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 XV, Issue VIII ● August 2006

Director's Notes:

Tulsa Conference 2006, the 62nd anniversary of the educational conference is now in the record books. By all measures, it was another successful session.

We had excellent attendance (a bit under 500 students), good instructors, hard working students, new technology demos, two great social events and one "interesting" skit sponsored by the County Assessors' Association.

I was really pleased that State Treasurer, Scott Meachum, and Jeff McMahan, State Auditor and Inspector, were able to attend the opening session, as well as Lisa Daniels, the Executive Director of IAAO, and Marshall Mungle of the Oklahoma Association of Tax Representatives. Lisa's appearance marked the first time that an Executive Director has attended one of our Annual Conferences.

It was also great that the State Board of Equalization members got to see the latest "graduating class" of initial and advanced accreditation students. Accreditation is a significant accomplishment. As everyone who's taken the classes and tests knows, accreditation involves work and dedication, especially as the ad valorem system changes, grows, and often becomes more complicated. Thanks to CLGT's Mike Hughes and especially Gary Snyder and Doug Warr for their efforts in accreditation, as well as their class on mini-warehouses.

We'd like to thank the "team" members: the officers of the County Assessors' Association, State Auditor and Inspector, Oklahoma State University, Oklahoma Tax Commission Motor Vehicle, Department of Veteran's Affairs, Conservation Commission, GIS Council, and Oklahoma Tax Commission Legal Counsel's office. Jewette Farley presented once again and did his usual super job. We again appreciated the presentations by Tulsa and Oklahoma Counties, as well as the assistance in the mapping classes. I was also very impressed by Cimarron County, Custer County, Dewey County, and Kay County for their contribution on the CAMA panel. Thanks to Jim Kelley for his presentation on new legislation.

We were also happy for the seventh year in a row that the CODA Board held their monthly meeting at the conference. It's a great opportunity for the other county officers to see the extent and quality of the training that the county assessors have to go through. The county assessor still has one of the most complicated and technical jobs in county government.

The Commission on County Training also met in Tulsa during the week. The Commission, which is supportive of all county training, took steps to finalize its budget for next year. The Commission also recognized the continuation of CLGT's continued responsibility and funding to carry out county assessors' accreditation and training in the future. We're glad that was resolved as a result of the work of the County Assessors' Association legislative efforts.

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A Look Ahead...

- **September 4: Labor Day Holiday**
- **September 13-15: CODA Fall Meeting, OKC, Biltmore Hotel**

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But most of all, thanks to all the county assessors and deputies who worked so hard throughout the week, juggling back-to-school plans and traveling to Tulsa. We appreciate the effort, and I know all of county government does too.

Now that the conference is over, the Ad Valorem Division anticipates a busy fall with the election. We'll also be completing more software updates and training, as well as preparing for the County Assessors' Association Annual Convention.

On behalf of the Ad Valorem Division, thank you for your hard work during the conference. We appreciate all that the county assessors and deputies do for taxpayers across the state. It's a tough job, but it's never been more important, as Tom Cusack says, to be "the guardian of fairness."

P.S. "It used to be that you had to be extremely lucky to hit a jackpot at the local casino. Now days it's lots harder to get a rain that lasts over five minutes." Quote from Anwar Caddo, famous Ad Valorem Philosopher.

P.S.S. One special note: We were very happy to honor the twelve retiring county assessors. Several hundred years of experience have been lost to ad valorem, and all of them tried their best to improve the ad valorem system and help taxpayers and the public. They will be missed.

The Tulsa School…

Once again we were able to survive another Tulsa school. Between the cold classrooms and the 100+ degree outside air, it's a wonder that we didn't all catch pneumonia.

We had a nice mixture of State, Federal, and industry speakers. Most were repeat performers, and I would like to take this time to thank them for attending. They help to make the mapping sessions such a success every year.

This year from the state level, we had Dr. Mike Sharp of the Oklahoma Conservation Commission (and the chairman of the Oklahoma State Geographic Information Council) give us an update on the GIS Council's efforts to improve statewide coordination.

Scott March of the Center for Spatial Analysis (Geo Information Systems was folded into this pre-existing agency) of the University of Oklahoma gave us a presentation of the functionality of their website and the GIS Council's Data Warehouse interactive map viewer.

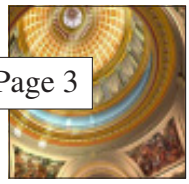
On the federal level, we had Raymond Fox of USGS explain to us how we can exchange mapping data with the fed's. This may be his last visit with us since he has been reassigned. However, we do welcome Darryl Williams of USGS back to Oklahoma and look forward to hearing from him next year.

Stacia Canaday, representing ESRI, gave us a presentation on GIS (Because of scheduling conflicts, we were not able to borrow the laptops from ESRI this year. We hope to have some hands-on training next year). Bob Springer of SCI showed us how easy GPS hardware and software is becoming to use.

We also thank Dr. Paul Bendt for providing another full day of MIMS training.

If you have questions or would like to schedule a visit, please let me know.

Remember: You can never have too many backups. The more you have, the less likely it is that they'll all fry at the same time!



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Shattering The "CAMA Myths"

Over the years a few Oklahoma assessors and appraisers have developed some interesting misconceptions about the CAMA valuation process. This article will address some of the more pervasive "CAMA Myths" and put these misconceptions to rest once and for all.

CAMA Myth # 1: CAMA Is Evil!

Actually, CAMA isn't anything more than a way to do what you're supposed to be doing anyway, only in a more efficient and automated manner. Remember that no tool is any good unless you know how to use it properly. If CAMA is used properly, life gets much better for assessors and deputies.

CAMA Myth # 2: CAMA Doesn't Work!

True, CAMA doesn't work if you don't know how to use it, or use it improperly, but when used as intended with proper appraisal knowledge, IT WORKS WELL!

CAMA Myth # 3: Using CAMA Is Too Hard!

Assessment is hard work, period—no matter how you do it. But when used as intended, CAMA makes life better. The initial work of getting everything into CAMA correctly is the toughest part. The maintenance phase is much easier to manage once the data is entered and cleaned up.

CAMA Myth # 4: Everybody's Values Will Go Through The Roof!

Actually, everybody's values will go where they need to go. Some will go up. Others will probably go down. All values are subject to the 5 percent cap unless it has sold the previous year, or if improvements are added. The taxpayer is now able to deal with these adjustments and changes more gradually thanks to the Constitutional cap, which became effective in 1997.

CAMA Myth # 5: I'll Lose Control Of The Valuation Process!

The Assessor must be ultimately responsible for the values in their county. Remember that CAMA is just a tool. The management of staff and valuation efforts is not somehow "taken away" because a portion of the valuation process is done using a "power tool" like CAMA.

CAMA Myth # 6: I Can Do It Better Without Using CAMA!

In THEORY, you could value property AS WELL as CAMA by doing it some other way IF you had unlimited staff, unlimited resources, and unlimited time. In the real world it's simply not possible.

CAMA Myth # 7: CAMA Is A Four-Letter Word!

O.K., so maybe CAMA is a four-letter word—but not in the way you were thinking. Anything that helps you and makes your life better is a good thing, not a bad thing. When you use this "power tool" to assist you in your statutory valuation responsibilities you will find it helpful and beneficial.

CAMA Myth # 8: "The Computer Can't Value Property, Only People Can!"

This myth is actually TRUE! The name "CAMA" says it all… Computer Assisted Mass Appraisal. It's a tool that helps the appraiser (you) do their job. Your knowledge and expertise is still critical. Don't ever tell anyone that the computer valued their property. Only people value property with the aid of computers.

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Property Tax News From Around The Country

Alabama...

Alabama gubernatorial candidate Lt. Gov. Lucy Baxley is proposing an end to annual property tax reappraisals begun by Incumbent Gov. Bob Riley's administration. "My first act as governor will be to undo that," Baxley recently told a group of state employees in Montgomery.

For many years, county tax officials reappraised property every four or five years to determine its new value. As appraised values went up, so did tax collections by cities, counties and the state.

The state revenue director ordered counties to start changing to annual reappraisals in January of 2003. The change began with some of Alabama's largest counties, and all counties are scheduled to have annual reappraisals by 2008.

The state Revenue Department estimated the change would produce cumulatively over the years of the phase-in an extra $448 million for state, city, and county governments by 2010.

Governor Bob Riley has maintained since 2003 that Alabama needed to change to annual reappraisals to comply with a state law that requires property to be appraised at its fair market value, and the only way to do that is with annual reappraisals because property taxes are paid annually.

Riley said he believes state law requires annual reappraisals, but if the Legislature wants to change it, "I will sign whatever they pass," he added.

Idaho...

A group pushing a ballot initiative to boost education funding by $210 million is accelerating its fight against Governor Jim Risch's property-tax relief plan. The "Invest in our Kids' Education Campaign rolled out new radio commercials recently.

Ryan Hill, spokesman for the group, says the new ads target "swing" lawmakers in districts where he says schools are suffering.

Gov. Risch wants to cut $260 million in property taxes that pay for public-school maintenance during an August 25th special legislative session. The money would be made up from the state general fund.

Hill's group argues this would put long-term education funding at risk.

Illinois...

Chicago area homeowners could see their property tax bills "more than double" next year unless the Illinois General Assembly renews the 7 percent cap on annual assessment increases, Mayor Daley and Cook County Assessor Jim Houlihan warned recently.

For years Daley has been campaigning for property tax relief. He has called the assessment system so unfair "we ought to blow it up." Daley has demanded that Cook County property be assessed annually, instead of every three years, with increases permanently capped to shield Chicagoans from "sticker shock."

The state Senate voted last spring to renew the 7 percent cap. But the House voted it down after a state study found the cap shifted the tax burden from homeowners to businesses, landlords, renters, and "hundreds of thousands of homeowners who are paying as much as 10 percent more."

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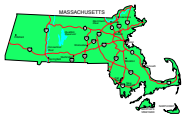

Massachusetts...

Returning Iraq and Afghanistan veterans will save hundreds of dollars on property tax payments through proposed legislation.

The proposed tax exemptions benefit partially disabled veterans by boosting the property tax exemption they receive from $250 to $400. Veterans who are 100 percent disabled will see their exemption increased from $600 to $1,000 under the proposal.

The exemption also benefits war widows with a $2,500 property tax exemption for spouses of veterans killed or missing in action in combat or as a result of a terrorist act.

State Rep. Kathi-Anne Reinstein said abatement and exemptions were last revised in 1997 and have not kept up with inflation. The veterans' package will cost the state about $10 million annually.

Michigan...

In an effort to attract new citizens to its shrinking city, Detroit is proposing to lop off about 21% of the property tax bills for new residents in 25 select areas, including some of the wealthiest, such as Boston-Edison, Indian Village and Palmer Woods.

But other residents are upset that they've been left out. And some City Council members are suggesting a citywide property tax cut, rather than pitting neighbors against each other.

"Every city in America relies on the middle class to keep the lights on," said Kilpatrick spokesman Jamaine Dickens. While the breaks may attract new residents, it's estimated they will cost the city $8 million a year. To qualify for the discount, a homeowner will have to have bought a home after December 31, 1997, and it has to have been platted in a subdivision before January, 1968.

According to a report by Irvin Corley, the council's fiscal analyst, reducing property taxes 5 percent citywide would save residents anywhere from $20 to $150 and cost the city about $9 million a year. "That amount isn't going to change the dynamics of what is happening in this community," Dickens said.

Kilpatrick's aides said they picked these 25 neighborhoods because there were large disparities between the homes' taxable value and assessed value. The goal is to level the taxes between new residents and their neighbors whose property taxes were capped because they lived in neighborhoods for a long time.

Detroit could add another 22 neighborhoods to receive the tax break in upcoming years. Kim Clayson, 26, and her husband are looking to move from a Harbortown condo in Detroit to a home in Indian Village, and say the added tax break will be an incentive for them and others.

"It's going to give people one less excuse for not living in the city," she said.

Montana...

Republican legislators recently unveiled what they called the largest property tax relief plan in Montana history and called it superior to the Democratic Gov. Brian Schweitzer's rival proposal.

Both sides agreed that property taxes figure to be the decisive issue with voters as the two parties vie for control of the 2007 Legislature.

The Republican plan would be permanent, providing tax relief in future years. In contrast, the Democratic plan, a one-time $100 million proposal would give all 250,000 Montana resident homeowners an identical $400 property tax rebate check in October 2007 if the Legislature enacts it.

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New Jersey...

New Jersey legislators continue to talk tough about reforming the property tax. But the four committees created to accomplish that task have each only met once. The committees have until November 15 to present reform recommendations to the Legislature. The goal is to rework New Jersey's tax system by the end of the year.

The average New Jerseyan pays about $6,000 a year in property taxes, twice the national average. All the panels eventually plan public hearings around the state.

New York...

Property taxes grew two to three times faster than personal income from 2000 to 2004 in the suburbs surrounding New York City, a sharp reversal from the 1990's, when incomes soared and property taxes climbed more modestly, a review of statistics by the New York Times has shown.

In Nassau County, the tax collections rose 29 percent from 2000 to 2004, while total personal income went up only 11 percent, according to data from the state and the federal Bureau of Economic Analysis.

In Bergen County, N.J., property taxes jumped 26 percent, three times the growth rate of income, about the same ratio as in Westchester.

And in the sharpest rise in the region, property taxes soared 41 percent in Somerset County, N.J., while income inched up only 5 percent.

North Dakota...

A legislative interim committee is backing a bill designed to provide $74 million in school property tax relief over two years.

The bill rolls back a cap on what a local school can levy by 20 mills. The plan gives most of North Dakota's schools some property tax breaks.

Some members of the interim Finance and Tax Committee say while the bill isn't perfect, it's a good first step. But some education groups say the measure isn't funded enough.

Bev Nielson of the North Dakota School Boards Association says she would prefer lawmakers to tackle the questions of equity and adequacy—before they talk about property tax relief.

62nd Annual Educational Conference...

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