



The mission of the AdValorem 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

Director's Notes:

We enjoyed seeing lots of county assessors and deputies at the CODA meeting last week. I was amazed by the number of new faces as the ACCO folks joined the CODA group with a lot of attendance. I heard several county assessors saying that they felt like strangers in the group with the new additions. That's a pattern that has recreated itself several times over the years as part of county government. It is important that we continue to work with the various groups in county government to make the ad valorem system strong and reliable.

Just a thought on preparation. It helps to be with people who are prepared and know what they're doing. The other night I attended a fitness seminar put on by a local hospital on running and exercise. It's part of the Redbud Classic—a road race, fun run, fitness fair, etc. that's held each year. The topic for this seminar was great. It was entitled: Knees and Hips Gone Bad. It's not so much fun to realize that you're not 21 anymore. But in the middle of this seminar, a highly fit marathon runner who'd just come in from a training run had forgotten to drink water/Gatorade and had become severely dehydrated. He started to sit down in the audience, but he fell backwards over a chair and passed out.

That's the bad news. The good news is that there were twelve doctors, three nurses, and two physical trainers in the audience. They had the embarrassed runner stabilized in one minute and they took him in for a check-up. So my thought for the day is if you're going to administer first aid to the ad valorem system or help taxpayers, it's great to have people on your side that are knowledgeable and know what's going on. That's why all of us—the county assessors, State Auditor and Inspector, Oklahoma State and the AdValorem Division work so hard on training and education. It pays off.

It's also why it is important that we get the county assessor and AdValorem Division required accreditation program stabilized so we can proceed with the critical training and education that all of us rely on. We're proud of all the training and education that Oklahoma State University has provided through the Commission on County Training (Both Cooperative Extension and Center for Local Government Technology (CLGT) have been a tremendous assets for our Annual Conference). In the county assessor area, the work of Gary Snyder and Doug Warr has been really excellent. We need to keep the quality of the program at its present high level and keep a good working relationship with all the Departments at Oklahoma State.

Here's what's going on this month:

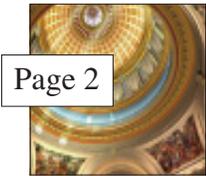
Legislature Convenes

The 2006 Oklahoma Legislature has convened. We've seen a large number of ad valorem bills are already under consideration. Under House rules set up last year, all legislation must have a revenue

A Look Ahead...

- March 28-31: Unit II, Real Property Appraisal, Tulsa

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impact statement. We have had a great deal of questions on the Five-Year Exemption changes to the cap and other exemptions. The biggest challenge by a long shot is estimating the revenue impact for the Veterans exemption. That has been a rapidly changing set of numbers.

For those of you that missed the CODA meeting, we will be sending out a survey on the Veteran’s exemption right after March 15. Thanks in advance for your help in getting good estimates to the Legislature.

Geographic Information Council Day at the Capitol

GIS Day at the Capitol is scheduled for March 15. Any county interested in showing off their mapping program at the Capitol be sure and sign up. Call Troy Frazier or Wade Patterson, the new GIS representative, if you have any questions.

District Meetings

Mark your calendars. We have a complete schedule now of the 2005 District meeting dates:

- OATR: May 4th and 5th (Tulsa)
- Northeast: May 5 (Tulsa County)
- Southeast: May 12 (Bryan County)
- Northwest: May 19 (Harper County)
- Southwest: May 26 (Cleveland County)

Two items that were discussed at the CODA meeting that you may have missed. We will have the DVD copies of the new aerial photographs available at the District meetings in May (Keep in mind that the May meetings are required). Also if you did not get a copy of the Ad valorem statutes on CD at the CODA meeting, look for a copy in the mail. We sent those to any assessor who missed the meeting. If you don’t have one, let us know.

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 make it better than it was given to us for taxpayers everywhere.

Jeff Spelman, CAE
Director, Ad Valorem Division

P.S. “We would worry less about what other people think of us if we realized exactly how seldom other people actually think about us.” Anwar Caddo, famous Ad Valorem Philosopher courtesy of Ethel Barrett.



As we stated a couple of months ago, the 2004 color aerials should be made available by FSA for release very soon. They are now available. They have been certified as to their locational accuracy. The 2005 color aerials are also available through FSA. They have not been certified as to their locational accuracy.

Both sets of aerial photos are two-meter resolution, but their compression rates are better. So...they may be really bad or pretty good for close up looks. We will not know until we try to use them. Either way, any new construction should stand out for each of these years. NRCS is continuing to produce and

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release county-wide digital soil maps. All this means is that there is more stuff available for use by your office which will hopefully make your lives easier.

We will start downloading and converting this data as well as to any updates to city and school boundaries. We will have this done and ready to hand out at the district meetings in May. As we get back into a routine of grabbing and converting this stuff on a regular basis, we hope to start handing this stuff out by each CODA winter conference. This will allow all the information to be current as of the first of each year.

Because of the size of the data that we have been gathering over the last six years for each assessor's office, we will now have to burn DVD's instead of CD's. It would be nice if you had at least one DVD drive in one computer in your office, but if you do not, that is still o.k. When we visit, we can take that DVD and temporarily copy it onto our USB memory sticks and download it to your mapping computer through a USB port.



Oklahoma's IAAO Chapter Provides Training Opportunities



IAAO Chapter President Monica Schmidt (Woods County Assessor) has announced the Chapter is sponsoring two IAAO courses in 2006. "The chapter sponsored two courses last year which were well attended. There is a need across the state for more of this type of training. We expect the 2006 courses to fill up quickly" Schmidt said.



Course 101: Fundamentals of Real Property Appraisal
June 26 – 30

Instructor: Rick Stuart



Course 102: Income Approach to Valuation
July 17 – 21

Instructor: Marion Johnson

Schmidt said the courses serve a dual purpose since they can also be used to meet the mandatory training for assessors and appraisers in keeping with the Assessors Accreditation Program.

Additional information is available through the Center for Local Government Technology at OSU. Contact Gary Snyder at 405-744-6049.

IAAO Oklahoma Chapter President Speaks At CODA Conference

Monica Schmidt, President of the Oklahoma IAAO Chapter, spoke to the county assessors at the CODA Conference held in February. Schmidt encouraged all assessors and deputies to become members of IAAO. She told of numerous membership benefits such as appraisal and administrative training, professional designations, library resources, networking, technical assistance programs and discount benefits.

Schmidt stated, "Membership in IAAO is a mark of professionalism. What better way to portray yourself to your constituents as a professional appraiser and administrator than to be a member of an organization dedicated exclusively to the needs of us who work daily in the ad valorem taxation process? The cost of membership is well worth the benefits."

Membership applications are available from Monica who may be reached at 580-327-3118, or you may access the form from the web site www.iaao.org.





School Land Trust Facts And Figures

Current School Land In Trust	
County	Acres
Cimarron	233780
Texas	41439
Kay	34331
Lincoln	29795
Comanche	29733
Beaver	28038
Harper	25888
Pawnee	24757
Kiowa	24128
Ellis	23691
Payne	21588
Woodward	19087
Pottawatomie	17093
Cotton	13906
Noble	10295
Garfield	10006
Tillman	9778
Caddo	9600
Logan	9252
Greer	8472
Alfalfa	8452
Stephens	8333
Roger Mills	8106
Major	7465
Kingfisher	7246
Beckham	7163
Washita	6908
Dewey	6906
Jackson	6433
Grant	6352
Blaine	6320
Cleveland	4950
Woods	4840
Jefferson	4644
Oklahoma	4562
Grady	4435
Canadian	3365
Custer	3041
Harmon	3028
McClain	1551
Garvin	158
Craig	120

With the Oklahoma Enabling Act of 1906, funding for public education in Oklahoma was established. Originally, over 3 million acres of land were set aside to support public education efforts in our state. Constitutionally, the school land is held in trust by the State, and it may be increased, but not diminished.

In the western half of the state, certain sections in each township were reserved and held in trust. Sections 13, 16, 33 & 36 of each township were allocated for this purpose. In the eastern half of the state (Indian Territory), the trust fund was compensated with 5 million dollars.

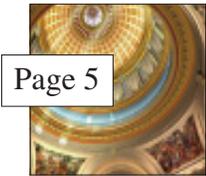
Section 33 of each township was reserved for public buildings and corrections. Money earned from the trust is disbursed on an annual basis. Section 13 of each township was reserved for State educational institutions. 1/3 of the funds were to go to the University of Oklahoma, 1/3 to the university preparatory schools, and 1/3 to the Agricultural Mechanical University and the Colored Agricultural Normal University.

The current School Land Trust Commissioners are Governor Brad Henry, Chair, Lt. Governor Mary Fallin, Vice-Chair, Jeff McMahan, State Auditor and Inspector, Sandy Garrett, State Superintendent of Public Education, and Terry Peach, President, State Board of Agriculture.

The trust funds support common schools, educational institutions, the University of Oklahoma, Oklahoma State University, university preparatory schools, normal schools, Langston University, and public buildings. Composition of the trust includes 740,000 acres of land, 1 million acres of mineral rights, with a total of 1.1 billion dollars in permanent trust.

One of the problems with the school land trust is that school land in a county reduces the amount of ad valorem tax collected that would otherwise go to rural schools and counties. There are several possible solutions to this problem. An amount of approximately 1.5 million per year in lieu of ad valorem could be appropriated and placed into the Public Building Fund to reimburse the counties, the State Land Reimbursement Fund could be fully funded, or it could be required that School Land be subject to ad valorem taxation. The last potential solution would require a Constitutional change.





Property Tax News From Around The Country



Idaho...

Two ad valorem bills will be considered soon by the full House. One measure reduces the amount taxpayers would contribute to schools by \$125 million and replace most of the money with a 1/2 cent sales tax hike.

The second bill would boost a homeowner's exemption to \$75,000, from \$50,000 now.



Kansas...

Two bills that would phase out property taxes on business equipment and machinery were sent from the House to the Senate recently, with hopes of stimulating the Kansas economy.

One bill covers all machinery and equipment purchased or leased by companies after June 30. A companion bill covers telecommunications and railroads specifically.

Most votes against the bills came from Democrats who said the policy change would create a burden for local governments, which would be forced to raise property taxes on home owners to make up for lost revenue.

The tax on machinery and equipment raises more than \$234 million annually. Existing equipment would continue to be taxed until it was replaced. Counties and cities would receive state payments for five years to mitigate the loss of property tax revenue.

Local governments would be reimbursed for the difference between the taxes levied in 2005 and 2007. After that, the reimbursement would drop 20 percent each year through 2013.

The reimbursement would cost the state roughly \$177 million in total through 2013.



South Carolina...

A proposed constitutional amendment that would reduce most property taxes from owner-occupied homes has passed the House and is on its way to the South Carolina Senate.

If approved by the Senate, voters would decide the issue in November. The proposal would be funded with a two-cent increase in the state sales tax, and by limiting spending.

Another measure passed recently by the House would exempt farm equipment from personal property taxes. This would include equipment, vehicles, crops and livestock. The exemption would only apply for property employed exclusively in agriculture while owned by the producer. It would not apply to such items up for sale.

Lawmakers have estimated savings to farmers at about \$850,000 a year.



Texas...

The Texas Tax Reform Commission met recently to gather recommendations on how to reform the state tax structure.

The hearing was part of a series of meeting across the state to gather input from Texans on how to modernize the tax structure and reduce property taxes.

The 24-member, bi-partisan commission was created by Gov. Rick Perry in September, 2005. Since the Commission's creation, the Texas Supreme Court has ruled the state's current school property tax structure unconstitutional and has given lawmakers until June 1 to devise a different tax system and lower school property taxes.



Receive The "Forum" By Email:

To receive the "AdValorem Forum" by email, please forward your email address to Cyndi Heath at cheath@tax.ok.gov.