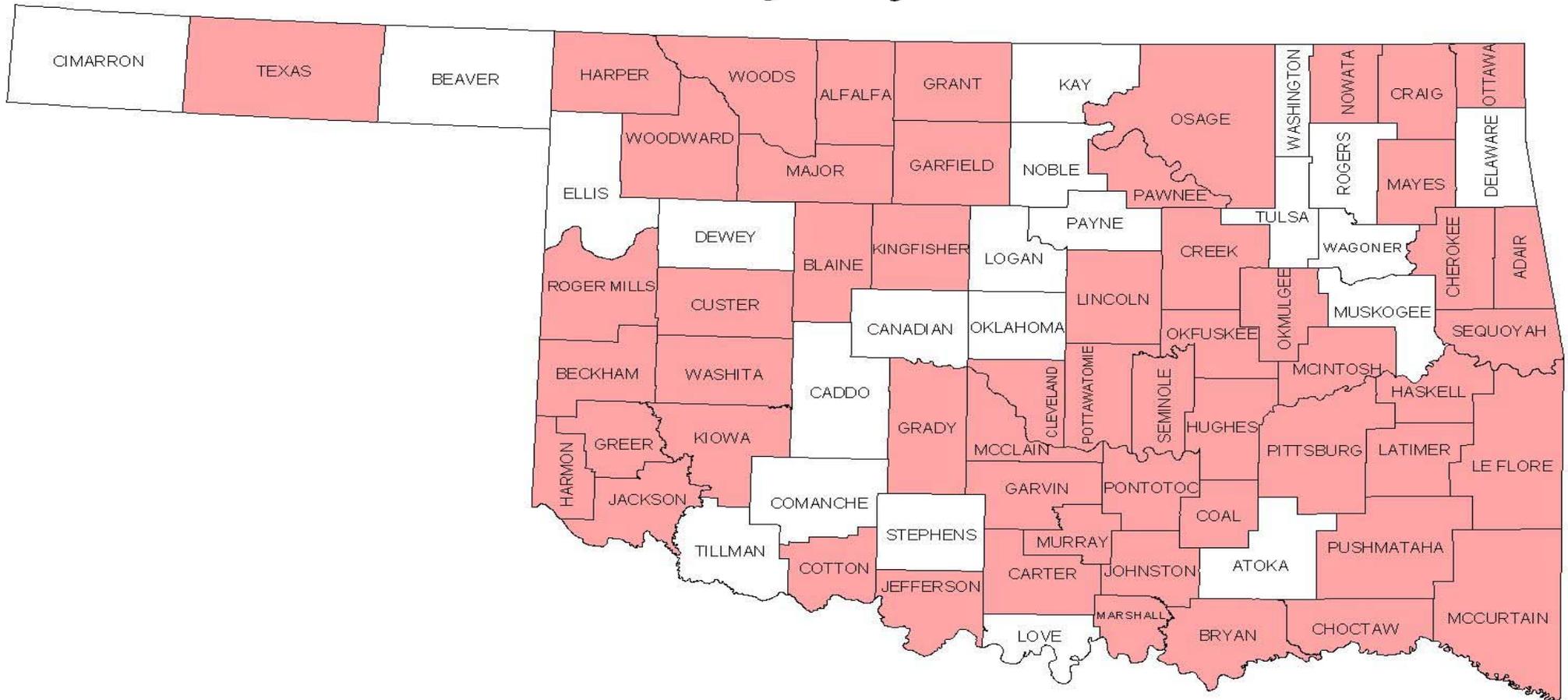


Map created by the Ad Valorem Division of OTC, February 1, 2008
Jeff Spelman, CAE, Director - Phone (405) 319-8200

2007 Audit, Improvements/Concerns Letters Summary

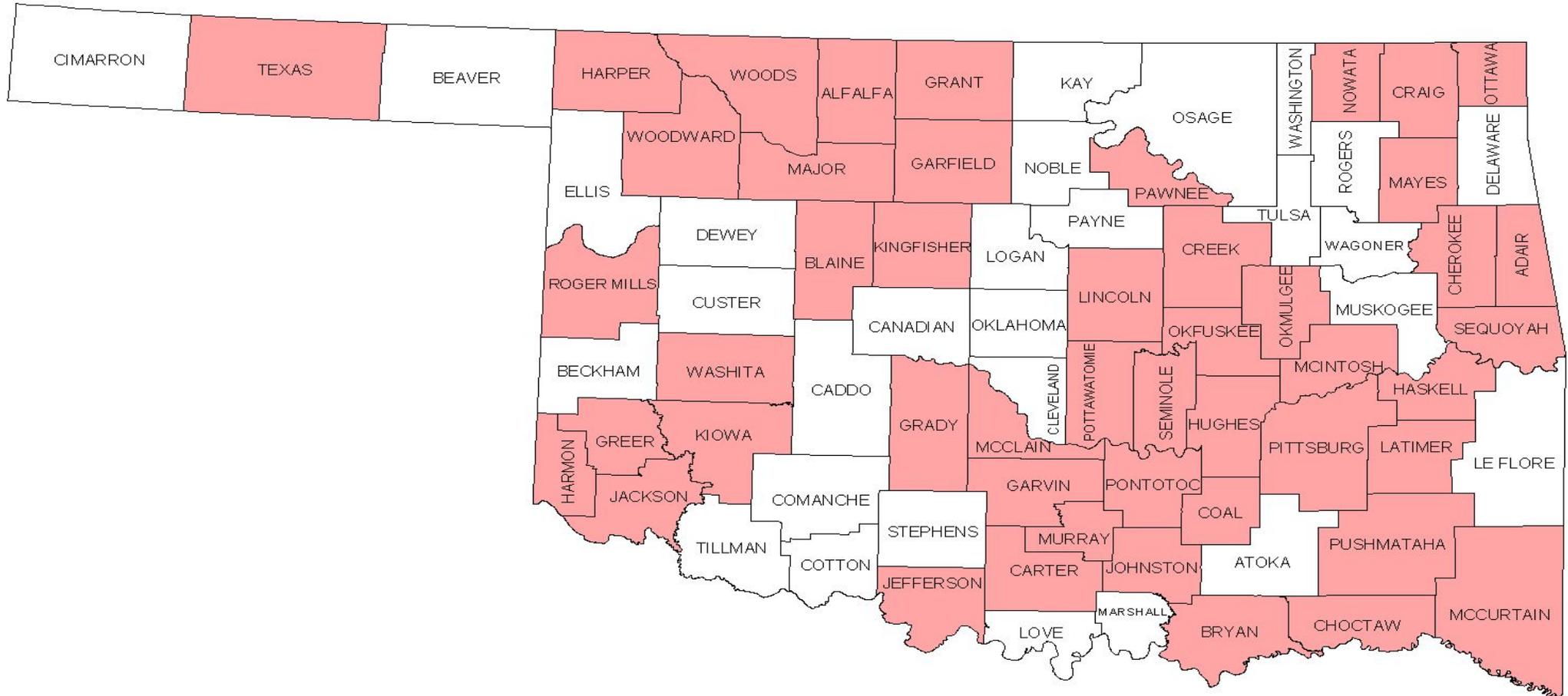


Counties Receiving 2007 Improvements & Concerns Letters On Unsold Property Valuation



Map created by the Ad Valorem Division of OTC, February 1, 2008
Jeff Spelman, CAE, Director - Phone (405) 319-8200

Counties Receiving 2008 Improvements & Concerns Letters for Unsold Property Valuation



Map created by the Ad Valorem Division of OTC, July 20, 2009
Jeff Spelman, CAE, Director - Phone (405) 319-8200

2008 Improvements & Concerns Letters Summary

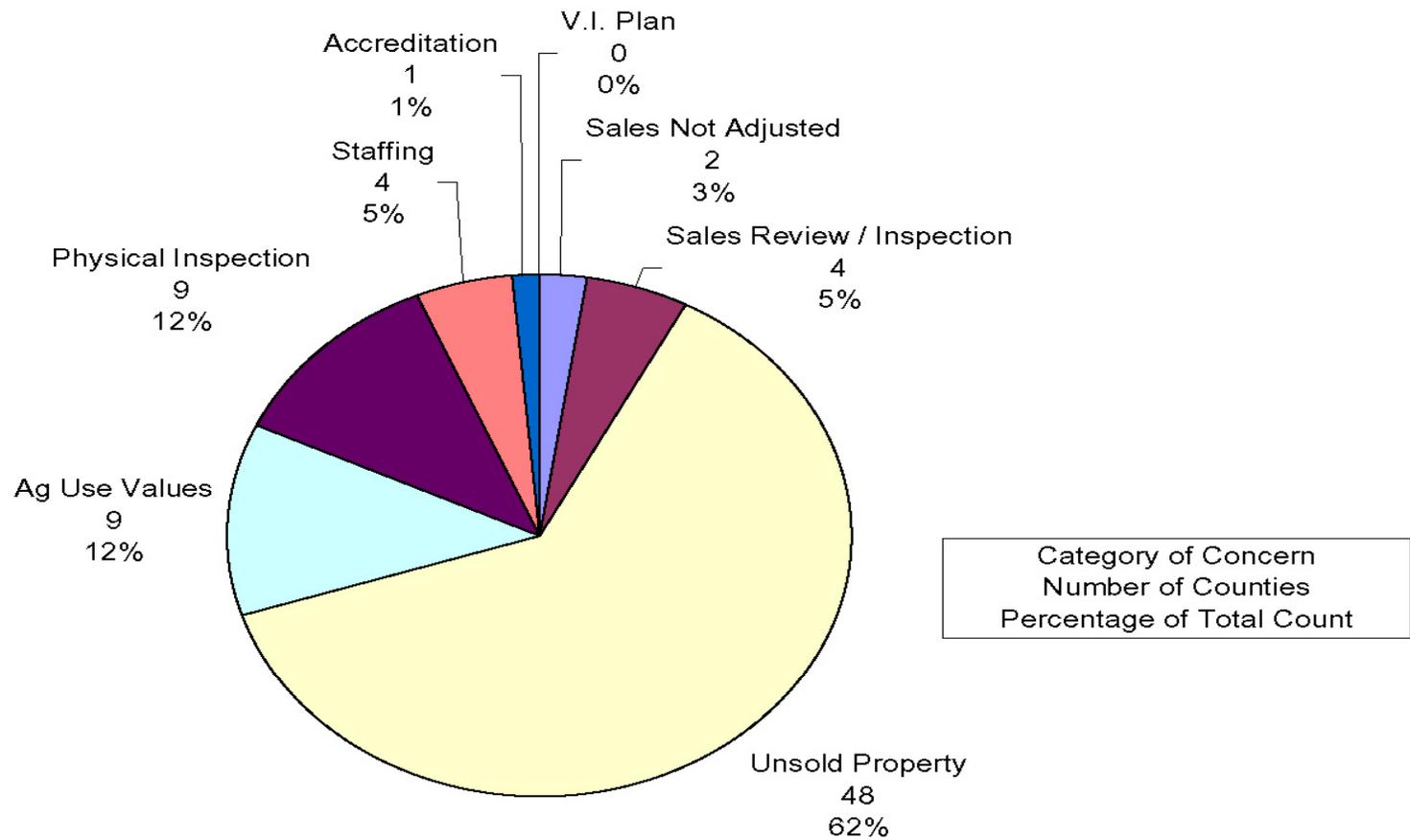


Chart created by the Ad Valorem Division of OTC, July 20, 2009
Jeff Spelman, CAE, Director - Phone (405) 319-8200

A wide-angle photograph of a vast field of golden wheat. The wheat stalks are in full maturity, with their heads heavy and drooping. The field extends to the horizon, where a dense line of green trees is visible against a sky filled with soft, grey clouds. The overall scene is a classic rural landscape.

State Board Compliance Finding

County Compliance

- **State Board of Equalization (SBOE)**
reviews compliance findings
- **Section 2830 (1988)**
- **Equalization Study and Annual Valuation**

Category 1 Non-Compliance

- **Category 1 State Board of Equalization (SBOE) finding**
- **Notify Assessor of problem and corrective action needed**
- *We consider this an opportunity to correct problem*

Category 2 Compliance

- **Issues order to bring county into compliance: Schedule, Deadlines, and Procedures**
- **Previous problem not corrected. (Notify county officials)**
- **We consider this an issue that needs to be resolved.**

Category 3 Non-Compliance

- Conference
- Deadlines, procedures, training, progress reports (public record)
- Assessor's salary, Reimbursement and Commission supervision.



Ad Valorem Calendar Dates



IDEAL SYSTEM

- Brings property dimensions, characteristics, picture from aerials
- No fieldwork required
- No data entry required
- No mistakes made
- All analysis is automatically calculated

REALITY...

- Fieldwork quality control is essential
- All title transactions are current
- Methods in place to check for human error
- Analysis done in a timely manner
- Audits/comps of personal property for coming year
- Personal Property complete

JANUARY 2010

- **County Assessor lists, appraises and assesses all property for ad valorem taxation, based on the estimated fair cash value on January 1. 68 O.S. § 2831**
- **Do not apply current year Freezes until after values are rolled.**
- **Prepare laptop for small town visits (see: CAMA Procedures Manual-January)**
- **Accepts personal property renditions from individuals and businesses, homestead exemption applications and manufacturer's exemption applications. 68 O.S. § 2832, 68 O.S. 2003, §§ 2892, 2902**

JANUARY 2010 (cont.)

- **Remove Double homestead exemptions that are not permanent 68 O.S. §5890 (C) (D)**
- **Remove homestead exemption from properties that had a transfer of title. 68 O.S. §2892 (C)(D); 68 O.S. §2802**
- **Process Homestead Exemption Claims (...may be filed at any time. 68 O.S. §2892(A)**
- **Take assessments in regional areas (each city and incorporated town) between January 1 and March 1 68 O.S. §2836 (C)**
- **Begin valuation analysis of real estate**

FEBRUARY 2010

- **Do not remove homestead exemptions from this time forward due to title transfer. O.S. §2888(A)**
- **Continue taking personal property assessments**
- **Spring CODA Meeting**
- **Progress Report to the Legislature and State Board of Equalization on County Visual Inspection Program form mailed to Counties**

MARCH 2010

- **Run Excise Board Report - Date & save for value change after rolling real/personal values**
- **Assessor must be in the office and available to take assessments March 1 through March 15 68 O.S. §2836(C)**
- **Final Personal Property Assessment due by March 15**
- **After the 15th of March, run list of arbitrary personal property assessment from CAMA**
- **Apply 10% penalties to any rendition received after March 15th**
- **OTC sends Additional Homestead Reimbursement Claim forms to counties**
- **Finalize real estate values in CAMA; roll to AA (Radiant system; see: CAMA Procedures Manual-March)**

APRIL 2010

- **Assessments after March 15 and before April 16 are required to include a 10% penalty...68 O.S. §2836(C.1) and Failure to add penalty 68 O.S. §2836(D)**
- **County board of Equalization begins meeting after April 1 in all but largest counties 68 O.S. §2863(A)**
- **Additional Homestead Reimbursement Claim forms due to OTC by April 30**

APRIL 2010 (cont.)

- **Mail Notices of Change in Value for real property by April 1 68 O.S. §2876(D)...change from calendar to working days (see: AA Timeline-January to April**
- **Save number of Change of Value notices for next year's Annual Audit information**
- **Create Real Estate History file in CAMA**
 - **Builds file with value only (Radiant; See: CAMA Procedures Manual-April**

MAY 2010

- **Resolve informal protests**
- **Update CAMA history file to reflect any changes**
- **Personal assessments after April 15th get a mandatory 20% penalty 68 O.S. §2836(C.2) (See: CAMA Procedures Manual-May)**
- **After Equalization Board has finished meeting, by May 31st, 68 O.S. §2863(A) values are set, transfer CAMA data to previous year file (using CAMA utilities), so you can continue for the next tax year. Personal property should also be copied. (See: CAMA Procedures Manual-May)**

MAY (cont.)

- **Roll Personal Property file (Radiant) (See: CAMA Procedures Manual-May)**
- **Run CAMA (delinquent) business personal detail sheets**
- **OTC mails Base and Additional Homestead report forms and Annual Abstract of Valuation forms to counties**
- **Assessors' District Meetings**
- **Create Personal Property History file in CAMA**
 - **Builds file with value only (Radiant) (See: CAMA Procedures Manual-May)**

JUNE 2010

- **Prepare Annual Abstract and Homestead Report. Due to OTC office by June 15th.**
- **Approved applications for exempt Manufacturing to OTC by June 15th**
- **File the Certified Abstract with County Excise Board within ten days after receiving certification from the State Auditor's Office.**
- **Begin land valuation analysis**
- **Clear 'Change of Value Notice' notes (See: AA Timeline-June-July)**
- **Homestead Reports due to OTC by July 1**

AUGUST 2010

- **Run Excise Board Report after receiving Public Service values.**
- **OTC Annual Education Conference**
- **Reimbursement for Additional Homestead sent to County Treasurer (if funds are available)**

SEPTEMBER 2010

- **Fall CODA Meeting**
- **First review of Equalization Study Data mailed to counties by second Monday**
- **Extend tax levies 68 O.S. §2869(A) (Extend Program-AA) (See: AA Timeline-October)**
- **Freeze Tax Roll (AA) (See: AA Timeline-October)**

SEPTEMBER 2010 (CONT.)

- **Create Excise Board Report and balance to 'Master File Change Report' (See: AA Timeline-October)**
- **Run tax rolls 68 O.S. §2869(D) and deliver to Treasurer no later than October 1 (See: AA Timeline-October)**
- **Certify the Tax Roll Abstract with the county Clerk on or before October 1**

OCTOBER 2010

- **Run LCAMAHIS to create History File**
- **Equalization Study Data Review returned to OTC by first Monday**
- **Run list of 'Notes' and RX codes for items to be handled for coming year**
- **Send notices for removal of homestead exemptions due to unpaid taxes 68 O.S. §2892(C.4) 'Forfeiture of homestead - delinquent taxes'**
- **Final listing of Equalization Study Sample Data results to Assessor by third Monday**

OCTOBER 2010 (cont.)

- **Report of Net Assessed Valuation and Millage (form 993) sent to counties**
- **Report to the Legislature Questionnaire mailed to counties**
- **Assessors' Assoc. State Meeting in OKC**
- **Complete Visual Inspection data collection**

NOVEMBER 2010

- **Report of Net Assessed Valuation and Millage (form 993) returned to OTC by November 1**
- **Notice of Equalization Study Informal Protest filed with OTC by first Monday 68 O.S.§2883**
- **Review and final disposition of any equalization Study Informal Protests by the second Monday**
- **Run Master File Change Report**
 - **Could be run from October - December, depending on the operation of your office (See: AA Timeline-October-December)**

DECEMBER 2010

- **State Board of Equalization meets (Dec. 1 or first working day thereafter)**
- **Notice and Orders of Non-compliance sent the first week of December**
- **New schedules, procedures, laws, forms and depreciation tables are received from OTC for the next tax year**
- **Remove non-permanent Double Homestead Exemptions**
 - **Mail Notice of Removal letters by Dec. 31**
- **Remove CAMA Personal Property Penalties (See: CAMA Procedures Manual-December)**
- **Before printing and mailing Personal Property Renditions, enter new business tables and reset system year (SYSYR, TCNTY and TSYs in Radiant Systems)(See: CAMA Procedures Manual-December)**

YEAR-ROUND 2010

- **If you are using a laptop, it should be downloaded the first of each month (See: CAMA Procedures Manual-January)**
- **Create and mail Sales Confirmations at least monthly depending on volume in your county**
- **Homestead Exemptions Claims (...may be filed at any time. 68 O.S. §2892(A))**
- **100% Disabled Veterans' Exemption - Okla. Constitution, Art 10, Sec 8E**
- **Coding new improvements, sales and overrides**
- **Periodically clean up Sales Report**
- **Edit and review database**