

Oklahoma
ad valorem

Volume XII, Issue I
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FORUM

A LOOK AHEAD...

- February 6-7: Basic Mapping, Stillwater
- February 11-13: CODA Meeting, OKC, Biltmore Hotel
- February 17: President's Day
- February 25-28: Oil & Gas II, Cost Approach, Stillwater

DIRECTOR'S NOTES...

POSITIVE ATTITUDE REQUIRED FOR SUCCESS

Happy New Year!

We're looking forward to 2003. For the Ad Valorem Division, we're all optimistic about the next twelve months, but everyone in Oklahoma may have to work on our game faces for the budget problems ahead. As Debbie Gentry says, "It's a matter of attitude." So 2003 is going to require a positive attitude. I know that the county assessors are all out there preparing to work with homesteads and personal property renditions, and we'll also see the first filings in the next few months of the public service renditions (Look on the new ad valorem web site for some of our forms that can be downloaded).

Glen Blood reports that the new Windows version of the State Computer System is coming along. As we said last year, a lot of counties are using the CAMA on personal property and taking laptops out in the field to take personal property renditions. This should save a lot of work as well as providing good service to taxpayers. That's a good sign of progress.

Again one of the highest items on the priority list for 2003 will be the continued good working relations with the State Auditor and Inspector (SA&I) and Center for Local Government Technology (CLGT), Cooperative Extension, the County Assessors' Association, the Oklahoma Association of Tax Representatives (OATR) and the Oklahoma Tax Commission. A good solid relationship between these groups helps every in the ad valorem system and provides better service for state taxpayers.

A psychologist/philosopher recently wrote that many simple problems in modern life are easier than they appear if we can give them complete and utter focus for twenty or thirty minutes. We don't do ourselves service by reading and eating at the same time, driving in traffic while cell phoning, or trying to talk to someone and looking over your shoulder at that darn CNN running five lines of text across the bottom of the screen. None of us (especially males who are supposedly bad at multi-tasking) focused halfway are as good as any of us completely attentive to something. Not paying attention is another of those self-imposed barriers along with my two less favorite statements: "We can't do something that would be a good idea because it hasn't been done before." Or my all time least favorite statement in county government, "But it's always been done that way; we can't do something different."

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 made 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." Happy New Year. This is going to be a great year.

Jeff Spelman, CAE
Director, Ad Valorem Division

P.S.- This month's quote is from Nelson DeMille, but ought to be from Troy Frazier: "We are all pilgrims on the same journey, but some pilgrims just have better maps."

MAPPING MINUTE

Vendors, vendors everywhere and not a dollar to spend. During the last few months, vendors have been assaulting me. They try to sell me computers, mapping software, mapping services, etc.

Now, the hottest item is aerial photography. Of course with me, the answer is simple. I have no money; therefore, I cannot buy anything.

I understand that some of these same vendors have contacted many of your. Many want to sell you new mapping software and hardware. Several vendors are now trying to sell you new digital aerial photography.

For the counties that have no money, the answer to the vendors is easy ("NO"). For the counties that can spend some money on aerial photography, I have a few suggestions.

I wish that I could say the State was going to pay for another flight soon, but it's not. I would suggest that you contact your municipalities and other local agencies that would benefit from a new

WITH TROY FRAZIER

set of aerials.

You might have a pro-rated charge based on square mileage or population. You might contact the State Departments of Agriculture and Transportation. They may have money to pitch in for areas of interest.

You might contact the NRCS office in Stillwater. They have an allotment towards aerial photography and may want to contribute a portion of this money.

It is a shame that we cannot do a statewide project at this time. The price of doing one county could do several counties in a project with a larger scope. Plus, the rural counties are not going to be able to pay for themselves. However, if you have the money and see the need for newer aerial photography, please do not let us hold you back!

Remember: *If we're stumbling as we try to move forward, we might be tripping over our own shoelaces.*

OTC FORM 988 DISTRIBUTED FOR NEW CHARITABLE EXEMPTION

As a result of legislation this past year, HB-2904 was enacted, which provides an exemption for certain residential rental facilities. The Ad Valorem Division has revised OTC Form 988 to include reference for this exemption, and has designed form 988-A which must also be completed to satisfy statutory reporting requirements when application is made for the residential rental facility exemption. These forms were mailed to the counties during the month of December.

The new law states that facilities that are used for residential rental are eligible for exemption provided they are owned by a non-profit 501 (c) (3) tax exempt entity.

Please use the new form that was revised 11-2002. **Do not use the previous 2002 form.** The Ad Valorem Division has additional forms if you need them.

To review the requirements and conditions for obtaining and maintaining the new exemption, the following points are summarized:

- The property must provide residential rental accommodations regardless of whether services or meals are provided.
- * The property must be occupied as of the January 1st assessment date if the structure is a single family dwelling.
- The property must have an average 75% occupancy rate based on the total units suitable for occupancy during the calendar year preceding the January 1st assessment date if the property contains multiple structures suitable for multi-family housing.
- The owner of any property subject to the occupancy requirements shall submit a report to the county assessor no later than December 15 regarding the occupancy rate for the preceding eleven (11) months. If the occupancy is less than the required 75% the property shall not be exempt.

**CONTINUED ON PAGE 4
SEE "OTC FORM 988..."**

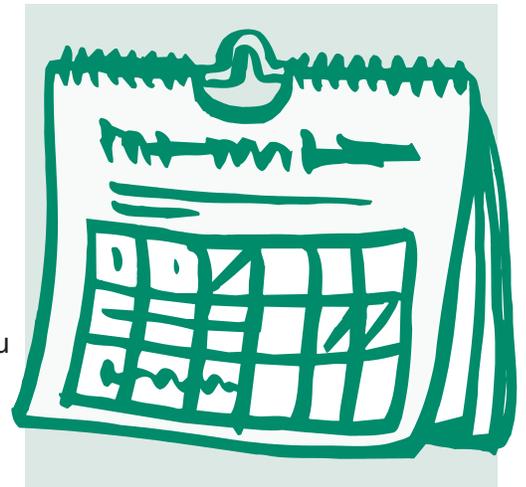
PROPERLY USED CALENDAR HELPS GET JOB DONE

(From an article by Paula Ancona, Scripps Howard News Service)

A calendar, in its simplest form, helps you keep track of your days. But your calendar can work harder for you. It can help you pace your work, meet deadlines, eliminate paper and get more accomplished.

Even if you hate lists, these ideas can help you get more done at work:

- **Don't worry about buying a fancy calendar system.** A simple executive planner from a discount store might be fine. Choose a calendar you can carry around easily.
- **Set goals.** Know what you want to accomplish by the end of the day so you can determine how to spend your time. Otherwise, you'll do whatever comes up first instead of what's most important. Be results-oriented, not task-oriented.
- **If you hate setting goals, think about the benefits you'll experience when you meet them.** Maybe a bonus? Control of your time? Keeping people off your back?
- **If you're more spontaneous and less analytical, use fun calendars.** Reward yourself with a small treat when you follow your calendar system, save time, or complete a goal.
- **Invent your own calendar form.** Copy the blanks and keep them in a loose-leaf binder. Or keep a simple action list in your computer. Update it and print it out daily.
- **When you mark appointments on your calendar, also note what you need to cover in that meeting.** You'll be less likely to forget important items. Block in travel time.
- **When you set up your next meeting or deadline, record it immediately.** Similarly, make calendar notes one and two weeks before a big deadline to help you set intermediate goals. And jot reminders on future calendar pages for follow-ups on meetings.
- **Use Post-It notes to create extra space on a crowded page.**
- **Make lists of action steps toward a goal and rank them.** Otherwise, you'll probably choose the easiest task instead of the most important. **For Instance:** **Imperative** (urgent, deadline matters that cannot be put off); and **Important** (items that can be put off but are high priority).
- **Before you go home, review your lists to see what you accomplished.** Then spend 10 to 15 minutes planning your next work day.
- **Have your calendar handy when you open your mail.** When you receive a meeting notice, jot down the date in your calendar along with details about costs, location and reservations. Then discard the notice.



PUBLIC SERVICE UPDATE WITH MIKE ISBELL

Guidelines for valuation of railroad, air carrier and public service property were finalized and approved by the State Board of Equalization at the December meeting. Our report forms have been updated to reflect the new guidelines and hopefully are on their way by now to the respective tax representative for each company. We start 2003 with 282 companies.

As is always the case, we maintain some historical data for the new year and the company

provides us with data as of the end of the calendar year for income and as of January 1st for balance sheet information.

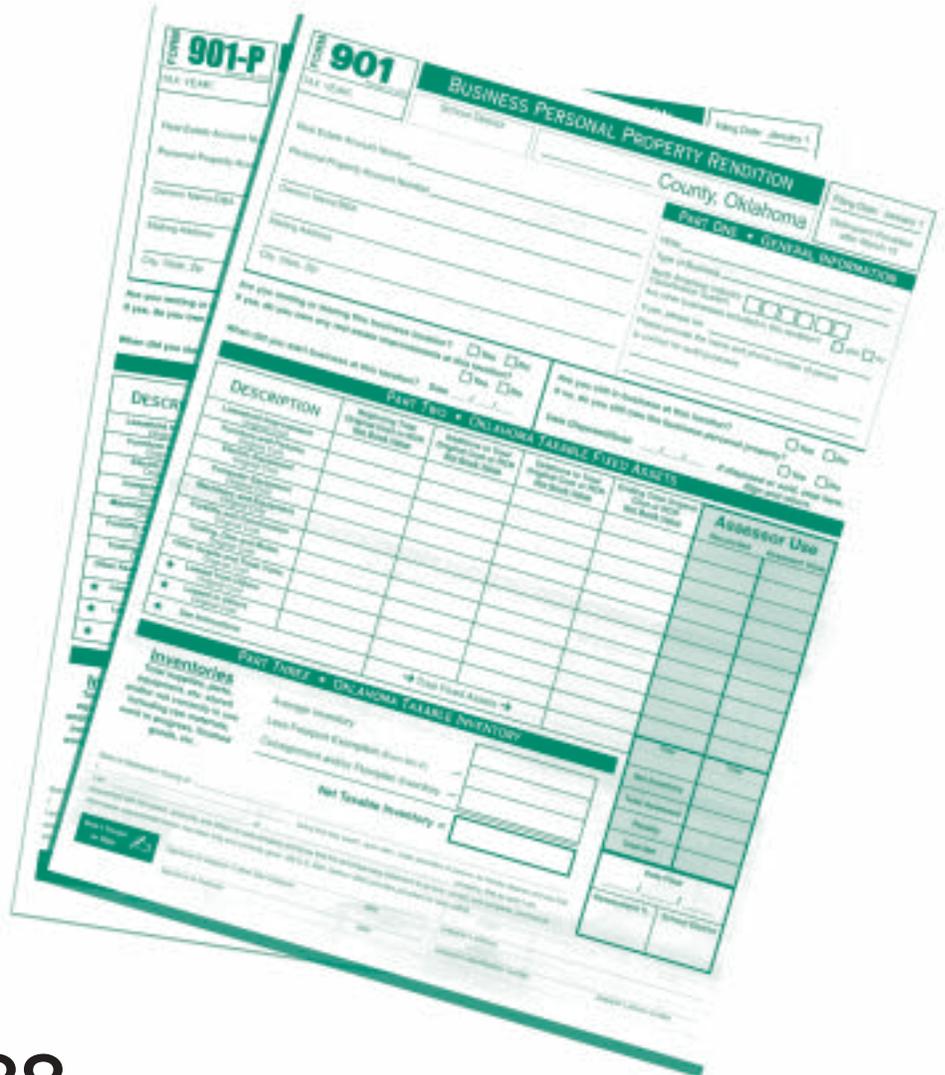
This is all information that is required with each filing. Companies can supplement their filing with outside appraisals, replacement cost new less depreciation (RCNLD) studies or any other materials they wish to provide that we do not specifically request. We do request that any supplement be filed in full and not in selected excerpts.

PERSONAL PROPERTY FORMS UPDATE

The 901 and 901-P forms have been updated for 2003 to address some confusion in terminology and methodology. The most significant change in these forms was the addition of Part Six to the back of the form to more accurately show inventories.

Other changes were made in the areas of column headings to correct terminology that caused confusion to taxpayers. Terminology definitions on the top of the back page were adjusted also to reflect the new changes.

For 2003, the Ad Valorem Division will be reviewing other forms for updating. If you have any questions about the revised 901 and 901-P forms, or any suggestions for future forms updates, please contact the Division at (405) 521-3178.



OTC FORM 988 CONTINUED FROM PAGE 2...

- No property shall be exempt if improved or acquired with proceeds from the sale of obligations issued by any entity organized pursuant to Section 176 of Title 60 of the Oklahoma Statutes if the interest income is exempt (Trust Authorities), Unless:
 1. The entity based in this state and is organized as a non-profit entity and a majority of the members of the board of directors are representatives of the community in which the entity is based.
 2. The entity or nonprofit sponsor or parent organization has at least two years of experience owning affordable housing in Oklahoma.
 3. The entity each year transfers 100% of the net profits derived from the property to local government jurisdictions of the county in which the property is located which would have received revenue from ad valorem taxes if the property had not been exempt. Distributions to local governments shall not be in excess of the ad valorem tax liability.
 4. The senior bonds constituting at least 70% of the financing by the public trust on behalf of the entity are rated as investment grade bonds or with an equivalent or higher rating.
 5. The entity and any sponsors or parent organizations of the entity are not currently in default and have not had any previous defaults or any tax-exempt bond issues in Oklahoma.

If you have any questions about this new exemption, or about the OTC form 988 or the 988-A, then please contact the Ad Valorem Division at (405) 521-3178.