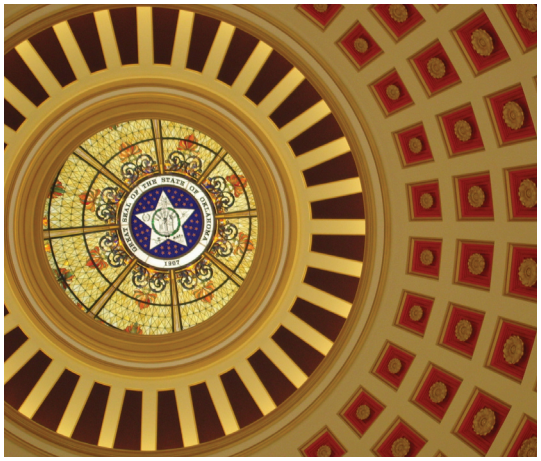

The mission of the Ad Valorem Division of the Oklahoma Tax Commission is to promote an ad valorem property tax system which is fair and equitable to all taxpayers by implementing standard valuation methodology, tax law conformity, and assessment administration compliance.

Oklahoma Ad Valorem FORUM

Volume XVIII, Issue IV ● April 2009

Director's Notes:

April has always been a pretty significant month for those of us in the tax profession, but this has been a really challenging month for the Ad Valorem Division. We're sending some of our personnel over to the mailroom to assist with the tax returns and as you know, our Assessment and Equalization Analysts have had to be very careful in their travel to the counties. I appreciate everyone's patience and endurance since we can't respond as promptly as we'd like. I think that we'll get through the year just fine, but it will be a challenging year.

We have begun our public service valuation season here at the Ad Valorem Division. It's always a busy time of year and we're looking forward to it. We've completed our draft Capitalization Rate Study for 2009 following our new look format in 2008. The 2009 Study has been out on our web site for comment which closes this week. We had a good, well attended Capitalization Rate Conference with several companies as well as county assessors in attendance. Mike Isbell and the public service staff did a great job on the effort, and we have a lot of work ahead, responding to comments and meeting with the various companies on their returns.

Central Oklahoma was hit with some terrible fires this last week along several miles either side of I-35. Oklahomans experienced some tragic fires with the rain arriving too late to save some of those people's homes despite some terrific efforts by first responders. It is hard to imagine how some of those families will deal with all the emotional and financial turmoil.

Most county assessors that I've talked with have begun the process of sending field analysts out to survey the damage, assess the amount of the loss, and start the process of changing the assessment roll under Section 2817 (k) under the paragraph on fire, storm, or flood damage. Unfortunately, I'm hearing several reports from county assessors that many of the homes that did catch fire were often 100 percent losses. The Governor's office and FEMA estimated that 31 counties were affected.

We're glad to report some good progress in several counties who've done some in-depth edit programs on their data. That's the key to good CAMA values, and it has to be done to get ready to roll values. We had several counties who have done a lot of work this year to improve their records, valuation process, and mapping. It's a win-win situation since it makes the ad valorem system stronger and makes taxpayer records accurate and more helpful.

We're getting ready for our district meetings this year in May. We'll limit our participation in some of the meetings because of travel, but we hope to have a few of our staff at all districts. I always enjoy traveling the state in May. It is really a privilege to see all the contrasts between parts of the state—the landscape, history, and differences between the counties. It's a fascinating experience going from Kingfisher County (wheat country) to Garvin County (horse country) to McCurtain County (beautiful tree and water country) and Mayes County (green country). It should be lots of fun.

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

My favorite writer these days is Robert Shiller, an economist from Yale who writes about human psychology in the financial markets. His comments are interesting in light of all the national economic events occurring these days. He says to watch out for "They say" stories as things that are accepted as based upon authority, but many times these "facts" are totally without basis, kept alive by conversation, mindlessly repeated by people who haven't checked the facts.

Here are a couple of his top "they say" facts that aren't true at all.

1) They say that the average person uses only 10 percent of their brain. This myth has been around since before any of the current medical advances in MRI and other research, but it still is repeated constantly.
2) They say that the New York City birthrate increased dramatically nine months after a power outage in the 1960s. Health records have provided that was totally false.
3) They say that suicide rates soared after the stock market crash in 1929. Research proved that to be false. (Overall suicide did rise during the Great Depression.)
4) They say that County Assessors Association President Wade Patterson spoke for only twenty minutes at the last 4-C meeting. (False. Wade was not at the last 4-C meeting.)

As we enter the home stretch toward the June State Board of Equalization meeting, thanks in advance to everyone in the counties for all their hard work this year. The county assessor's job is a tough one, but it's important to the taxpayers and those who receive ad valorem revenues to do it well, professionally, and fairly.

Jeff Spelman, CAE

P.S. "Success is going from failure to failure without a loss of enthusiasm." Stanley T. Cimarron, ad valorem philosopher. Quote borrowed from Winston Churchill.

The March ArcGIS class at the OSU-CLGT lab filled up quickly. We had 17 registrants for the 12 seats by the end of the first day the web registration was open. This was close to the same thing that happened in November.

To try to prevent this from happening, I gathered a list of ArcGIS users e-mails and contacted them as soon as the class was open for registration on the CLGT website, but it still filled immediately.

If you have ArcGIS and did not get my e-mail back January 9, 2009, please let me know. This e-mail went out to Canadian, Kay, Rogers, Garfield, Custer, Woodward, Cleveland, Dewey, Osage, Comanche, Noble, Payne, Oklahoma, Pittsburg, Logan, Wagoner, Kiowa, Delaware, Harmon, Lincoln, McClain, Woods, and Tulsa counties.

By the time of the class, we had a couple of students opt for a class closer to home and a few others just could not make it. So, we ended up with twelve students for twelve seats.

The class itself went very well. We had one deputy that probably could have taught the class there. She helped her accompanying first time attending deputy. We had several others who attended the class for a second time. These were really getting the hang of it quite well. A few others were attending for the first time. Most of these were picking it up quite quickly as well.

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Continued from page 2 "A Mapping Minute"...

I enjoy teaching classes like this. It is nice to see and interact with small groups of mappers. We can feed off each other and encourage each other. I look forward to our upcoming class in Altus, and our next class at CLGT-OSU probably in October or November.

Remember: This is a quote that Joe Hapgood, my supervisor, found: "The difference between genius and stupidity is that genius has its limits." - Albert Einstein. Please use this quote cautiously.

Governor Henry Declares State of Emergency in 31 Counties in Wake of Wildfires

Oklahoma City -- Gov. Brad Henry today declared a state of emergency for 31 counties impacted by Thursday's devastating wildfires and severe weather.

Under that executive order, state agencies can make emergency purchases and acquisitions needed to expedite the delivery of resources to local jurisdictions. The declaration also marks a first step toward seeking federal assistance should it be necessary.

Counties included in the executive order are: Beckham, Blaine, Caddo, Canadian, Carter, Cleveland, Comanche, Cotton, Custer, Garvin, Grady, Greer, Harmon, Jackson, Jefferson, Kay, Kiowa, LeFlore, Lincoln, Logan, Love, McClain, Murray, Okfuskee, Oklahoma, Payne, Pontotoc, Pottawatomie, Stephens, Tillman and Washita. LeFlore County is included because of damages sustained from a tornado and severe storms. More counties can be added to the order as additional information becomes available.

The declaration is part of wide-ranging state efforts to pool resources and assess damages after wildfires yesterday injured at least 49 people and damaged or destroyed an estimated 100 homes and other structures. Midwest City and the nearby towns of Choctaw and Nicoma Park were especially hard hit, but fires caused significant damage in many other sections of Oklahoma.

Gov. Henry said state relief efforts are being coordinated by the Oklahoma Department of Emergency Management and the state Department of Agriculture, Food and Forestry in conjunction with various local governmental agencies.

"Our firefighters and first responders have done an outstanding job in the face of daunting fires, and these brave men and women have our heartfelt gratitude. They are true heroes," Gov. Henry said.

"But there is much more to do, and the State of Oklahoma will do everything in its power to ensure help for those people who need it most."

The Governor said that the Federal Emergency Management Agency yesterday authorized two Fire Management Assistance Grants, or FMAGs, to battle blazes in the Midwest City-Choctaw area and McClain County. State emergency management officials are in the process or requesting additional FMAGs.

Under such authorization, FEMA funding is available to pay 75 percent of state, local and tribal government eligible firefighting costs. Federal fire management assistance is offered through the President's Disaster Relief Fund. Eligible costs covered by the assistance can include equipment use, supplies, field camps, repair and replacement; tools and activities related to mobilization and demobilization.

The Governor lauded the American Red Cross and other organizations providing help for people displaced by the fires.

"Our charity organizations are doing a tremendous job, and I would urge Oklahomans who can do so to consider donating to any agency taking part in the relief efforts," he said.

"Our thoughts and prayers are with the scores of families and individuals who lost homes or businesses as a result of the wildfires. But Oklahomans come together in times of crisis and do what is needed to overcome hardship, and that resolve will serve us again."

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County Government Overview

The Many Hats of County Government

Traditionally, counties performed state mandated duties which included assessment of property, record keeping (e.g., property and vital statistics), maintenance or rural road, administration of election and judicial functions, and poor relief. Today, counties rapidly are moving into other areas, undertaking programs relating to child welfare, consumer protection, economic development, employment/training, planning and zoning, and water quality, to name just a few.

Service delivery responsibilities, however, vary widely among counties. For most, construction/ maintaining local roads is one of their prime duties. North Carolina Counties, however, have no responsibilities in this area. Wide variations also exist in the social service responsibilities and the types of utility services (e.g., water supply) provided by county governments.

That disparity is clearly demonstrated by a review of individual states and the percentage (of total expenditures) their counties spent on various services. For instance, counties in Virginia spent 55 percent of their total expenditures on educational services (including library services) in FY 2001-02. New Hampshire counties spent 67 percent on public welfare services in the same fiscal year. South Dakota counties spent 35 percent of their budget on transportation services for FY 2001-02 and Maine spent 56 percent of its budget on public safety that year.

County Finance

Revenues

State constitutions and statutes dictate the revenue sources counties may use. Barely half the states allow counties to impose a sales tax. Only in Indiana and Maryland is a tax on income a significant county revenue source.

According to the 2002 Census of Governments, conducted by the U.S. Census Bureau, county governments receive just 3 percent of their overall revenue from the federal government. Collectively, counties receive 33 percent of their total revenue from their own home states. Finally, 61 percent of their budget revenue is generated from their own sources. Property taxes account for the largest source, 40 percent, of these self-generated funds.

General and selective sales taxes account for almost 13 percent of self-generated revenue. However, the 2001 NACo Study County Revenue Patterns: A Survey of Authority Practices showed that the following states with a state sales tax do not permit local government to levy a local sales tax: Hawaii, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Jersey, Rhode Island, and West Virginia. More than half of the counties who responded to the survey reported sales tax as a percentage of the government's revenue.

Largest Counties in Total Revenue Dollars (2004)

Los Angeles, CA	$17,546,744,000
Miami-Dade, FL	$5,920,258,000
Montgomery, MD	$4,671,745,000
Fairfax, VA	$4,537,977,000
San Diego, CA	$4,139,088,000
Orange, CA	$3,818,970,000
Clark, NV	$3,654,261,000
San Bernardino, CA	$3,638,205,000
Cook, IL	$3,572,620,000
Nassau, NY	$3,352,202,000

Expenditures

In 2002, counties spent almost half of their resources on social services and education combined. According to the 2002 Census of Governments, conducted by the U.S. Census Bureau, counties spent $33 billion on public welfare programs. These services included cash assistance payments ($7.468 billion), vendor payments ($1.893 billion), medical services ($1.268 billion), as well as other miscellaneous expenditures. Counties spent $38.190 billion on educational services. Thus, counties allocated roughly 45 percent of the $266.605 billion spent in FY 2001-02 on either social welfare or education.

Largest Counties in Total Expenditure Dollars (2004)

Los Angeles, CA	$16,646,571,000
Miami-Dade, FL	$6,304,577,000
Fairfax, VA	$4,111,011,000
Montgomery, MD	$3,962,366,000
San Diego, CA	$3,648,678,000
Clark, NV	$3,558,050,000
Orange, CA	$3,380,060,000
Harris, TX	$3,357,633,000
Nassau, NY	$3,191,496,000
San Bernardino, CA	$3,153,439,000

Income

Median Household Income (2005)

Population 250,000 or more

County	Highest Median
Loudon, VA	98,483
Fairfax, VA	94,610
Howard, MD	91,184
Somerset, NJ	88,532
Morris, NJ	84,010

County	Lowest Median
Lubbock, TX	35,189
Caddo Parish, LA	33,314
Philadelphia, PA	32,573
Baltimore, MD	32,456
El Paso, TX	30,968

Population 65,000-249,999

County	Highest Median
Hunterdon, NJ	93, 342
Douglas,CO	87, 670
Calvert, MD	84,388
Forsyth, GA	82,478
Putnam, NY	81,076

County	Lowest Median
Dona Ana, NM	29,630
Forrest, MS	29,553
Dekalb, AL	29,053
Payne, OK	28,952
Mckinley	28,721

Material obtained from the National Association of Counties webpage. Part 2 of 3

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2009 County Assessors District Meetings

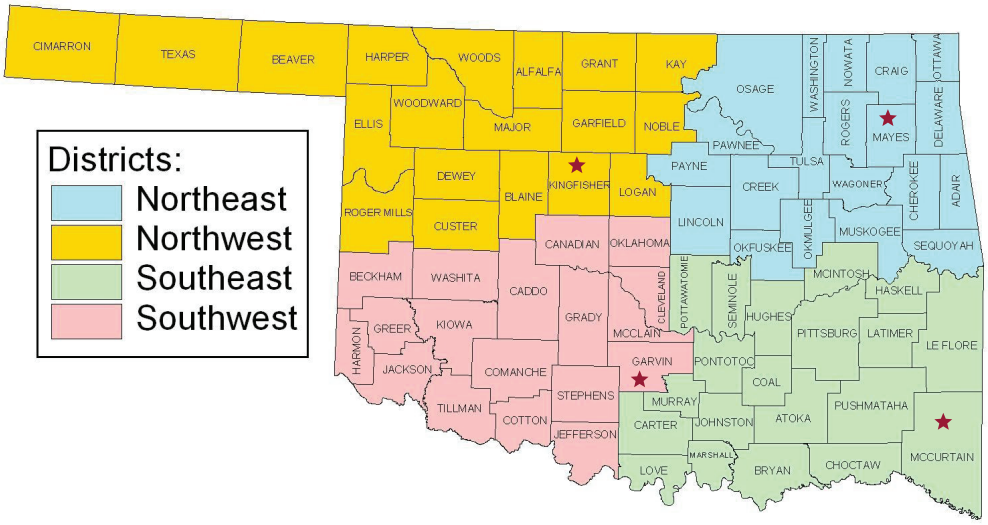
The 2009 district meeting information is listed below. In the event you are unable to attend the meeting held for your district, we encourage you to attend a meeting in another location.

Although district dues are not required, registration fees will be charged to cover expenses necessary in conducting the meetings. County officers are statutorily authorized to be reimbursed for their travel.

Pre-registration will be appreciated by the district chairs. If you are not planning to attend your district, please notify your district chair. This will help in making preparations for the expected number of participants.

This is a required meeting called under the provision found in 19 O.S. Section 166. If you are unable to attend, submit a written request for an excused absence to this office before the meeting. **It is recommended that you send at least one deputy to a meeting if you cannot attend.** We look forward to seeing everyone at the meetings.

Oklahoma County Assessors' Association District Map



Map created by the Ad Valorem Division of OTC, April 29, 2003
Jeff Spelman, CAE, Director

May 1: N.W. District Meeting – Kingfisher County (Eloise McCully)

Location: Kingfisher County Fairgrounds, Kingfisher, OK

- Where U.S. 81 and Hwy. 33 intersect at the stop light by the Courthouse, go west to 13th Street (approximately ½ mile). Then south 4 blocks to the fairgrounds.

Registration: 8:30 a.m.
Fee: $20.00
Meeting begins: 9:30 a.m.

May 8: S.W. District Meeting – Garvin County (Evelyn Bradley)

Location: Toy and Action Figure Museum, 111 S. Chickasaw, Pauls Valley, OK

- Hwy. 19 (Grant Street) coming into town. Turn south on Chickasaw Avenue: 1 ½ blocks to the museum.

Registration: 8:30 a.m.
Fee: $30.00
Meeting begins: 9:30 a.m.

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Continued from page 5 "County Assessors District Meetings"...

May 15: S.E. District Meeting – McCurtain County (Stan Lyles)

Golf tournament on Thursday, May 14. Contact Stan Lyles for details.

Location: Museum of the Red River, 812 E. Lincoln Road, Idabel, OK
- Located on the South Hwy. 70 Bypass

Registration: 8:00 a.m.
Fee: $30.00
Meeting begins: 9:00 a.m.

May 22: N.E. District Meeting – Mayes County (Lisa Melchior)

Location: Dry Gulch USA
- From Tulsa, travel east on I-44 to Hwy. 412; take the Chouteau exit. Proceed north on Hwy. 69 through Pryor. Watch for the Dry Gulch USA sign (4.5 miles north of Pryor) and turn right (east), follow the signs to Dry Gulch (7+ miles).
- From the north, exit I-44 at Big Cabin and proceed south on Hwy. 69 through Adair to Dry Gulch, USA (EW 440 Rd). Turn left (east), follow the signs to Dry Gulch.

Registration: 8:00 a.m.
Fee: $40.00
Meeting begins: 9:00 a.m.

Focus on Pottawatomie County

Originally known as County B, voters chose the name of Pottawatomie County in 1892. Tecumseh was the original county seat due to its central location. The town of Shawnee grew more rapidly than Tecumseh when several railroad companies ran tracks through it. Shawnee began vying to be the county seat. In attempts to thwart the move, Tecumseh built a courthouse and jail in 1897, but in 1930 Shawnee was voted as county seat.

Pottawatomie County Courthouse located in Shawnee, OK

Shawnee's citizens had previously tried to get the state capitol relocated, even built a governor's mansion, but finished a distant third in the 1919 vote.

In the early days, cotton was the primary cash crop, followed by potatoes, truck gardens and orchards. Pecans and alfalfa were important as well. The railroad repair shops were major employers. Reportedly, Shawnee had the largest cotton-seed oil mill in the southwest. By 1902, there were 7 cotton gins in the area, 2 cotton compresses.

Shawnee had retail shops, garment factories, hotels, cotton gins, convention halls, opera houses, and banking institutions . By 1903 a private developer created a streetcar system to service the city. An interurban line ran to Benson Park from Shawnee and Tecumseh. Opened in 1907, the park had a swimming pool, skating rink, roller coaster and large picnic areas.

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Continued from page 6 "Focus on Pottawatomie County"...

The county profited from the oil boom in the 1920s with the development of the oil fields in Earlsboro, St. Louis and Asher. In recent years, the economy thrives from manufacturing, retail sales, health care, social assistance, while agriculture still plays an important role.

The 1929 stock market crash hit the economy hard with railroad strikes and the loss or railroad repair shop employment. Adding to that was the ravaging impact of the boll weevil on the cotton crop. During Depression days and under the "New Deal" federal program, jobs were created which resulted in a new county courthouse, municipal auditorium, football stadium, Deer Creek Reservoir, and a number of elementary schools.

After WWII and the construction of Tinker Air Field in adjacent Oklahoma County, both Pottawatomie County and its county seat began an economic upturn. County residents were employed at Tinker and several manufacturing companies opened.

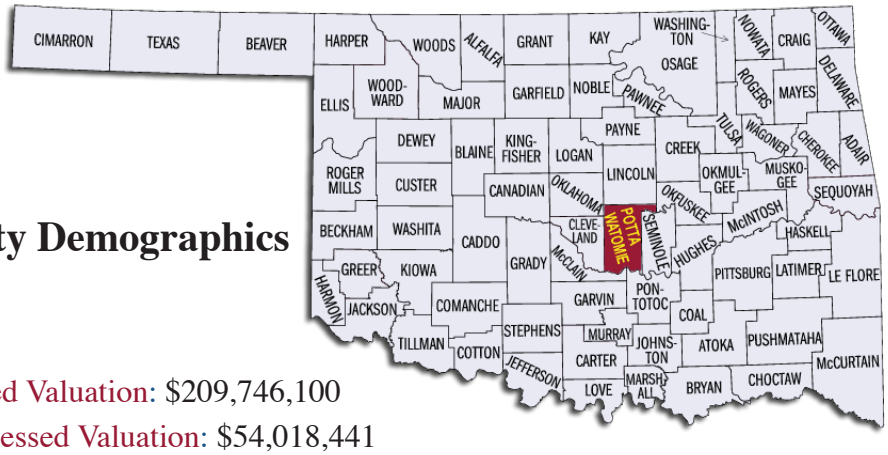
Higher education can be found in Shawnee at the Oklahoma Baptist University, St. Gregory's University, and Gordon Cooper Technology Center

Historical architecture is prevalent in the area with many on the national Register of Historic Places such as:

- Aldridge Hotel, Shawnee
- Barnard Elementary School, Tecumseh
- Bell Street Historic District, Shawnee
- H.T. Douglas Mansion & Garage, Shawnee
- Governors Mansion, Shawnee
- Sacred Heart Mission Site, Asher
- St. Gregory's Abbey & College, Shawnee
- Pottawatomie County Courthouse, Shawnee
- Santa Fe Depot (Pottawatomie County Historical Society Museum) - Shawnee

Well-known residents include:

- Jim Thorpe – Olympic athlete
- Leroy Gordon Cooper, Jr. – Astronaut
- Wanda Jackson - County-Western recording artist
- Wade Hayes - Country-Western recording artist
- Tony Hillerman – Award-winning novelist



Pottawatomie County Demographics

Population: 68,272
Area: 783 square miles
2008 Real Property Assessed Valuation: $209,746,100
2008 Personal Property Assessed Valuation: $54,018,441