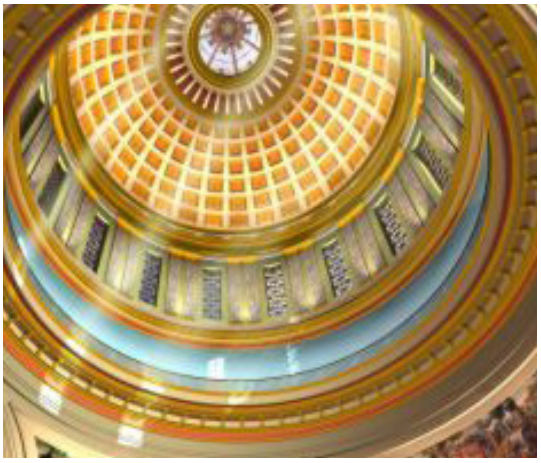

The mission of the Ad Valorem Division of the Oklahoma Tax Commission is to promote an ad valorem property tax system which is fair and equitable to all taxpayers by implementing standard valuation methodology, tax law conformity, and assessment administration compliance.

"IAAO Zangerle Award Winner: 1997 and 2010"

Oklahoma Ad Valorem FORUM

Volume XXV, Issue I ● January 2016

Director's Notes:

Happy New Year from everyone here at the Ad Valorem Division!

Like each of you, we are busy preparing for another year full of challenging, but interesting, work. The field staff was in recently to prepare for the 2016 Equalization Study and Performance Audits that they will be conducting. We are looking forward to a successful audit data gathering process. As always, we appreciate your assistance as we make our rounds throughout the state, gathering the many pieces of information needed to complete the audits and report the findings to the State Board of Equalization (SBOE) in December.

As a result of action taken December 1 by the SBOE, the 16 counties not meeting the minimum points threshold for the 2015 Performance Audit have been placed in category one noncompliance. At the direction of the SBOE Subcommittee, the Ad Valorem Division and CLGT just completed a two-day training session for these assessors and their staff members January 20-21 at the Kiamichi Technology Center in McAlester.

We greatly appreciated the large attendance and active participation with the training, discussions, and questions during our two days in McAlester. Special thanks to Auditor Jones and Nancy Grantham of the Auditor's Office for attending. We would also like to thank our colleagues Gary Snyder and Doug Warr at CLGT for their assistance in this training endeavor. Hopefully, we were able to provide some practical and relevant information that each county can use, as they work hard this year, to attain full compliance with the SBOE Performance Audit Guidelines.

The 2016 Business Personal Property Schedule has been finalized and was posted earlier this month for reference on the Ad Valorem web page. Thanks to all who provided input during our meeting this past fall to discuss the items and values contained in the schedule, prior to finalizing the numbers.

The Public Service Section is working hard to prepare for the valuation season. Forms have been posted to the web page. Vicki Duncan and her staff have slated the Capitalization Rate Conference for March 24-25. This marks the ninth year that this conference has been held, and the process has been a good one.

Like you, we will once again be watching the legislative process closely to see what ad valorem bills emerge. We will probably hear a lot more on that topic at the CODA meeting February 9-11 at the Embassy Suites Hotel in Norman. We're looking forward to seeing everyone there.

Kind Regards,
Joe Hapgood, CAE, Director, Ad Valorem Division

P.S. "Success seems to be largely a matter of hanging on after others have let go!"

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To start a new year, I thought we'd delve into the mapping portion of the annual Performance Audit.

The mapping component of the Performance Audit was developed to emphasize how mapping should be used in the assessor's office. The section on the Analysis of Cadastral Mapping is broken into five categories worth five points each.

Question 3A: Is the ownership completely mapped?

Title 68, Section 2821, paragraph D: "In order to conduct the visual inspections of real property during the four-year cycle, each county assessor shall acquire and maintain cadastral maps and a parcel identification system. The standards for the cadastral maps and the parcel identification system shall be uniform for each county of the state and shall be in such form as developed by the Ad Valorem Task Force."

To test the completeness of cadastral mapping, we look at the percentage of parcels mapped. In MIMS, we test this by running a DOS utility at the F:\MIMS DOS prompt. The usual DOS command would be: report map\parcel. This function gives us a total mapping parcel count. In ArcGIS, we open the parcel layer's attribute table (which looks like an Excel spreadsheet). In the bottom-left corner of the attribute table screen is the record/parcel count.

Question 3B: Is ownership up to date?

This question is still related to Title 68, Section 2821. What good is a cadastral map if it is not current?

Our test for this question is the production of paper maps highlighting a relatively new parcel split in each map. This approach is uniform for any mapping software in use, and ensures that the county can use their software to produce paper maps upon request.

Question 3C: Can a county produce a parcel map with current school district boundaries?

Title 68, Section 2815.2: "The county assessor shall maintain and use the current boundary descriptions of each and every school district or part of a district in the county furnished by the State Department of Education pursuant to 70 O.S. 2011, Sections 4-104."

Each year, Ad Valorem supplies each county with a current school district mapping layer. To test if you are using this layer, we produce paper section maps highlighting the school district boundaries with parcel mapping.

Question 3D: Can a county produce a parcel map with current city boundaries?

Even though the inclusion of city boundary mapping is not specifically listed in statute, it only makes sense for the assessor to track current city boundaries. City boundaries can affect fair cash values, city millage rates, and sales tax rates.

Our test for this question is the production of paper maps highlighting city/town's current boundaries with parcel mapping. We then take this map and compare it to the OTC's municipal boundary mapping (as authorized by Title 68, Section 1375, paragraph A). This approach for measuring is uniform for any mapping software and ensures that the county can produce paper maps upon request.

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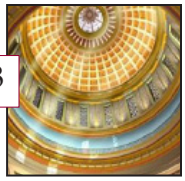

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Continued from page 2 "A Mapping Minute"...

Question 3E: Can a county produce a parcel map with current OTC approved soils and current land use?

Title 68, Section 2817, paragraph C lists NRCS soil maps and agricultural use categories in the calculation of ag land values. In most cases, counties not using digital mapping to calculate ag land values are using paper books published 40+ years ago. NRCS has modified some of the soil boundary lines since then. In most cases, counties using these old books also rely on aerial photos from those books, to estimate current land use.

A computerized mass appraisal approach uses current soil boundaries and current aerial photography. MIMS has been able to transfer automated ag land values to the State provided CAMA system for nearly twenty years; ArcView for more than five years.

The test for this question is the production of paper section maps highlighting soil types, land use types, and parcels on each map. This approach is uniform for any mapping software in use, and ensures that the county can use its software to produce paper maps upon request.

I hope this helps. If you have any questions, or need assistance, let me know. I will visit with you as soon as I can.

Sincerely,
Steve Oliver

"Let's Get Personal" Property

by Patty Heath

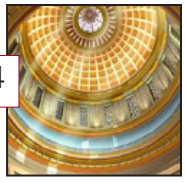
The process of balancing Five-Year Exempt Manufacturing with county bills has begun. All printouts have been sent to county assessors. It is imperative that you return the signed approval sheets back to me for the files. Please make sure that you are returning phone calls, emails, or any other correspondence in a timely manner, with respect to balancing of the Five-Year Exempt accounts. As you are completing the balancing process, please verify the school district as well as the tax liability. If there are any discrepancies in either, please call 405-319-8200. Remember, according to Rules 710:10-7-18 through 710:10-7-20 a separate account for each Exemption is required, and there could be a real and personal property bill for one printout. Due to rounding differences between the State and Assessor's office, corrections to the tax bill may be needed. The projected payouts by property type still have Electric Wind Generation leading the way with the highest payout amounts.

The Final Personal Property Schedule is on the website for use now. The cycle is starting over with preparation for the 2017 Schedule under way. If there are any categories that you would like to see in the Schedule, let us know. Research can be done to check the viability of a subject. Remember, this year electric wind generation will not be trended.

I would like to introduce Bryan Shuck. He joined me in the Personal Property Section of Ad Valorem on January 4. Bryan has a county background in commercial real estate and has worked with me on a few Five-Year Exemption inspections. He will be a great addition to the section, and has already stirred things up around here by jumping right into revamping the Square Foot Manual with additions and deletions. If there are any suggestions that you would like to see included, you may email me pheath@tax.ok.us or Bryan bryan.shuck@tax.ok.us.

Ad Valorem Forum Mailing List:

If you have coworkers who would enjoy receiving this monthly publication, please send their email address to jbittner@tax.ok.gov.



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Henry L. Bellmon

Twenty-third Statehood Governor

January 12, 1987 - January 14, 1991

In 1963, Henry Louis Bellmon had been the first Republican elected Governor of Oklahoma since statehood in 1907. After his term ended in 1967, he served as national chairman for Richard Nixon's presidential election campaign before running for U.S. Senate. After two terms in the senate, and 12 years in Washington, Bellmon returned to his farm and cattle operation in Billings, Oklahoma. (see August 2015 Forum)

Bellmon was persuaded to run for governor a second time following the removal of single-term limit from the Oklahoma constitution. He was elected in November 1986, taking office in 1987.

In late 1986 and early 1987, Oklahoma was facing plunging oil prices and a weak farming sector. The state's economy and banks were facing troubles not seen since the days of the Dust Bowl. Budget shortfalls were at nearly $350 million and a 17 percent across the board reduction in state services was anticipated.

Bellmon believed in fiscal accountability, and labored to end deficit and "pork" spending during his second term. He pushed for oversite of all state agencies and encouraged the elimination of wasteful spending practices, which included curtailing the private use of state vehicles by state employees. He also supported legislation for the creation of the Ethics Commission.

> On September 13, 1986 at a campaign kick-off rally near Ada, Bellmon said: "The State of Oklahoma absolutely has to create a climate of respect, integrity, efficiency and trust in Oklahoma government to assure fair, just and honorable treatment for all citizens. Business won't come to a state unless the government can be trusted. Oklahoma needs a governor who will not engage in or tolerate unethical conduct. This was my policy during my first term and will be my policy again."

During this time, the Oklahoma Tax Commission was restructured, adding a chief administrator to serve under a bipartisan three-member commission. The Ad Valorem taxation process was reformed to assure that all taxpayers paid equal taxes on similar properties. The Tax Commission was placed under the state's Administrative Procedures Act, which requires rulings to be published and provides for greater openness and equity in the treatment of tax protests.

In August 1989, Gov. Bellmon called a special session of the Oklahoma Legislature to improve and enhance the state's common education system. After nine months, the Legislature approved House Bill 1017, known as the Education Reform and Funding Act of 1990. The bill required mandatory kindergarten, early childhood education, an extended school year, a reduction in class sizes, new accreditation standards, voluntary school consolidation, advances in technology education, teacher incentive pay, and teacher tenure reform.

By the end of Bellmon's second term as governor, a "Rainy Day Fund" of $152.1 million was accumulated for future administrations to use in meeting emergency state needs.

Continued on page 5...

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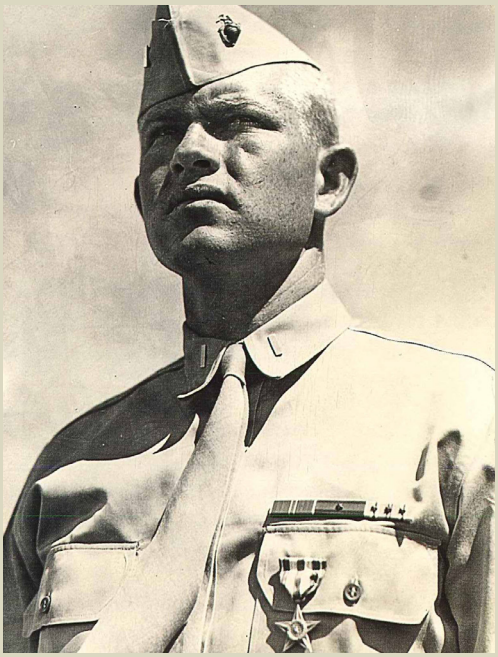
Continued from page 4 "The Governors of Oklahoma - Henry L. Bellmon"...

Henry Bellmon died September 29, 2009 at the age of 88 from complications of Parkinson's disease. He was a decorated veteran of WW II receiving a Legion of Merit and a Silver Star for his service as a lieutenant in the U.S. Marine Corps. He is buried at the Union Cemetery in Billings, Oklahoma.

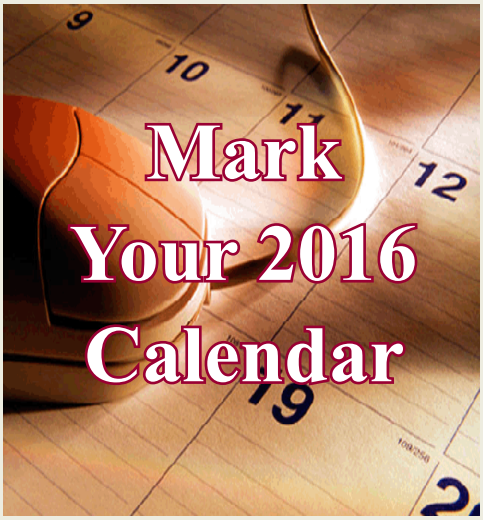
In 2009 Tulsa Southside Rotary Club and Sustainable Tulsa received permission from Bellmon's daughters to name the Henry Bellmon Sustainability Awards after Bellmon.

"Dad loved the land and never tired of teaching us about nature and its beauty and mystery. We hope to honor his legacy by teaching others and continuing to find better ways to live more sustainably with Earth." - Pat Hoerth, Ann McFerron, and Gail Wynne, Henry Bellmon's daughters.



Serving in the Marines, Henry Bellmon earns the Silver Star during World War II. He would later serve two terms as Oklahoma's governor and U. S. Senator.

Gov. Bellmon talks to students in Beaver County about their interactive television instruction program, the first in the nation to use fiber optics.



District Meeting Schedule:

- May 6: NE District Meeting, Craig County (Kelli Minson, Chair)
- May 13: NW District Meeting, Woodward County (Mistie Dunn, Chair)
- May 20: SE District Meeting, McCurtain County (Stan Lyles, Chair)
- May 27: SW District Meeting, Stephens County (Dana Buchanan, Chair)

OTC Annual Educational Conference:

- August 2-5: Tulsa Marriott Southern Hills