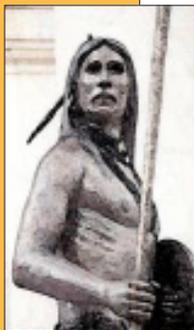


CELEBRATE OKLAHOMA!



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.

A UNIQUE HISTORY. AN EXTRAORDINARY FUTURE.

Oklahoma Ad Valorem

FORUM

Director's Notes:

Thank you Tiger Woods. Since we had to move the Annual Conference dates because of Mr. Woods and his friends with the PGA golf tournament, things happened earlier this year, but it worked out very well. The Oklahoma Centennial version of the Tulsa Conference is wrapped up and in the record books. By all measures, the 63rd educational conference was another successful session. Had it not been for the golf tournament which was planned years in advance to take place in Tulsa the first week in August, we would have been there during the extreme heat.

We had excellent attendance. Our final count was like last year a little, under 500 students. Our opening session went well which I was really pleased. Jeff McMahan, State Auditor and Inspector and Treasurer Scott Mecham's Chief of Staff, Amy Sparks, were able to attend the opening session as well as Marion Johnson, a Kansas Appraiser who is this year's President of IAAO. We also had Daron Fredrickson of Chesapeake representing OATR, Cathy Hokit, President of the County Assessors' Association, Tony Mastin, the new Administrator of the Oklahoma Tax Commission and Larry Wilson, Deputy Administrator attending the session. Special thanks are in order for Wayne "Pawnee Bill" Spears in full costume who gave us his perspective on serving as an Oklahoma representative of our state's Centennial Commission and Ken Yazel for the appearance by the Bixby Marine Junior ROTC Color Guard. The young people in the Color Guard added a lot to the ceremony.

The recognition of the latest "graduating class" of initial and advanced accreditation students went well. 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 oil field equipment identification. (We're all hoping that Gary and Doug do not package up their teaching presentations and start using them as Sonic commercials. Their classes are getting better every year.)

We 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 Veterans' Affairs, and Oklahoma Tax Commission Legal Counsel's Office. Thanks to Jim Kelley for his presentation on new legislation, and Wade Patterson for his presentation on farm implement stamps.

We again appreciated the assistance by Tulsa, Oklahoma and Cleveland Counties with the advanced topics on high value residential appraisals. I also received good reports on the SPSS advanced class on neighborhood analysis. The class is numbers intensive, but our instructors were pleased with the technical effort of the class.

Continued on page 2...



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

We are also happy for the eighth 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.

Now that the conference is over, the Ad Valorem Division anticipates a busy fall with the election. We'll also be completing more public service work, training, and five-year inspections as well as preparing for the County Assessors' Association Annual Convention.

The Assessors' Association is to be commended for a great job in planning the evening activities. Everyone enjoyed the trip to Discoveryland to see the play of "Oklahoma!" We couldn't have asked for better weather for an outside evening activity, and the bus ride gave all of us more time to visit with each other. The timing coincided perfectly with the State's centennial celebration.

On behalf of the Ad Valorem Division, we'd like to thank all the county assessors and deputies for their hard work during the conference. We appreciate all that they all do for taxpayers across the state. We appreciate the effort, and I know all of county government does too. It's a tough job, but it's never been more important, as Tom Cusack says, to be "the guardian of fairness."

Jeff Spelman, CAE

P.S. "Never give up, for that is just the place and time that the tide will turn."

Quote from Stanley T. Cimarron, famous Ad Valorem Philosopher courtesy of Harriet Beecher Stowe.



These last couple of months have been busy. Our thanks to Dr. Paul Bendt for being able to change his schedule at the last minute to teach the MIMS class. We also thank the ESRI company and its Oklahoma Marketing Representative, Travis Schindler, for allowing us to borrow ten free laptop computers again and for help setting them up for the ArcView training.

The next couple of months will be just as busy. We will be conducting regional training in Johnston County during August and in Noble County during September. Both classes will be on the ArcView. If you want further information, please let us know.

Last month, we told you about the US Bureau of Land Management having all the original township surveys scanned. This month we found that the Farm Services Administration has all the State mapped with their land use.

These county-wide mapping layers are available for download from the Natural Resources Conservation Service's "Gateway" website. The mapping layers are line work only. There are no labeling of crop, range land, and waste on these freely available layers. As a result, you will still have to go through and label the areas as crop, improved pasture, native pasture, timber/waste, and homesite acreages.

As with anything else, their line work needs some cleaning up. If an acreage was ever in their program as crop, it will be mapped out separately as crop whether it is still in any program or not! We will have these land use mapping layers added to the 2008 DVD as well. We should be able to distribute those at the winter conference in January or February.

Remember: *It's not how HARD you work but how WELL you work that matters. Take pride in doing your job right!*





Focus On Murray County

Murray County became the third smallest County on November 16, 1907 from the Chickasaw Reservation when Oklahoma became the 46th State. It was created from a plan to name a county after "Alfalfa" Bill Murray, the president of the constitutional convention for the new state of Oklahoma and later governor. The corners of Johnston, Pontotoc, Garvin and Carter counties were taken to form Murray County. (Alfalfa County is also named after Bill Murray.)

The county seat, Sulphur, is located at the foot of the Arbuckle Mountains. It was first named "Sulphur Springs" for the numerous sulfur wells and springs.

Kickapoo Chiefs took their sick to these "medicine springs" for hundreds of years. By 1894-95, there were plenty of hotels to accommodate the influx of people who were brought by the fame of the mineral springs curative power.

In 1902 the Sulphur Springs Railroad was built bringing visitors by the thousands to the new town and the health giving waters. That same year, the U. S. Government and the Chickasaw Nation agreed the springs would be preserved and the area became known as the Sulphur Springs Reservation.

Through the years, it was renamed Platt National Park and is now the Chickasaw National Recreational Area.

In 1908, the Oklahoma School for the Deaf was established. Current enrollment is 130+, with two satellite schools now in operation.

Tourism is still an important part of the economy in Murray County. Turner Falls Park is the oldest park in Oklahoma, dating back to 1868 as a recreational area. The majestic Turner Falls is the largest waterfall in Oklahoma. The Turner Falls area has been described as one of the three geological windows into our past, including the Grand Canyon and the Black Hills of South Dakota.

The Arbuckle Mountains and the Chickasaw National Recreational Area, including the 2,400-acre Lake of the Arbuckles, are a part of what makes Murray County a leading tourist attraction.

Oil, gas and stone products, asphalt, silica sand, lead and zinc have also been important to the Murray County economy.

Murray County Demographics

Population: 12,623

Households: 5,003

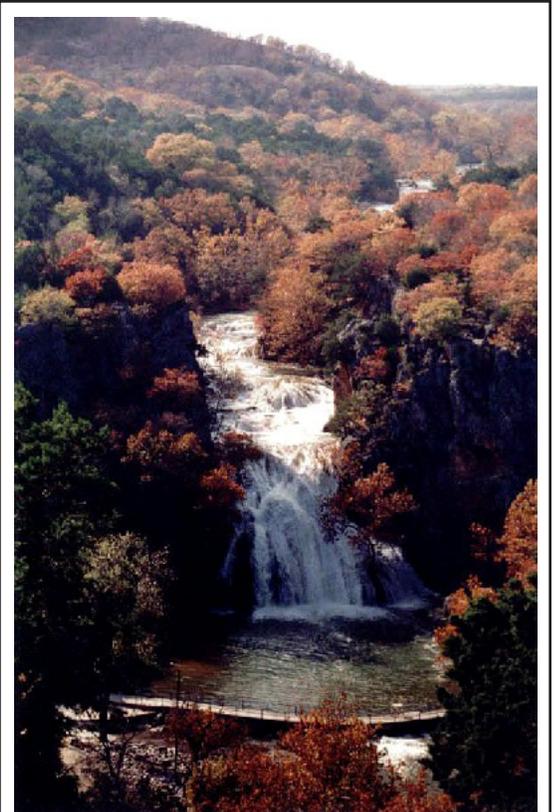
Area: 420 sq. miles

2006 Real Property Assessed Valuation: \$30,712,658

2006 Personal Property Assessed Valuation: \$9,033,646



Murray County Courthouse, located in Sulphur, Oklahoma



Turner Falls and the Arbuckle Mountains





Summary Of 2007 Legislation Ad Valorem

House Bills

HB-1340

Section: 1 - Manufactured Homes, Issuance of New Original Title

Amends: Section 1110 of Title 47. Manufactured homes on which the titles have been properly surrendered may apply to the Tax Commission for issuance of a new original title. Proof of ownership, no security interests or liens, and a current title opinion will be required. Tax Commission will issue rules.

Effective: November 1, 2007

HB-1412

Sections: 1; 3 - Excise and Equalization Boards, Travel

Amends: Sections 2862; 2871; 3005.1; 3105; 3106; 3112 of Title 68. The members of the county boards of equalization and excise boards are now authorized to receive travel reimbursement to the meeting place from their residence anywhere in the county.

Section: 2 - Board of Tax Roll Corrections, Chair and Vice Chair

Amends: Section 2871 of Title 68. The chair of the board of tax roll corrections shall be the chair of the board of county commissioners. In the chair's absence, the vice chair of the board of county commissioners shall serve. In the vice chair's absence, the chair of the county equalization board shall serve. In absence of the chair of the equalization board, the vice chair of the equalization board shall serve as the chair of the board of tax roll corrections.

Section: 4 - County Treasurer, Tax Sale Property

Amends: Section 3105 of Title 68. Removes the requirement of individuals owning property subject to tax sale from having to make application to the county treasurer for an exemption from the tax sale no later than sixty (60) days prior to the date the property is scheduled to be sold. Provides for the application to be made anytime prior to the property actually being sold.

Section: 5 - County Treasurer, Payment of Tax

Amends: Section 3106 of Title 68. The county treasurer shall collect in cash, cashier's check or money order, payment of taxes and all other charges against tax sale property.

Section: 6 - County Treasurer, Tax Sale Certificate Charges

Amends: Section 3112 of Title 68. The county treasurer shall charge a fifteen dollar (\$15.00) fee for assignment. This cost shall not be reimbursable to the assignor or to the assignee by the taxpayer upon redemption. The fee shall be deposited into the "property resale fund" of the county.

Effective November 1, 2007

HB-1485

Section: 1 - Valuation of Personal Property, Oil, Natural Gas and other Minerals

Amends: Section 2817 of Title 68. All taxable property used in the exploration of oil, natural gas, or other minerals, including drilling equipment and rigs, shall be assessed annually at the value set forth in the first HADCO International monthly bulletin published for the tax year, using the appropriate depth rating assigned to the drawworks by its manufacturer and the actual condition of the rig.

Continued on page 5...





Continued from page 4 "2007 Legislation, House Bills"...

Section: 2 - County Board of Equalization, Appeals

Amends: Section 2945. Provides for no impairment of the right of the taxpayer to appeal any order of the county board of equalization to the district court as provided for in Section 2880.1 of Title 68.

Section: 3 - Gross Productions Payments, Deduction of Certain Costs

New Law: Section 1001.4. of Title 68. Producers of natural gas and casinghead gas, who incur marketing costs of the gas produced, may deduct certain costs from the gross value when computing the gross value subject the Gross Production Tax.

Effective January 1, 2008

HB-1562

Section :1 - Exemption, Continuum Care Facilities

Amends: Section 2887 of Title 68. Exempts facilities constructed after January 1, 2006 which is owned by a 501-C 3 tax-exempt entity located in any county regardless of population.

Effective: January 1, 2008

HB-1761

Section: 1 - State Land Reimbursement Fund

Amends: Section 371 of Title 64. Provides for the transfer of funds from the general revenue fund into the State Land Reimbursement Fund on or before July 15, 2008, and on or before July 15 each year thereafter from the Public Building Fund.

Section: 2 - State Land Reimbursement Fund, Reports

Amends: Section 194 of Title 62. Each county assessor shall prepare reports listing the legal description, number of acres, taxable value, tax rate, and property tax amount for each property eligible under this section.

Effective: July 1, 2007

HB-1808

Section: 1 & 2 - Household Personal Property, 100% Disabled Veterans.

The measure would provide an exemption for household personal property tax to disabled veterans who have a 100% disability. The legislature is authorized to pass laws implementing the exemption.

State Question is Required.

Senate Bills

SB-72

Section: 1 - Residential Improvements, Divided by Taxing Jurisdiction

Amends: Section 2817 of Title 68. When improvements upon residential real property are divided by a taxing jurisdiction line, those improvements shall be valued and assessed in the taxing jurisdiction in which the physical majority of the improvements are located.

Effective: January 1, 2008

SB-379

Section: 1 - Newly Elected County Officials, Travel and Training Expenses

Amends: Section 165 of Title 19. All newly elected county officials shall be reimbursed by their respective counties for any approved training provided before the official takes office. Such training expenses shall be reimbursed in January when the official takes office.

Effective: November 1, 2007

Continued on page 6...





Continued from page 5 “2007 Legislation, Senate Bills”...

SB-590

Section: 3 - County Officers, Alteration of Computer Software

Amends: Section 347 of Title 19. It shall be unlawful for a county officer holding an elective office, who will not immediately succeed himself or herself in office, to make any changes or alterations in the licensing of source code or computer software currently being used.

Effective: November 1, 2007

SB-685

Section: 5 - Freeport Exemption, Filing Date

Amends: Section 2902.2. Provides for a filing date of on or before March 15th or within thirty days from and after the receipt by a taxpayer of a notice of valuation increase, whichever is later.

Effective: January 1, 2008

SB-798

Section: 1 - Five-Year Manufacturing Exemption, Distribution Facilities

Amends: Section 2902 of Title 68. Adds establishments primarily engaged in distribution as defined by N.A.I.C.S. codes 49311, 49312, 49313 and 49319. Construction must begin on or after November 1, 2007 and be completed within three years from the date of construction. Other investment and wage criteria are required.

Effective: November 1, 2007

SB-806

Section: 12 - Tax Resale Property Acquired by the County

Amends: Section 3135 of Title 68. Adds “certified funds” to the list of monies that may be accepted by the county treasurer from the highest bidder for tax sale property.

Effective Date: November 1, 2007

SB-1019

Section: 1 - County Propositions, Election Ballot Title

New Law: Section 388 of Title 19. Provides for specific procedures for the county commissioners when submitting a measure to registered voters whether by special election or otherwise. The district attorney shall review the filings for legal correctness and notify the county commissioners if the ballot title complies with the applicable laws.

Effective November 1, 2007

Section: 2 - Duties of County Commissioners, Publishing Ballot Titles

New Law: Section 388.1 of Title 19. Directs the county commissioners of the county with the proposition to publish once in a newspaper of general circulation a copy of all ballots on measures and an explanation of how to vote for or against the propositions not less than five days before any election.

Effective: November 1, 2007

SB-1021

Section: 2 - Municipal government annexation of land

Amends: Section 21-109 of Title 11. Provides for tracts of land with an area of width no greater than three-hundred twenty-six (326) feet at the widest point which are annexed to a municipality shall not be subject to municipal taxes, unless such tracts are annexed pursuant to paragraph 2 of subsection A of Section 21-103 of Title 11.

Effective: November 1, 2007





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Continued from page 6 “2007 Legislation, Senate Bills”...

Notice: Sections 3 through 12 address amended administrative requirements which must be observed when altering or creating improvement districts.

Notice: The material contained herein may include areas of law which are subject to various interpretations. This publication is intended for instructional purposes only and should not be relied upon as legal authority nor should any part of this material be considered as the view or policy of the Oklahoma Tax Commission.

County officers, their deputies and all others acting in their official capacities in dealing with the above referenced statutory information, should consult with their district attorneys before any implementation or changes in tax policy.



Oklahoma 2007 Centennial Moment

Charles Haskell

Oklahoma’s First Governor:

November 16, 1907 to January 9, 1911

Born in Ohio in 1860, Charles Haskell had been a school teacher and was educated as a lawyer. He moved his practice to Muskogee, Indian Territory, in 1901.

Prior to being Governor, Haskell served as one of 5 vice-presidents representing the Five Civilized Tribes. He publicly worked for a separate state for Indian Territory, but privately he believed the proposal’s defeat would drive Indian leaders to join in statehood with Oklahoma Territory. Although people of Indian Territory approved the Sequoyah Constitution in a referendum, U.S. President Theodore Roosevelt declared there could only be one state of Oklahoma.

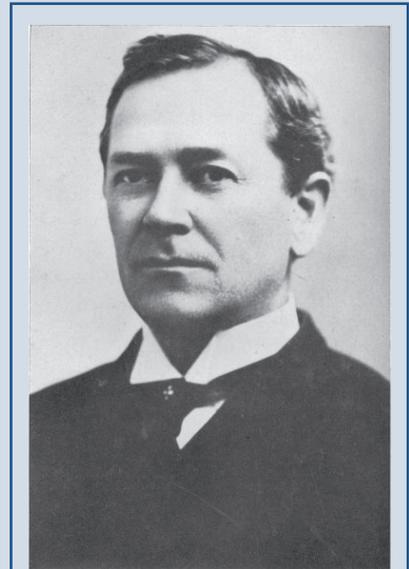
Haskell served as the president of the Oklahoma Constitution convention in 1906. Elected Governor on September 17, 1907, it was 2 months later, November 17, 1907, that President Roosevelt signed the Oklahoma Constitution making Oklahoma the forty-sixth state. That same day Charles Haskell was inaugurated as the first Governor of the State of Oklahoma.

The First Legislative Session under Haskell’s leadership adopted laws protecting the public from exploitative practices of public utilities, trusts, monopolies and railroads. He initiated passage of a bill which insured deposits in case of bank failure, took steps to enforce prohibition, put factory safety codes in place, and brought Oklahoma prisoners back from Kansas to construct the state prison at McAlester.

His last 2 years in office were focused on three major efforts: vigorous enforcement of prohibition, effective regulations of railroads and trusts, and the relocation of the state capitol. Perhaps Haskell’s most dramatic act was personally switching the capitol from Guthrie to Oklahoma City the night of June 11, 1910.

He was active in business and Oklahoma politics until his death on July 5, 1933. After suffering a stroke, he died from pneumonia in the Skirvin Hotel in Oklahoma City at the age of 73. He is buried in Green Hill Cemetery in Muskogee.

Governor Haskell set a standard of constructive leadership and positive action for Oklahoma’s future governors.



Governor Charles Haskell as he appeared upon entering office.





Planning Ahead For The 2008 Annual Educational Conference

We are happy to announce the date for the 2008 Annual Educational Conference has been set. It will be held August 5–8, 2008.

This is by far the earliest lead time we have ever had for the next conference. Perhaps giving the date to you this far in advance will help you in making plans for the upcoming year.

The location will be the Marriott Southern Hills in Tulsa.

Attendance Good At IAAO Course

Thirty-two students attended the IAAO Course 311 sponsored by the Oklahoma Chapter of IAAO under the leadership of Chapter President, Gary Snyder. It was held August 20 – 24 in Tulsa.

The course material related to residential modeling concepts. Instruction was provided by Larry Clark, CAE from Johnson County, Kansas, where he is a valuation systems analyst for the county.

IAAO courses provide customized training geared specifically to the needs of county assessors and appraisers. The chapter will continue to sponsor courses as they are an excellent source of training for those who work in the ad valorem assessment and valuation process.

The CAMA Valuation Process, Part 4

CAMA CHECKLIST FOR VALUATION

- ✓ Quality data collection
- ✓ Accurate sales file maintenance
- ✓ Set reliable land values
- ✓ Clean-up property characteristics
- ✓ Countywide adjustment calculation
- ✓ Establish neighborhood boundaries
- ✓ Calculate neighborhood boundaries
- ✓ Review, revise and finalize neighborhood boundaries
- ✓ Set final values
- ✓ Review final values
- ✓ Roll values to AA system

Countywide Adjustments

The countywide market adjustment is the adjustment needed to bring the costs into line with the local market. The square foot costs in the system are statewide averages and may not reflect the costs in a particular area. The countywide adjustment is applied only to the building values, not the land or miscellaneous values, since these should be set by the appraiser and should reflect local prices.

The sales used to calculate this adjustment should reflect the overall makeup of the properties in the county. Generally, only urban residential sales are used due to the difficulty in establishing reliable land values in rural areas. Also, sales with a large miscellaneous value should not be used.

The mechanics of calculating the necessary adjustment is fairly simple. The median sales ratio is divided into 100 to indicate the adjustment necessary to move the median up or down to 100%.

EXAMPLE: Median sales ratio of 118% currently: $100/118 = .84$

A countywide adjustment of .84 should move the median sales ratio to 100%.



Receive The “Forum” By Email:

To receive the “Ad Valorem Forum” by email, please forward your email address to Cyndi Heath at cheath@tax.ok.gov.