



Oklahoma Ad Valorem

FORUM

Director's Notes:

The Redbuds are in bloom, so it must be April. I think that they're prettier this year than any time I can remember. Now let's hope that we don't have too much stormy weather to go with the arrival of Spring. April, as always, has been pretty busy thus far. We've had lots of activity this year at the Oklahoma Legislature as well as in the various counties, and the Ad Valorem Division staff is looking forward to District meetings (Note: We had a reading test in the last *Ad Valorem Forum*. We moved Dewey County to the Northeast District and listed Sequoyah County in the Northwest District. From all reports I get, both counties are happy with the change and tell me they are enjoying their new neighbors under the modified arrangement! After all, a little change can be a good thing).

Well, I had a great experience last week. All my life, I've always wondered about Harvard. How smart or dumb are those people? What kind of place is it? Last week I attended a property tax seminar in Cambridge, Massachusetts, right across the street from Harvard. The Lincoln Land Institute is a property tax "think tank." They sponsor several seminars each year and invite different states to attend on their nickel (Does a one day seminar entitle someone to say that they attended, but didn't graduate from Harvard?).

I felt like I got to visit the dugout of the Red Sox. Lots of the big guys: Cook County (Chicago) Assessor, the Boston Assessor, the New York City Assistant Assessor, and several experts on Proposition 13. Much of the discussion was about the various caps and freezes that have shaped the property tax in the last ten to fifteen years and the challenge of keeping the system fair and equitable.

I was more impressed with Harvard than Harvard was with me. Lots of old Ivy. Statues of famous scholars. Smart-looking college students everywhere, and I was amazed with how friendly and polite they were. One of the seminar folks got lost on the campus and she asked someone for directions. The young student stopped, pointed her in the right direction, and walked a little way with her to see that she found the right building. I don't feel any smarter particularly, but I can't wait to drop my Harvard experience into future conversations.

Mark on your calendar and keep in mind that claims are filed by the County Commissioners by April 30 for Tax Exempt Manufacturing Reimbursement for Tax Exempt Manufacturing Reimbursement and Additional Homestead Reimbursement are due back to the Ad Valorem Division by April 30th.

We're looking forward to seeing everyone at the District Meetings next month. The meetings are as follows (District Meeting details can be found elsewhere in this edition of the *Forum*):

Continued on page 2...

A Look Ahead...

- May 3-5, Unit V, Business Personal Property, Tulsa
- May 8, Mother's Day
- May 30, Memorial Day
- District Meetings (See Article On Page 2 For Dates & Locations)



Continued from page 1 "Director's Notes"...

May 6: N.E. (Chair: Jack O'Neal - Sequoyah County)

May 13: S.E. (Chair: Jim Kelley - Pittsburg County)

May 20: N.W. (Chair: Lennet Pisacka - Dewey County)

May 27: S.W. (Chair: Ronnie Funck - Canadian County)

We appreciate all you do for your taxpayers and all the hard work of county assessors and deputies everywhere. It's a tough job, but ad valorem is an extremely important part of local government in Oklahoma. We're all working to pass the system on better than it was given to us.

Jeff Spelman, CAE

P.S. "Is it really necessary for the clerk to give you a receipt for a doughnut? Couldn't that be a paperless transaction? About the only use for a receipt for a doughnut would be if a friend asked you "Did you really eat that doughnut?" And you'd say, "I've got the documentation right here." Anton Caddo, Ad Valorem Philosopher (Attended Harvard, but didn't graduate).

District Meeting Details Provided

May 6: N.E. (Chair: Jack O'Neal - Sequoyah County)

Location: The Jones Center in Roland, OK in Sequoyah County

Directions: From the intersection of I-40 and Hwy. 64, Exit 325, go east on Hwy. 64 toward Ft. Smith, Arkansas to the second stoplight which is Roland Road, at Marvin's Food Store. Go north on Roland Road approximately 3/4 mile, past City Hall. Turn left on Ranger Blvd. toward school. The Jones Center will be the next building on the left.

Registration: 8:00 a.m. Meeting: 9:00 a.m.

Registration Fee: \$25.00 Enjoy an old fashioned fish fry for lunch.

Lodging: Days Inn (next door to Cherokee Casino) 918-427-1000. Ask for the assessors' rate of \$45.00 per night.

May 13: S.E. (Chair: Jim Kelley - Pittsburg County)

Location: Pete's Place in Krebs, OK

May 13 meeting: Time: 9:30 a.m. Registration: 8:30 a.m.

Registration Fee: \$35.00

May 12: Golf tournament at the Arrowhead State Park Golf Course.

Start time is noon. Entry fee is \$20.00

May 12: Evening meal and entertainment beginning at 6:30 p.m. at the Southeast Expo Center, located on the west side of McAlester near the Turnpike entrance.

RSVP for evening event and meal at Kreb's by May 6.

May 20: N.W. (Chair: Lennet Pisacka - Dewey County)

Location: First Christian Church, 307 East Ruble, Taloga, OK

Located a couple of blocks east of the courthouse.

Time: 9:30 a.m. Registration: 8:30 a.m.

Registration Fee: \$20.00

May 27: S.W. (Chair: Ronnie Funck - Canadian County)

Location: Canadian County Historical Museum in the Red Barn

Directions: 300 S. Grand (in the Old Rock Island Depot)

From I-40, take I-40 Business Loop through El Reno

Time: 9:30 a.m. Breakfast: 8:00 a.m. to 9:00 a.m.

Registration Fee: \$25.00





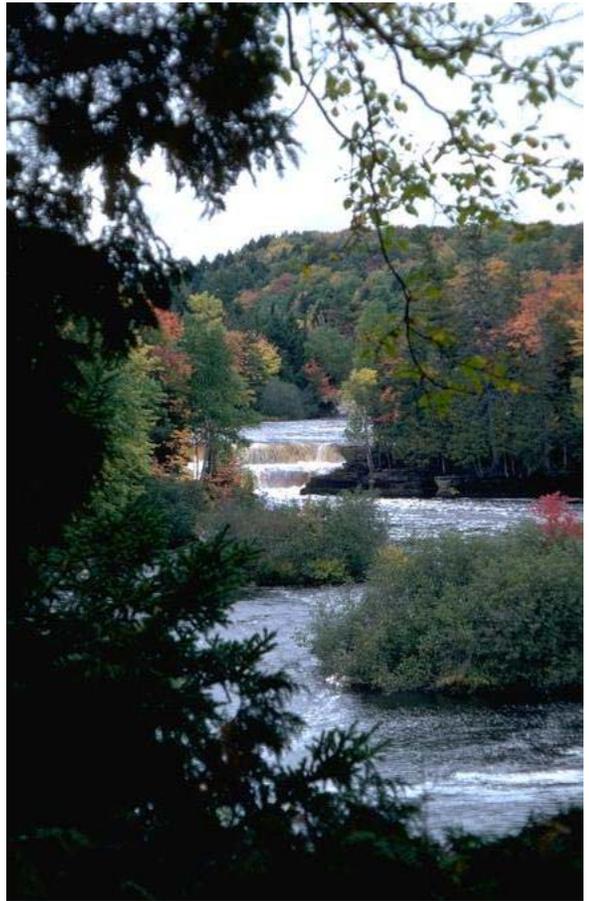
A county recently asked a question that would apply to any county that shares a boundary involving a river or stream. This would include Beckham, Bryan, Canadian, Carter, Cherokee, Choctaw, Cleveland, Craig, Ellis, Garvin, Grady, Greer, Harper, Haskell, Hughes, Logan, Jackson, Jefferson, Johnston, Kay, Kiowa, LeFlore, Love, Major, Marshall, McClain, McIntosh, Murray, Muskogee, Noble, Okfuskee, Osage, Ottawa, Pawnee, Payne, Pittsburg, Pontotoc, Pottawatomie, Roger Mills, Rogers, Seminole, Sequoyah, Tillman, Wagoner, Washita, Woods, and Woodward counties (The Red River boundary changes yearly as the state boundary with Texas is tied to the southern vegetation line of the river).

The question was what happens to a county boundary along a stream when the stream moves. I remembered the answer from some research I did a few years ago, but it took some time to relocate it.

In 1963, the State Legislature passed a law setting the county boundary to the middle of the channel of the stream as it was on January 1, 1963, where any county is bounded by the middle of the channel of any stream or watercourse, any change of such channel, whether by accretion, reliction, or avulsion, shall not bring about a change in the taxable situs of the property, and for all county and state purposes the boundary line will remain as originally shown on the tax rolls. Provided, that, as to such property which may have become subject to litigation as a result of being carried on the tax rolls of two or more counties prior to the enactment of this section, or shall subsequently become subject to litigation as a result of being carried on the tax rolls of two or more counties without either being prior in point of time, such dispute shall be resolved by final decree of the court."

Since the boundaries were set by this statute to the location of the middles of the channels of the stream as they were in 1963, it would be nice if you held on to any aerial photos of that time period. Some of the old soil books were published with aerial photos taken about then.

If you have any questions, give me a call at (405) 521-3178.





How Surveying Equipment Affects Accuracy of Property Line Distances

(From an article by Richard Norejko, CMS appearing in the December, 2004 IAAO Fair & Equitable Magazine)

Historically, the real workhorse for describing land parcels has been the survey chain. By survey chain, I do not mean a steel tape, which is commonly referred to as a chain. I am talking about the chain with links of brass or steel joined together at each end by rings. Some examples are pictured in figure 1. Approximately 95 percent of all land in the United States has been surveyed with such equipment.

The survey chain was invented in England circa 1600 as a replacement for the wooden pole or the rope used to measure land. Aaron Rathborne is credited with inventing the device which had 10 links per perch. One perch equals 16.5'. A perch is also commonly known as a pole or a rod. This unit of measure was created from the instructions of the King of England to line up 16 men of average size as they came out of church, left foot to left foot. This distance was declared to be a rood, later known as a perch and then a pole, all of which have the same length of 16.5'.

Rathborne's invention wasn't a success among early surveyors. Edmund Gunter, another English inventor and mathematician, made improvements to Rathborne's chain by using 25 links per perch and linking four perches together to make a chain that was 66' long. This distance was 1/80 of an English mile.

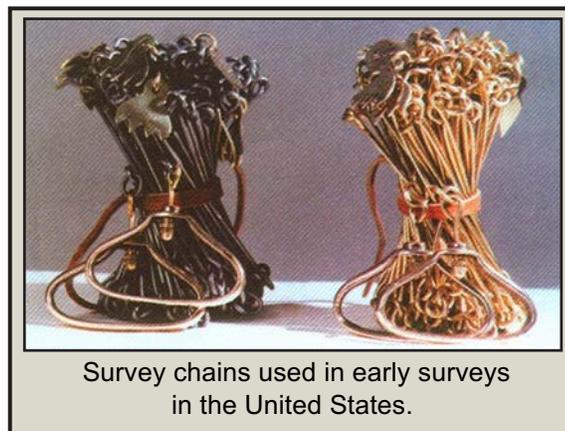
Gunter's version of the chain was an instant success. There was a good reason for the popularity of Gunter's new chain. He hung a brass tag from every tenth link that was used to mark how many links remained towards the closer end of the chain. These markers, called tallies, were placed at the same position on each side starting from the middle of the chain. This meant that the chain was always going in the right direction. Gunter's chain was likely easier to use in heavy undergrowth and was probably cheaper to buy or make.

Gunter's chain was so successful that it remained basically unchanged for 300 years, from 1620 to 1920. Before 1800, most chains were made in a shorter version with only 50 links and measured 33'. After 1855, almost all chains were made four poles in length or 66' long. In 1880, the Engineers Chain was first manufactured using 100 one-foot-long links.

Survey chains were made of brass or steel, with steel being the most common material. The wire used to make the chains was about 1/8" in diameter. The most famous manufacturer of early chains was the Chesterman Company of Sheffield, England. Gurley and K&E are manufacturers better known to modern property mappers and surveyors.

Although the chain was used successfully for 300 years to record the distance between two points, it can't compare to today's electronic technology. The biggest problem was the chain's accuracy. As it became worn at the point where the links and the rings came together, the chain would grow longer. This phenomenon along with problems in manufacturing caused the chain to be longer than the stated 66'. Many surveyors knew that they were measuring long but they saw little need to recalibrate their chain's length. After all, land was abundant, especially in Government Survey States. Evidence that the survey chain's length was longer than 66' can be found today in just about every section of the Public Lands System of the United States. These sections measure more than the 80 chains specified for a side.

When steel tapes became available for use by surveyors, their length was also questionable. Steel tapes were 0" to 3/8" wide and about 2 to 3 pounds per 100 feet. Their length was standardized at 68°F.



Survey chains used in early surveys in the United States.





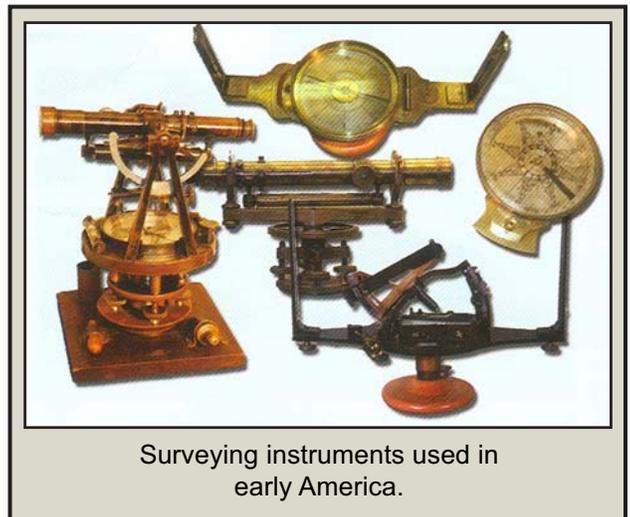
Continued from page 4 "How Surveying Equipment Affects Accuracy"...

A temperature higher or lower than this value caused a change in length. The manner of use added to the potential for inaccuracies as well. Proper use of a steel tape required a rear person to hold the 100-foot end of the tape over the first or rear point, while a forward person held the zero-end in a line over the next point. For accurate results, the tape needed to be straight and the two ends held at the same elevation. To accomplish this, a specified tension of about 25 pounds was applied. To maintain a steady pull, tape persons wrapped the leather thong at the end of the tape around one hand, while keeping their forearms against their bodies. They faced at right angles to the line so that they were off the line of sight for the instrument person surveying the line. They would then "pull" at 25 pounds of pressure to get an accurate measurement.

A technique called "breaking the tape" is employed when measuring property on a slope. Weeds, brush, rocks, and the like make it undesirable to lay a tape on the ground. Instead, the tape is held above the ground in a horizontal position in order to achieve an accurate measurement.

How does the equipment used affect the placement of property lines on a county's cadastre? Under typical conditions, you can always expect to find actual distances that are longer than the recorded values. In hilly country, it is helpful to know if the original surveyor measured along the ground or made an attempt to plumb the chain. In many instances, this type of information is either not available or it is impractical or inconvenient to access it. In all cases, the property line is determined by the placement of the original marker controls, regardless of the distance or bearing to the recorded line. Therefore, the recorded bearing/distance of the line can be affected by the earth's magnetism, the original surveyor's equipment, and even the techniques employed when using the equipment.

For these reasons, it is important to have an understanding of the compasses that were used to establish the bearing of a property line. Before 1800 almost all surveyors compasses were made of wood and were most likely made by a company that primarily manufactured nautical instruments. These compasses were fragile and were not rugged enough for the typical surveying work in an untamed country. Figure 2 shows some of the surveying instruments that were used in early America.



Surveying instruments used in early America.

The compass in these instruments was difficult to read and the accuracy was no better than one quarter of a degree. The Burt Solar compass was invented circa 1850 and it soon became required equipment for public land surveys. This compass greatly improved the recorded bearings of property lines. However, surveyors still had to account for the Earth's magnetism and, as discussed earlier, errors were often made using an uncalibrated chain. All these factors plus many more contribute to the possibility that a property mapper will read a different bearing and distance than a previous reading of the same property line.

The next time you place property boundary coordinates in your cadastral database, pause for a moment to reflect upon the effect that the Earth's magnetism and surveying equipment may have had in describing that boundary. And, remember that monuments in the field take precedence over what is recorded on a plat or deed.

Richard, Norejko, CMS, works as a Planner for the Buncombe County Planning Department in Asheville, North Carolina.



Receive The "Forum" By Email:

To receive the "Ad Valorem Forum" by email, please forward your email address to Cyndi Heath at cheath@oktax.state.ok.us.



Property Tax News From Around The Country



California...

Two people were arrested and two others were being sought in a scam that involved lying to people who owed back property taxes in order to get deeds to the properties. Investigators suspect that the group hunted for potential victims by reading through San Bernadino County tax-sale listings of property sales.

As is typical elsewhere, the county can initiate the sale of a property through an auction if owners fail to pay their property taxes. Often, the final sale price brings in more money than the amount of taxes owed. That money is referred to as excess proceeds, and would go to the property owner. But in a number of cases in San Bernadino County, these excess proceeds ended up going to the suspects.

Investigators believe the suspects found and told owners they no longer had rights to their property and then convinced them to sign over a deed by making them feel as if they had few options.

In every instance, the suspects knew the property was being auctioned off and had bids and excess proceeds, investigators said. And in every instance the victims did not know their homes were for sale before being confronted by the suspects.

San Bernadino County Treasurer/Tax Collector Dick Larsen was alerted and tipped district attorney's investigators, launching the six-month investigation that led to the arrests.



Nevada...

Governor Kenny Guinn recently signed into law a property tax relief bill described as "the big, big one" he's been waiting for. The new law caps the growth of homeowner's tax bills at 3 percent a year.

The legislation also caps increases on commercial properties at 8 percent a year. Asked about the prospect of a more drastic, California-style Proposition 13 even with the new law, Assembly Speaker Richard Perkins, D-Henderson, said "We don't need a California solution for Nevada problems."

Those problems included property tax hikes as high as 80 percent for some homeowners in high-growth or high-end areas such as Las Vegas and Lake Tahoe that would have taken effect in the coming fiscal year without legislative relief.

The new law prevents property tax increases of more than 3 percent a year on all single-family, owner-occupied, primary residences. Increases on other property—largely commercial parcels and second homes—will be capped at 8 percent or a 10-year average rate of increase.

The new legislation will result in about \$330 million in lost property tax revenue for local governments and school districts next year.



New York...

The New York Court of Appeals recently upheld a lower court decision that Verizon New York, Inc. should not have to pay a special garbage collection levy on public and private land in the town of Oyster Bay where its lines, cables, poles, support structures and other equipment are situated.

The court sided with Verizon's argument that since its properties are not suited for housing, produce no garbage and don't require garbage collection of any kind, they don't qualify as "benefited" property under state law and should be exempt from the garbage collection levy.

Under the ruling, the town is barred from collecting the tax and has to refund payments Verizon made from 1992 to 1999.

The ruling "has potentially far-reaching consequences, as the majority's rule jeopardizes a traditional method of financing costs of government," Judge Carmen Beauchamp Ciparick wrote in her dissenting opinion.

Verizon spokeswoman Lark-Marie Anton declined to say if Verizon would contest other similar levies it currently pays.

Continued on page 7...





Continued from page 6 "Property Tax News"...



Elsewhere Around The World...UK

Businesses in the UK are paying three times more property taxes than their European counterparts, a new report from the Federation of Small Business (FSB) has found.

"It is time that England's 400 year old system of property taxes was completely overhauled," said FSB business rates chairman Roger Culcheth.

"UK businesses pay as much as three times more in property taxes than their competitors in every other European country," added Culcheth.

The report comes as 1.7 million businesses in England receive bills outlining their rates liability for the new financial year.

Per Capita Property Taxes Per Year

5 Lowest States

Arkansas	\$191
Alabama	\$285
Kentucky	\$376
New Mexico	\$380
Oklahoma	\$425

5 Highest States

New Jersey	\$1,871
Connecticut	\$1,733
Maine	\$1,439
New York	\$1,402
Rhode Island	\$1,368

U.S. Average \$935

Source: Tax Foundation, Based on census data from 2002, the latest currently available.

Volume XIV, Issue IV • April 2005



IAAO Course Available



The Oklahoma Chapter of IAAO is sponsoring Course 300, Fundamentals of Mass Appraisal. This course provides an introduction to mass appraisal and is a prerequisite for the 300 series of courses offered by the IAAO.

Topics covered include single-property appraisal versus mass appraisal, components of a mass appraisal system, data requirements and analysis, introduction to statistics, use of assessment ratio studies in mass appraisal, modeling of the three approaches to value, and selection of a mass appraisal system.

The course instructor will be Mr. Marion Johnson, CAE, from Kansas. Marion is an excellent instructor, and he is currently running for President of IAAO.

The course has been approved for 30 hours of continuing education credit.

Dates: August 22 – 26, 2005.

Registration: \$350 (Lower than surrounding states that charge up to \$425)

Location: AmeriSuites Hotel
7037 S. Zurich (close to 71st and S.Yale)
Tulsa, Oklahoma
(918) 491-4010

Room rate: \$55.00 single/double occupancy.

Be sure to ask for the block of rooms reserved for IAAO or OSU/CLGT. Twenty rooms have been reserved.

You may register by emailing Gary Snyder at CLGT; snyderg@okstate.edu or calling him at (405) 744-6049.

Class size is **limited to 35 students**, so get your registration in soon!