

A LOOK AHEAD...

January 1
New Year's Day

January 23-24
New Assessor Training,
OKC

January 20
Marting Luther King Jr. Day

 **klahoma**
ad valorem

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DIRECTOR'S NOTES...

HAPPY HOLIDAYS TO EVERYONE!

As we reach the holiday season, I always try to look back at the year. As I did last December, I reviewed the Ad Valorem Forum newsletters all the way back to 1994. It's pretty amazing all the things that have happened since then, but especially this year. The fact that county assessors and deputies, tax representatives, and taxpayers have survived was the biggest news of the year.

But sadly, the year 2002 still stands in the shadow of the events of 9/11. We've continued to see echoes of that terrible act of cowardice and hatred as the long recovery and healing process continues. The Year 2002 was also filled with the budget problems and the changes of the election process. The budget situation will continue to be a challenge to overcome.

We counted twelve new assessors, or about a 15% turnover (It depends if you include county assessors who were appointed before the election). As usual most of our new county assessors have more or less come from through the ranks, but we have some new faces who've come from the private sector or other government agencies.

Our new county assessor orientation in cooperation with ACCO and Center for Local Government Technology (CLGT) has already been held, and we're looking forward to some in-depth orientation next month. Kathi Mask is going to attend the orientation as well Center for Local Government Technology (CLGT).

Our goals for the future should be to stress achievement and cooperation, and avoid hatred and division. On the good side of the ledger, the year has had some major

achievements:

- Annual Conference was again a success.

Thanks mostly to the participation by the county assessors and deputies as well as the IAAO Instructors, Center for Local Government Technology (CLGT), and State Auditor and Inspector (SA&I). With over 550 people in attendance, we again had one of the largest and most in depth conferences in the nation.

- County Computer Coordination Committee (4-C)

The 4-C committee has continued to provide a great channel for communications between the County Assessors' Association, the Ad Valorem Division, and State Auditor and Inspector (SA&I). The 4-C (recently re-named) has been really an asset, and thanks to Debbie Gentry with support from Scott Warren and Glen Blood, we've achieved an important improvement in accuracy and efficiency.

- CAMA Personal Property

We've made some real progress this year saving work by using the CAMA Personal Property system. We're all pleased with the results in improved accuracy and taxpayer service. I'm proud of the results. Any system that can save work, generate values, and give the taxpayer better service is exactly the right direction.

- Public Service Values were out earlier than ever.

- 2003 Personal Property Schedule.

We've had an in-depth review this year of the 2003 personal property schedule, spending several hundred hours on the project. We're

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SEE "HAPPY HOLIDAYS..."

MAPPING MINUTE

WITH TROY FRAZIER

The end of the year is coming rapidly and it has been another busy one. We got a lot of things accomplished this year. Because of budgetary concerns, I was able to visit some 30 counties with four additional return visits due to specific needs. We produced a diskette for mapping support.

This diskette was to supplement the CD-ROM's everyone received last year. We had good training at Tulsa. Once again, it was received so well that we probably will not change much of the mapping track next year. We were able to have a 2 day regional training session in Pawnee County (if any county wants to host training in ArcView, AutoCAD Map, or MIMS, please let me know).

We had a full week at the Moore-Norman Technology Center in Norman (we will have another week-long training session in ArcInfo 8.2 near the first of next year). We now have several counties that are updating their rural ownership plat books once a year.

We have several counties getting involved with their mapping in countywide 911 projects. The counties that are not finished with their mapping are for the most part so close to being finished that they can taste it. All in all, this year has been another good year for mapping, and I applaud your efforts.

Remember: Mapping is not only fun, it's mandated!

STORM SHELTER EXEMPTION BECOMES LAW

Certain storm shelters will now be exempt from ad valorem taxation, due to passage of State Question 696 in the General Election November 5th.

Up to 100 square feet of a storm shelter may be exempt from property tax, if it is designed to provide safety and protection from tornadoes. This Constitutional change includes safe rooms built within a home.

The new exemption applies to storm shelters installed or added after January 1, 2002. A transfer of real property with an exempt storm shelter would result in the shelter being subject to property tax.

The Ad Valorem Division has promulgated rules for implementation of this new exemption, and is currently designing a new form that will be used by applicants for the storm shelter exemption. These forms will be distributed as soon as they are completed.

Rules similar to those for the homestead exemption will apply to the new storm shelter exemption. The applicant must be the actual owner of the property on January 1 of the year in which the exemption is applied for.

If evidence of title is not executed on or before January 1 and filed of record in the office of the County Clerk on or before February 1, no exemption can be allowed.

The exemption may be filed at any time. However, the assessor may grant the exemption for storm shelter for the current tax year only if the application is filed on or before March 15 of the current tax year. Otherwise, the exemption will take effect for the following tax year.

If you have any questions regarding the new storm shelter exemption, please contact the Ad Valorem Division at (405) 521-3178.

Eligible businesses pay new direct jobs employees 125 percent of the average county wage, including health care premiums paid by the applicant for these employees, or 110 percent of the average county wage without health care premiums included in the annualized wage.

Under Oklahoma law, funding that would otherwise be lost to public schools, county government and other entities that receive ad valorem revenues is made up out of the ad valorem reimbursement fund. However, the fund is no longer able to keep up with the dollar amount of tax incentives for which businesses qualify. The reimbursement fund is made up of 1 percent of income taxes, which amounts to about \$25 million to \$26 million per year. The fund usually tops out in April or May, when the bulk of income tax collections are received.

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BASIC PHONE TIPS IMPROVE IMAGE

Strong customer service skills are an area many companies are striving to improve. In an environment where the telephone is a major forum of communication, a few basic techniques can make large strides toward improving customer relations and image.

Keep the following in mind when handling taxpayer calls:

Smile when you talk. This will improve your overall tone.

Don't leave a caller on hold for an extended period of time. Rather, take their name and number and return their call.

Don't allow yourself to lose your temper. You are a professional. Handle the call with facts.

Handle the taxpayer how you would want to be treated. Their perception of you is critical in building a strong customer service image.



OKLAHOMA HOUSING PRICE INCREASE DETAILED

Oklahoma housing prices have increased an average of 3.62 percent for the one-year period ending September 30, according to a recent report issued by the Office of Federal Housing Enterprise Oversight (OFHEO).

Oklahoma ranks 32nd nationally in housing price increases. The Oklahoma numbers fall in the middle of surrounding states' growth rates. Missouri showed a 4.78% gain over the past year, Kansas 4.24%, Colorado 4.19%, New Mexico 3.65%, Oklahoma 3.62%, Louisiana 3.29%, Texas 3.12%, and Arkansas at 2.62%.

Rhode Island topped the list of national housing price increases with a 14.06% increase, and Utah showed the most modest increase with a 2.07% figure.

HOUSING PRICE CONTINUED...

The housing price index (HPI) published by the OFHEO is designed to capture changes in the value of single-family homes in the U.S. as a whole, in various regions of the country, and in the individual states and the District of Columbia.

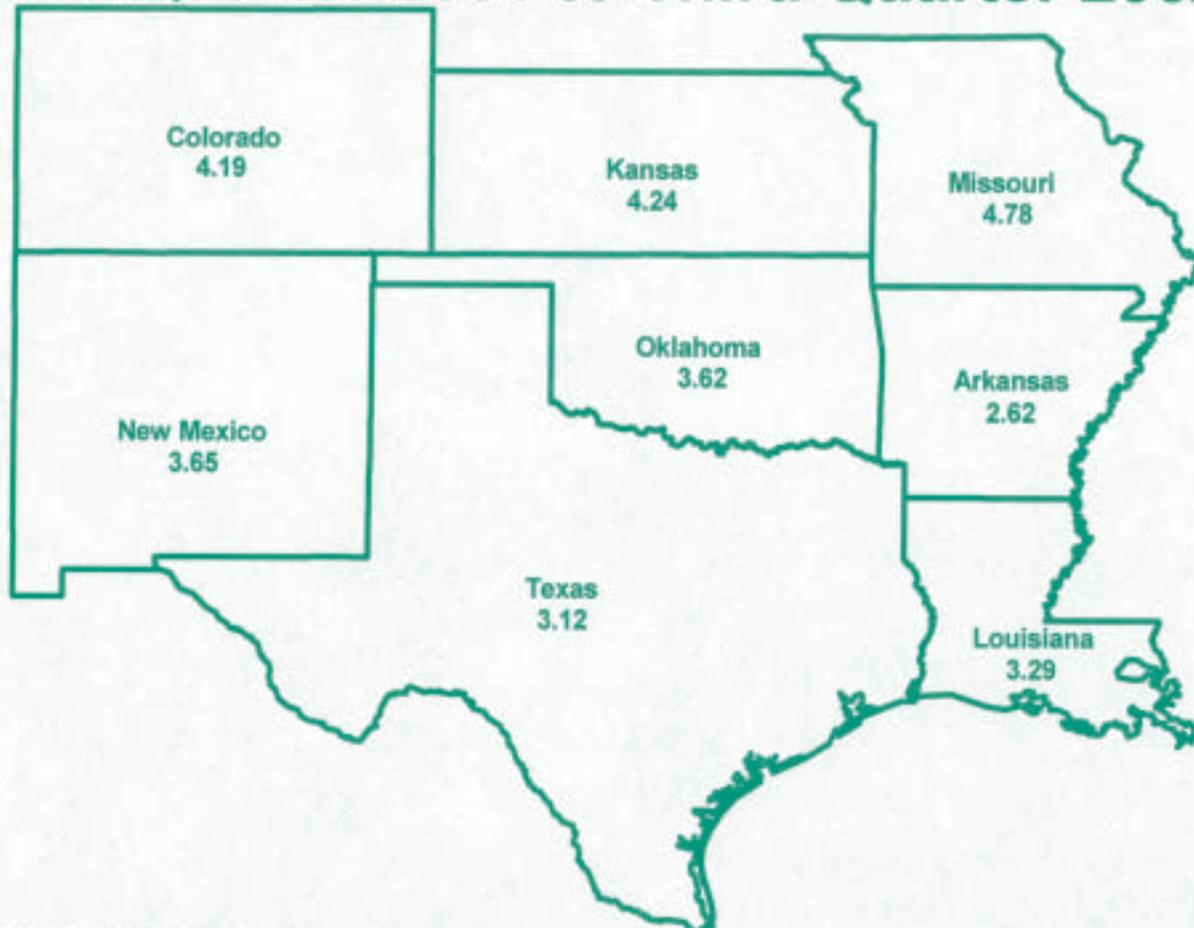
The HPI is published by the OFHEO using data provided by Fannie Mae and Freddie Mac. It is a broad measure of the movement of single-family house prices. Because of the breadth of the sample, it provides more information than is available in other house price indexes.

The HPI is a weighted repeat sales index, meaning that it measures average price changes in repeat sales or refinancings on the same properties. Mortgages on properties financed by government-insured loans, such as FHA or VA mortgages, are excluded from the HPI, as are properties with mortgages whose principal amount exceeds the conforming loan limit. Mortgage transactions on condominiums or multi-unit properties are also excluded.

The latest OFHEO report can be viewed in its entirety at the following location on the Internet:

<http://www.ofheo.gov>

One Year Changes in House Prices Third Quarter 2001 to Third Quarter 2002



STORM SHELTER CONTINUED...

"In years past, there has been more than enough money in this fund, but with the downturn in the economy, there isn't enough money for schools, libraries and other entities dependent on this reimbursement," said Riley. "In fact, they could be looking at a 50 percent reduction. That's on top of the serious budget cuts they're already facing."

Riley was referring to the fact that state government is expected to suffer a \$213.4 million revenue shortfall this year. Agency budgets have been cut 4.75 percent to make up for the revenue gap.

"Do the businesses still get this tax break?" Riley asked. "How will the state find all the reimbursements even though there is not enough money in the account set aside for this purpose? I think the situation raises several critical questions that need to be addressed. That's why I've asked the Attorney General for an opinion on the legislation."

Riley is also working on legislation dealing with how the existing funds should be distributed. "If we are forced to simply distribute what is in the fund, I think it is crucial to be prepared with a plan to prioritize what money we do have available," she said.

"The attorney General's opinion may give us an indication of what needs to be done, but if not, we need to be ready to deal with it in the Legislature."

Kenny Chuculate, Deputy Director of the Ad Valorem Division of the Oklahoma Tax Commission, said preliminary numbers indicate that schools and other ad valorem recipient entities may receive only a 60 percent reimbursement of the funds lost due to the tax breaks. He said officials should have better numbers after December 1. Chuculate noted that the business expansions eligible for various tax breaks granted by the Legislature have grown substantially over the last two or three years.



PUBLIC SERVICE UPDATE WITH MIKE ISBELL

And now the end is near, so we face the final curtain. Wait, not to offend anyone but Elvis is dead right? Anyway it is the end of another eventful year. 2002 topics have been public service fair cash values, protesting companies, the determination of debt and equity rates, state allocation methodologies, apportionment of assessed values to taxing jurisdictions, omitted property, supplemental valuations, the guidelines for valuation of public service property, mapping... It has been fun, but as much as I hate to admit it, it was a lot like last year.

We are now updating our forms and getting them ready for the print shop. Databases will be rolled up for the new year, report forms changed and/or updated as needed. Once again, we're working on all those things that no one sees but yet have to be done. As I made reference to in last month's article we are trying to enhance our operating procedures. In light of that, for 2003 we will try to implement a new procedure that hopefully will limit the need for corrected certificates.

So while there are daily Elvis sightings at Piggly-Wiggly's throughout the nation, we will continue to prepare for the upcoming year as always.

“HAPPY HOLIDAYS” CONTINUED FROM PAGE 1...

pleased with the assistance from industry, the county assessors and deputies and other groups that help. I think it was a successful effort.

But the best achievement of year without any doubt has been the solid working relationships developing within the ad valorem system. State Auditor and Inspector (SA&I) and Center for Local Government Technology (CLGT), Cooperative Extension, the County Assessors' Association and the Oklahoma Tax Commission. have all continued a solid working relationship in the last few years.

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.” Merry Christmas and Happy New Year.

Jeff Spelman, CAE
Director, Ad Valorem Division

Over the next few months, we'll be reviewing the Ad Valorem Forum mailing listing as part of the budget cut-backs.

TECHNOLOGY TIPS: TOP TEN 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**



If you are experiencing a problem with county computer hardware, please contact the Ad Valorem Division or the State Auditor and Inspector's Office for assistance.