



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

Director's Notes:

We're preparing for the Sixty-second Annual Conference August 8-11, 2006. We've lined out most of the final program and met last month with the County Assessors' Association officers and CLGT to discuss the last arrangements. As always, we appreciate the "partnership" with those groups and the State Auditor and Inspector (SA&I) that makes the Annual Conference a success year after year.

The other good news is the checks are in the mail. The partial payment of the five-year exemption county reimbursement was mailed out last week. The payment was approximately \$30 million with the provisions for payment of the schools' share first.

We have a steady stream of reservations coming into the hotel and conference registrations. Things appear to be going smoothly with the hotel. (They have the routine down to a fine art.) Be sure and remember to turn any designated rooms back to Cathy Gibson, so we can keep reservations in our block to be used for other attendees at the conference.

We've invited all the members of the State Board of Equalization and the President of the Oklahoma Association of Tax Representatives. We will also recognize all those who've completed their initial and advanced accreditation programs last year. Oklahoma's program is one of the best and most rigorously tested programs in the nation. To recognize that achievement, the Center for Local Government Technology and Ad Valorem Division will present accreditation certificates at the opening session.

Two special program items are on the agenda. We have the Executive Director of IAAO, Lisa Daniels, and next year's IAAO President, Marion Johnson, a county appraiser from Kansas, scheduled to attend. The Ad Valorem Division and County Assessors' Association are also going to recognize all those county assessors who have retired this year or have not filed for re-election. It's a significant milestone in someone's life when they leave public service, and we'd like to honor those county assessors who are leaving the profession and fellowship of county government.

Our conference theme is "Discovering Value in Assessment Education," so we will focus on material and classes that have a direct application to the work that county assessors and deputies perform every day.

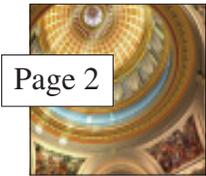
The conference profile is elsewhere in this newsletter, but here are a few highlights:

We'll have a special session on Veterans Exemptions with Phillip Driskill of the Veterans Affairs Division to answer questions in that area. Kenny Chuculate will moderate a session on "Indian Law". Mark Tygert, a senior staff analyst with the House of Representatives, will discuss Oklahoma's tax system and tax policy. William Mack will present an update on Public Service, and Larry Patton, Deputy General Counsel for the Tax Commission, will discuss "What to

A Look Ahead...

- August 8-11: 62nd Annual Educational Conference For Assessing Officers, Tulsa, Southern Hills Marriott

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Do if You’ve Got to Do a Deposition.”

A comprehensive session will be conducted on Computer Assisted Mass Appraisal. We’ll also have another great mapping program with Troy Frazier, and as always, State Auditor and Inspector and the Oklahoma Tax Commission will teach their computer classes again out at OSU-Tulsa. State Auditor and Inspector will present training on the new Windows version of the Administrative Assessment package that they’ve updated.

Doug Warr and Gary Snyder will help with the introductory session again. They’ll also conduct a session on “How to Value Mini-warehouse Storage Facilities.” Don Sporleder and Ann Embree will present a session on adding omitted property. We’ll also have sessions on personal property, and the five-year exemption program, as well as other items.

Long-time instructor Jewette Farley will present a presentation on Development and Use Of Capitalization Rates.

We’re looking forward to getting on Tulsa Time. Hope to see everyone there.

Sincerely,

Jeff Spelman, CAE

P.S. “We used to talk about Noah and the Ark, but now in Oklahoma no one remembers enough about what rain looks like, he’s just a crazy guy building a boat.” Anwar Caddo.” Famous Ad Valorem Philosopher



By the end of July, we will have close to twenty of the thirty-one counties with the State’s AA and any ArcView version upgraded to export map pictures to the new state AA Windows software. We have written code to allow map picture exports for the new AA system from ArcView 3.x. This will allow us to help the half dozen counties that have not upgraded their ArcView in a while.

With the help of Donise Rogers of Major County, we have a fix for the ArcView 8.x’s on the 2005 aerial photo problem. The 2005 aerial photos are a third generation MrSID product. If you do not want to wait for me to come by, go to www.esri.com and search for “Raster-83-update.exe.” Download the file and run it on your mapping computer. This will upgrade the ArcView 8.x to be able to use the 2005 aerials.

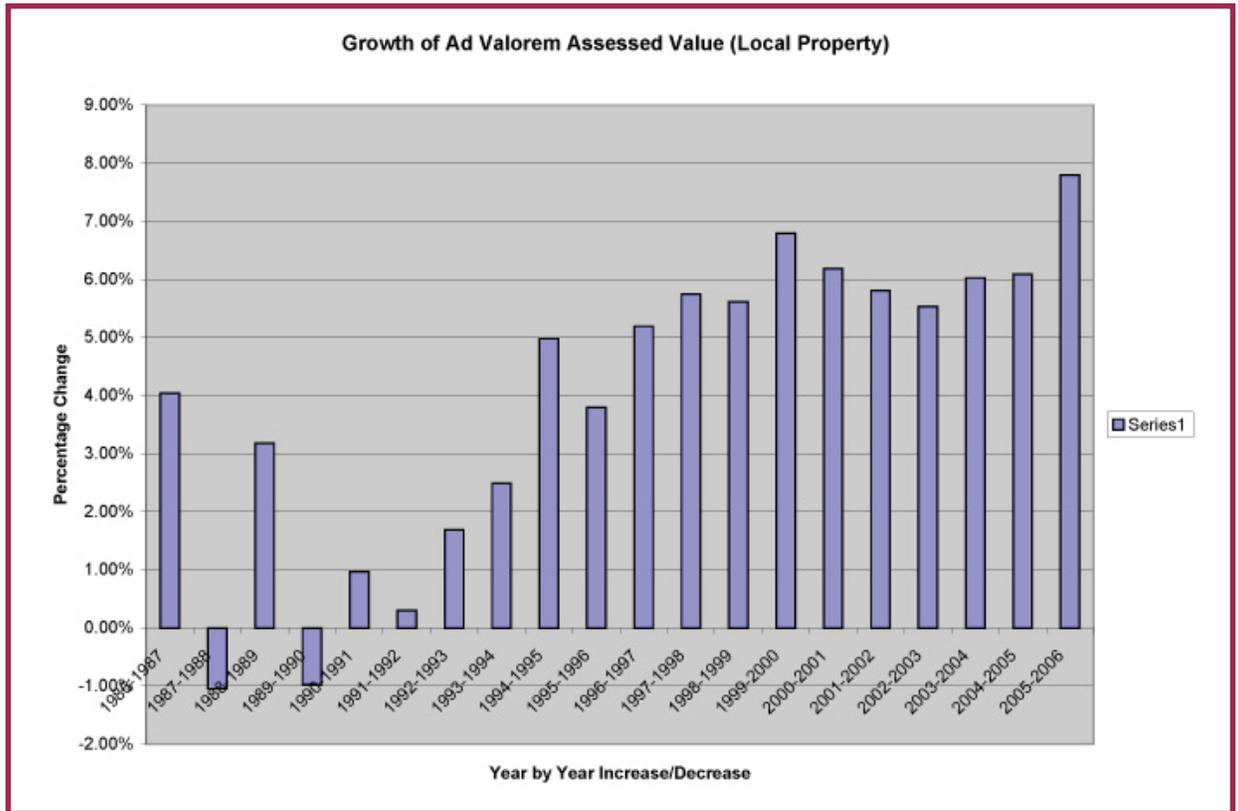
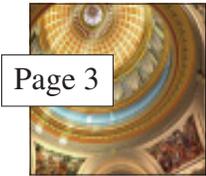
Further research found a similar fix for the much older ArcView 3.x’s. If you do not want to wait for me to come by, go to www.lizardtech.com and search for “AVMrSID.dll.” Download the file and copy it over your existing AVMrSID.dll (You may have to do a search on your computer to figure out where the old dll is). This will upgrade the ArcView 3.x to be able to use the 2005 aerials.

We have not found a fix for the free ArcExplorer’s yet. It seems that the MrSID reader is built directly into the program. So, we may not be able to fix it. We can and are producing the 2005 aerials as section-sized .jpg’s for the new AA. We can do this for any non-State AA county as well. At least this way, you will still be able to see and print them.

If you have any questions about anything mentioned above, please call me. If you have any other questions or would like to schedule a visit, please let me know.

Remember: The universal answer to all our problems is that it’s STILL Bill Gate’s fault. The problem is it seems like he’s got LOTS of help!





Property Tax News From Around The Country



Arizona...

An effort to put a property tax rollback measure before Arizona voters in November has failed. Bullhead City resident Mark Goldstone- who was behind the initiative drive- says they came up about 45-thousand signatures short of the 184-thousand needed to qualify for the ballot.

They fell short in part, says Goldstone, because they had to restart the petition process. That occurred after receiving legal advice that the original version violated a constitutional ban on multiple subjects on an initiative.

Goldstone says his organization isn't giving up and that it hopes to get the initiative before voters in the 2008 general election.



Idaho...

Idaho Democrats recently accused the state Legislature's Republican majority of forging a special session to cut property taxes in secret.

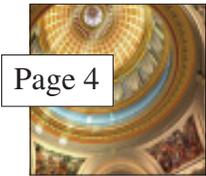
Current and former Democratic lawmakers including ex-Governor Cecil Andrus also say the GOP plan benefits special interests—including wealthy vacation homeowners such as California Governor Arnold Schwarzenegger.

At a press conference, Democrats introduced their own relief proposal. It calls for using \$104 million of Idaho's \$200 million surplus to cut property taxes that residential homeowners now pay for school maintenance funding.

By contrast, Republican Governor Jim Risch favors eliminating \$250 million that residential homeowners, vacation homeowners, businesses and agriculture pay for school operations. Risch proposes paying for these cuts with the surplus—plus a hike in Idaho's 5 percent sales tax.

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Indiana...

The Indiana Supreme court rejected a claim recently that three IU fraternities should be repaid \$110,286 in property taxes by Monroe County.

In the 4-1 majority ruling, the court ruled unconstitutional a “special law” passed by the Indiana General Assembly that would have allowed Pi Kappa Phi, Alpha Tau Omega and Sigma Chi to retroactively file for property tax exemptions after they failed to do so in 2000 and 2001.

Key to the court’s ruling was that the law applied so specifically to these fraternities and not to the general population as a whole.

“The Indiana Constitution prohibits special laws which grant privileges to a few people that are not available to others,” Chief Justice Randall Shepard wrote in the majority decision. “The statutory amendment in this case exempted three taxpayers, after the fact, from tax deadlines applicable to everyone else. The trial court was right to uphold the Constitution.”



New Jersey...

New Jersey Governor Jon S. Corzine said he plans to speak to the Legislature about reforming New Jersey’s property taxes, which are among the highest in the nation, on either July 27 or July 28.

The Assembly and Senate plan to then form committees that would mull school funding, public employee pensions, government consolidation and constitutional tax issues.

When discussing his speech, Corzine cited the budget compromise that ended a weeklong government shutdown recently. Under that deal, half the money earned by increasing the sales tax from 6 percent to 7 percent will be held for property tax relief.

Corzine said he would like that money used to prompt local governments to consolidate and share services.

New Jersey has 21 county and 566 municipal governments, 616 school districts and 186 fire districts, all of which collect property taxes to pay for their operations.

Governor Corzine said he did not favor forced consolidation, but rather enticing local governments to consolidate and share services. Still, he acknowledged that “doesn’t come easy,” citing his failed budget bid to force some communities that receive free state police patrols to help pay for them.

Bill Dressel, executive director of the New Jersey State League of Municipalities, said municipalities have long supported consolidations and shared services.

“But the fact remains that the true avenue to meaningful reform remains a restructuring of our entire property tax,” Dressel said.



Pennsylvania...

Next year, all of Pennsylvania’s school boards will have to seek voters’ permission to raise property taxes beyond the rate of inflation under a new law that tries to accomplish what an earlier one failed to do—cut taxes statewide with \$1 billion in annual slot-machine gambling revenue.

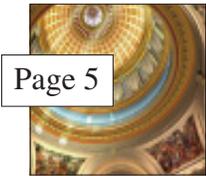
Operating under the taxing constraints set by the law known as Act 72 was voluntary, and only 111 of Pennsylvania’s 501 school districts signed on last year. About three-quarters of the 111 districts kept their property tax increases at or below the rate of inflation, avoiding a school budget referendum in the spring, according to the state Education Department.

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Receive The “Forum” By Email:

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Only one school district, Bristol Township in Bucks County, had to seek voter approval for its spending plan. Twenty-six other districts were allowed to raise taxes beyond the rate of inflation without asking voters because they won exemptions for special circumstances that allowed them to exceed the cap, such as growth in special-education or health insurance costs.

It's unclear what the average school property tax increase will be for 2006-2007. The Pennsylvania School Boards Association found in a survey completed last month by 205 school districts that opted out of Act 72 that 50 of them expected to impose tax increases above the rate of inflation.

Some taxpayers will see double-digit tax increases.



Tennessee...

Funding for the Tennessee property tax relief program for low-income elderly and disabled and for disabled veterans and their widows has been increased. The Tennessee General Assembly has approved funding for the state's property tax relief program, making \$17.7 million in state funds available to qualified homeowners. That amounts to an increase of \$7.7 million.

The state-funded program provides rebates or credits on all or a portion of property taxes on residential property owned by low-income elderly, low-income disabled, and disabled veteran homeowners and their surviving spouses.

Elderly homeowners age 65 or older who have a household income of \$20,000 or less may qualify for property tax relief. Also, disabled homeowners whose household income is \$20,000 or less may qualify. There is no age limit for disabled homeowners. Qualified applicants receive property tax relief on the first \$25,000 of their property's market value. This is an increase of \$7,000 over the previous value limit.

Disabled veteran homeowners will also see increased relief. They will be entitled to relief on the first \$175,000 of the market value of their home, instead of \$150,000. There is no income limit for disabled veterans.



And Elsewhere Around The World...

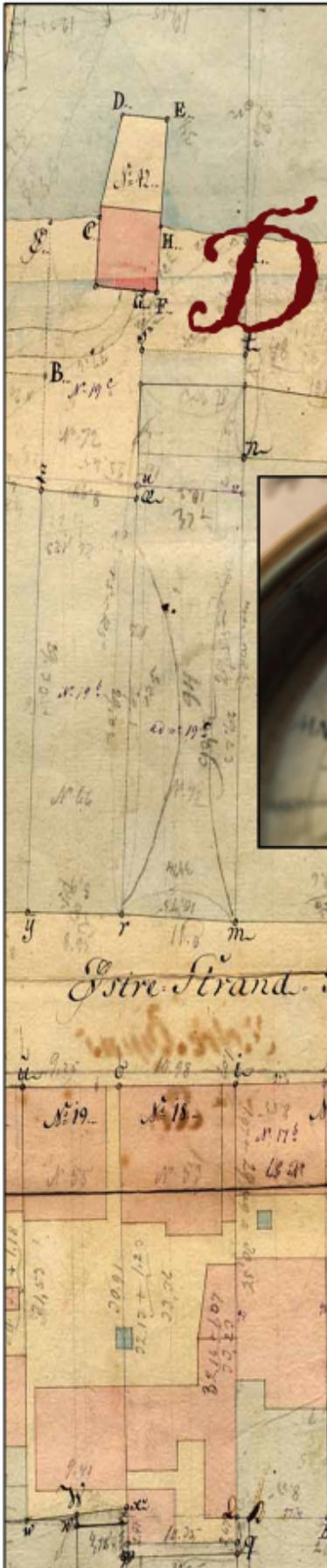
Hungary

Hungary aims to reduce their budget deficit to 3% of GDP by 2008 from this year's estimated 8% and join the euro zone in 2010 or 2011.

This budget deficit reduction will be done in part by the introduction of a new property tax beginning in 2008.



Volume XV, Issue VII ● July 2006



Oklahoma Tax Commission
62nd Annual Educational Conference
For Assessing Officers

Discovering the Value in Assessment Education



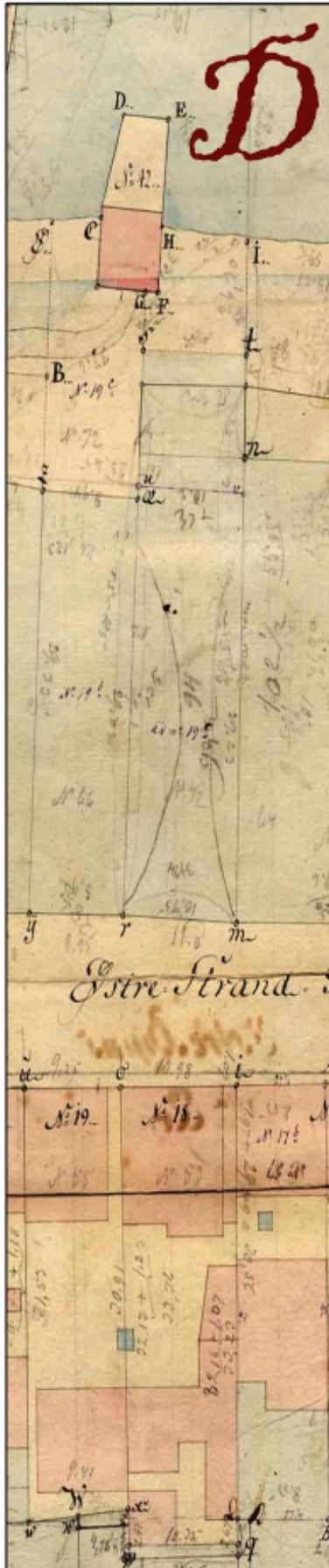
Final plans are being made for the 62nd Annual OTC Annual Educational Conference. This year's Conference theme is "Discovering the Value in Assessment Education," which will be held August 8-11 at the Tulsa Southern Hills Marriott.

Please do not cancel any rooms with the hotel after the cut-off date of July 28, but return them to Cathy Gibson (405-521-3178). She will maintain a listing of rooms returned as well as rooms needed. When this system is used, no rooms are lost from the designated block. Thank you for your cooperation in this process.

August 8-11, 2006
Tulsa, Oklahoma
Southern Hills Marriott



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Discovering the Value in Assessment Education

Conference Highlights

Administrative Sessions—

“Taxation Of Tribal Property”

Presenters: Kenny Chuculate, Judith Royster, Larry Patton, Lisa Weintraub. This Thursday morning session will provide details explaining the taxable status of all types of tribal property. The speakers will cover all aspects of the process of determining whether tribal property is exempt, or subject to ad valorem taxation, and will provide multiple resources to assist you in the valuation of Indian land in your county. Instructors will take questions on specific issues at the end of the session.

“CAMA Valuation Theory”

Presenters: Glen Blood, Greg Harmon, Joe Hapgood, CAE
What exactly IS the proper way to value property using CAMA? This Wednesday morning joint session with the Administrative and Appraiser sections will focus on why certain steps are taken in a set sequence to generate accurate values. The importance of data accuracy and integrity will also be stressed. This session will include a short panel discussion with several assessors who are “CAMA practitioners.”

“How To Give A Deposition”

Presenter: Larry Patton
This Wednesday afternoon session will cover all aspects of giving depositions, from preparation to the proper way to respond to questions. No one enjoys giving depositions, but everyone should know how to deal with this difficult yet inevitable situation.

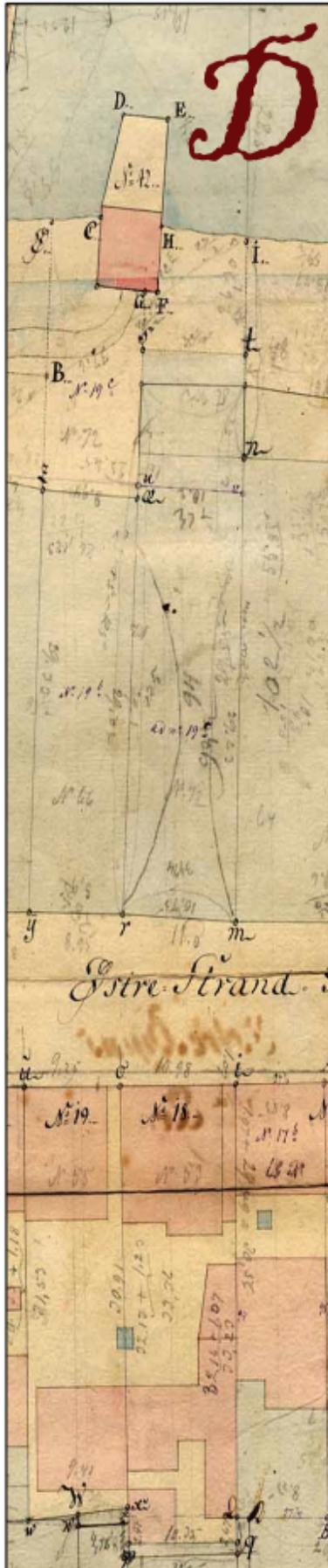
“An Overview Of Oklahoma’s Tax System: A Legislative Perspective”

Presenter: Mark Tygret
Mark Tygret will discuss Oklahoma’s tax system and the Oklahoma Legislature’s role in setting tax policy for the state. Mr. Tygret is a Senior Legislative Analyst specializing in tax policy and legislative appropriations.

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Discovering the Value in Assessment Education

Conference Highlights

Appraiser / Personal Property Sessions—

“Development & Use Of Capitalization Rates”

Presenter: Jewette Farley, CAE

This Thursday morning session will cover some of the basics involved in the development and use of capitalization rates used in the valuation of commercial property.

“Valuation Of Mini-Storage Buildings”

Presenters: Gary Snyder, Doug Warr, AAS

This all-afternoon Thursday session is a detailed look at the process of valuing mini-storage buildings around the state. CLGT trainers Gary Snyder and Doug Warr will share valuable information that should make life a little easier for appraisers everywhere.

Mapping Sessions—

“MIMS Training”

Presenter: Dr. Paul Bendt

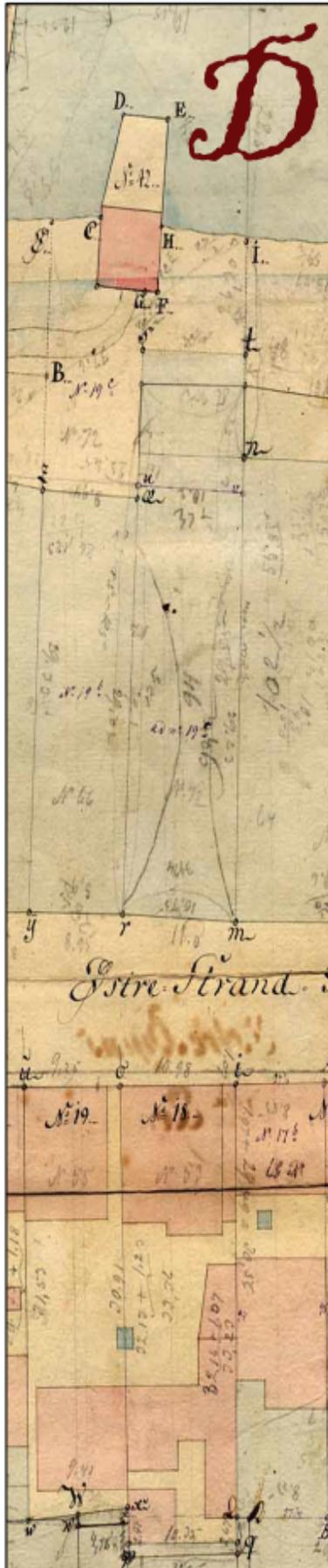
Once again we will have Dr. Paul Bendt teaching at the Educational Conference. He will focus on instruction that is both practical and useful to county mappers. You'll take home some skills that you can put to use as soon as you get back to the office.

“ArcView 8+ Training”

Presenter: Troy Frazier

Find out some of the “tricks” of the business with this Arcview 8+ session. This class will cover the basics in using this software program, along with a few special tips that will hopefully make your county mapping program run smoothly. Recommended for all counties utilizing ArcView software.

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Discovering the Value in Assessment Education

Conference Highlights

Computer Support Sessions—

“State System CAMA And AA Report Writer Sessions”

Presenters: OTC Staff, SA&I Staff

These one-day repeat sessions on Wednesday and Thursday at the OSU Tulsa computer labs are an opportunity for employees to receive important CAMA and AA training to practice in a hands-on environment. The AA training will focus on report writing with the new AA Windows system, and the CAMA training will emphasize the specific steps in the valuation process.

“Concurrent User Group Meetings”

Presenters: OTC Staff, Radiant Software, SA&I, TerraScan, Colorado Customware

These Friday morning concurrent sessions allow users of the various appraisal software programs around the state to discuss current issues, new programming, any problems that may be occurring, and to share tips or other relevant information with others using the same CAMA or Assessment Administration software programs. Someone from every assessor’s office should plan to attend their respective user group meeting.

Assessment Overview Sessions—

“Assessment Overview Topics”

Presenters: OTC Staff, CLGT Staff

Whether you’ve just started working in the assessor’s office or you’re a long-time employee wanting a refresher on any of the various ad valorem functions and responsibilities, you’ll find these sessions during the week to be most helpful. Course material will provide overviews of the many assessment functions, including laws, rules, and various techniques used in valuation of property for ad valorem tax purposes.

If you have any class enrollment questions, or need other assistance with the Conference materials we have sent your office, please call the AdValorem Division at any time. We look forward to seeing everyone in August!