



*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 on the downhill stretch filling in the last minute details for the Sixty-fourth Annual Conference. We've been in contact with the Todd Mathes, County Assessors' Association president and CLGT to discuss the final arrangements.

I was really pleased that the hard work of the County Assessors' Association, State Auditor and Inspector, and Oklahoma State University has paid off. We'll have Scott Warren, Johnny Caldwell, and Carol Bomoff newly employed by CLGT conducting their usual computer training at OSU-Tulsa.

Hotel reservations have been fairly steady and we filled the block. For those of you who are new or need a reminder, please be sure 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. So far, despite their busy schedules, we have Lt. Governor Jari Askins, State Treasurer Scott Meacham, new State Auditor Steve Burrage, and Secretary Terry Peach who plan to be present. That is a wonderful turn out of State Board of Equalization members and we're looking forward to the opening session.

Again this year, we will recognize those County Assessors and Deputies who've completed their initial and advanced accreditation programs. 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 the Ad Valorem Division will present accreditation certificates at the opening session.

The Assessors' Association has evening activities planned including a Drillers' baseball game. There will be a registration table on the second floor where you may sign up for the activities.

**Conference Highlights:** Kenny Chuculate will moderate a session on "Developers' Property." Sally Frazier and Charles Wilson will present a session on "Digital Photography: They Shoot Houses, Don't They?" We'll have a session on Veterans' Exemptions with Phillip Driskill of the Veterans' Affairs Division. I'll present an update on Public Service, and Larry Patton, Deputy General Counsel for the Tax Commission, will provide a legal update. Paula Ross of the Oklahoma Tax Commission will make a presentation on the Voluntary Compliance Initiative, and I'll do a session on property tax systems in the surrounding states entitled "They don't do it that way in Texas, Kansas, Missouri, Arkansas, Louisiana, Colorado or New Mexico." We also have a session on "After the Storm" on the role of the county assessor in the wake of natural disasters such as storms or floods. Joe Hapgood, CAE will conduct a session on Data Collection and Troy Frazier will present the mapping track.

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Doug Warr and Gary Snyder will conduct the introductory session again, as well as a class on Fundamentals of Mass Appraisal. Lisa Hobart, an outstanding IAAO Instructor, will present sessions on basic auditing of business personal property. Patti Heath and Doug Brydon will conduct a session on the five-year exemption program, and Larry Rawlings will discuss personal property issues and work with the basic auditing class.

We're looking forward to getting on Tulsa Time. Hope to see everyone there. I appreciate the effort of everyone rearranging their schedule and family time to come to the annual conference. It is a testament to the dedication and hard work of those assessors and deputies in keeping current on new developments and increasing their professionalism for the taxpayers of the state.

Sincerely,

Jeff Spelman, CAE

*P.S. "Never underestimate the power of simple courtesy. It makes the world a better place, and while your act of courtesy may not be returned or remembered, acts of discourtesy will be remembered for years." Stanley T. Cimarron, Ad Valorem Philosopher. Quote borrowed from Princess Jackson-Smith.*

## Agriculture Exemption Renewals

### Mailing and Faxing Procedures

The Taxpayer Assistance Division is requesting that if you send your agriculture exemption renewals to the Oklahoma Tax Commission via diskette, PLEASE send them on a MONTHLY basis. This will benefit your county, your taxpayers and the Tax Commission in processing the renewals.

Send the diskette to:

Oklahoma Tax Commission  
Attn: Beth Tigner  
P. O. Box 269057  
Oklahoma City, OK 73126-9057

If you are faxing the applications, send to Beth at 405-521-3826 which is the fax number for the Business Service Section.

Thank you for your assistance.

## Assessor Training and Accreditation Program

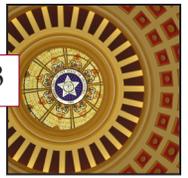
Listed below are the upcoming training courses available for those in the accreditation program.

- **Unit 1 - Introduction to Assessor's Office**  
August 19 – 22; Norman
- **Microsoft Excel for Assessors**  
August 28; Stillwater
- **Unit 2 - Real Property Appraisal**  
September 16 – 19; Norman

You may enroll at: <http://clgt.okstate.edu> or fax your registration to 405-744-7268.

If you have any questions, please call 405-744-6049 or e-mail [doug.warr@okstate.edu](mailto:doug.warr@okstate.edu) or [gary.snyder@okstate.edu](mailto:gary.snyder@okstate.edu).

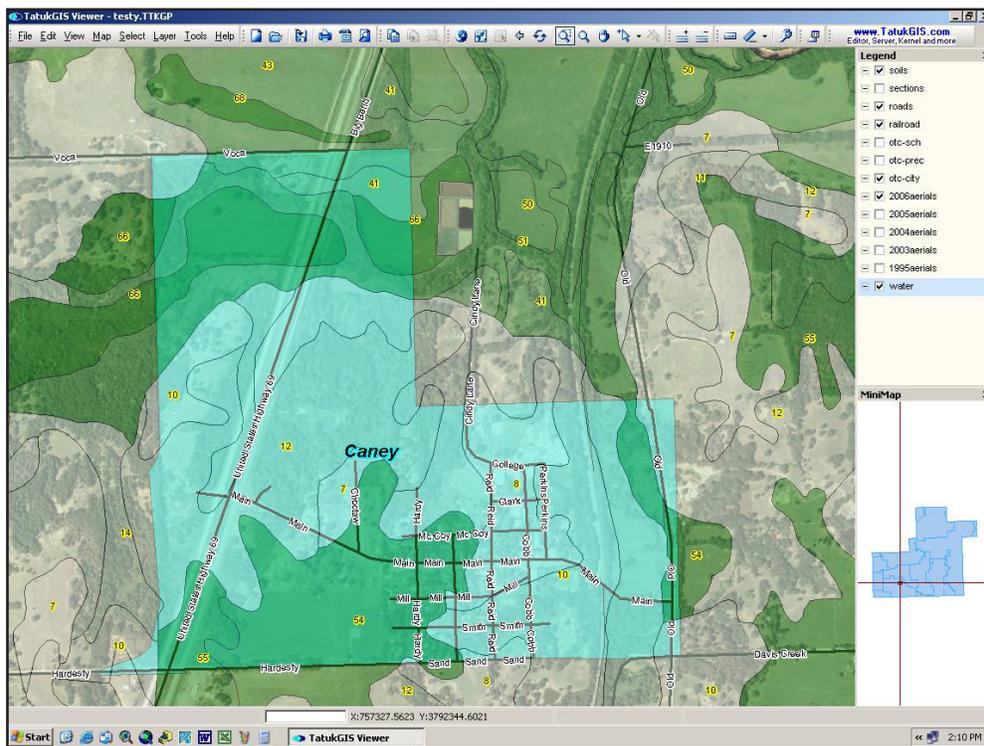




# “A Mapping Minute” With Troy Frazier

Those of you using ArcExplorer have had to imagine looking at the 2004, 2005, and 2006 aerial photos because ArcExplorer cannot read the format of these newer aeriels.

The newer aerial photos are “3rd generation Mr.SID” photos. “3rd generation” is a relatively new, better compression format. If we were to uncompress these county-wide photos, they would take up to 20 to 40 times as much hard drive space as they currently do.



ArcExplorer 2 was written in the mid-1990’s as a free “hook” to get people to buy the not-so-free ArcView. A few years later, the ArcView folks, ESRI, did release a newer version of ArcExplorer, but it requires access to the internet to run. This is why we did not bother to give it to you.

As we have been looking and downloading data for you, we noticed another free mapping viewer being linked to on several federal websites such as the Farm Services Administration’s Aerial Field Office. These websites refer to a mapping program called TatukGIS. It is written and developed in Poland with US investor money. It is a little clunky, but it can read “3rd generation Mr.SID” aerial photos!!

As a result, we will be including this free viewer’s installation program instead of the ArcExplorer on all future “County Mapping Support” dvd’s. We will also hold off from producing a 2008 dvd. The 2008 aerial photos should be available by the end of August, which will be too late for the Tulsa School. So, we are going to put all this new mapping stuff on a 2009 dvd and give it to you during the winter CODA conference (wink-wink-nod-nod).

*Remember: Again, usually, the only thing holding us back is ourselves.*





INTERNATIONAL ASSOCIATION  
OF ASSESSING OFFICERS

The mission of IAAO is to promote innovation and excellence in property appraisal, property tax policy and administration through professional development, education, research, and technical assistance.



INTERNATIONAL ASSOCIATION  
OF ASSESSING OFFICERS

## Useful Publications Offered by IAAO

The International Association of Assessing Officers is an excellent source of informative materials you can share with the property owners in your county.

Two examples of that can be found on the following web links:

- “Understanding Your Assessment”  
[www.iaao.org/uploads/Understanding\\_Your\\_Assessment.pdf](http://www.iaao.org/uploads/Understanding_Your_Assessment.pdf)
- “For the Property Owner Who Wants to Know”  
[www.iaao.org/uploads/Property\\_Owner.pdf](http://www.iaao.org/uploads/Property_Owner.pdf)

Visit IAAO’s website at [www.iaao.org](http://www.iaao.org) to see the many services it offers to members. Take advantage of this organization’s wealth of knowledge and networking system by becoming a member today. Applications are available online.

## Appreciating the Property Tax

By Gregory K. Ingram

The property tax has been subject to much popular criticism and political pressure in recent decades. Several states have implemented, or are considering, a variety of caps and limits on property assessments, property tax rates, or total revenue raised from the property tax. Perhaps the best-known example is California’s Proposition 13, which ties property assessments to the purchase price of a dwelling (rather than is current market value) and limits the tax rate that can be levied on homes.

It is worth taking another look at the property tax and considering its strengths and weaknesses as a source of funding for local government services.

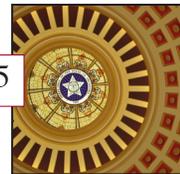
One of its major strengths is that local public services generally benefit local taxpayers. Police and fire protection, trash removal, and street cleaning directly affect real property and real property values in the taxing jurisdiction. Moreover, because land and buildings are immobile, it is difficult for local property owners to escape a tax on their real estate holdings. By contrast, a local sales tax can encourage purchases in a low-tax locality, and a local income tax can encourage relocation by high-income earners.

Many observers believe that taxpayers are particularly sensitive to the property tax because it is highly visible and is levied at regular intervals. This visibility undoubtedly invites more scrutiny from taxpayers, which sometimes leads to new proposals for property tax limits. However, this scrutiny also leads taxpayers to engage with their local governments to review how tax revenues are being spent on services, thus promoting both civic engagement and fiscal discipline in local governments. These outcomes are strengths of the property tax, not weaknesses.

Local governments typically cannot incur deficits in their operating budgets, so they must be able to accurately predict both their revenues and expenses during each fiscal year. Property tax revenues are more predictable and stable within a fiscal year than revenues from virtually any other tax. The property tax base changes little during the year, and nonpayment rates of property taxes are low because the consequences of nonpayment are severe. By comparison, revenues from income and sales taxes can and do vary dramatically within a fiscal year because they closely track variations in overall economic activity. In addition, data indicate that property tax revenues are more stable across fiscal years than either revenues from other taxes or state aid payments to local governments because property tax revenues are less correlated with business cycles.

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Although many observers believe that property taxes as a share of income are higher for low-income households than for high-income households, terming them “regressive,” this view is problematic for several reasons. First, most simple analyses of property tax incidence ignore renter households (who typically have below-average incomes), and are based only on the principal residence, whereas many high-income households have more than one home.

Second, because local property taxes are used mainly to provide local services to households who choose to live in the service-providing community, property taxes are essentially payments for those services. To the extent that property taxes are payments for benefits received by property owners, it makes no more sense to characterize them as regressive than it would to consider household payments for other goods such as food or clothing as regressive. Third, empirical studies show that the value of local services received by households is often capitalized in their property values. Finally, sales taxes – often proposed as an alternative to property taxes – are clearly regressive.

Special challenges arise when local property taxes are used to fund local public services that spill over municipal boundaries or that raise issues of equity. For example, many states have altered the use of local property taxes to fund local schools by reducing the variation in per-pupil expenditures among local jurisdictions in order to improve the equity of school funding. These changes essentially reflect the view that the local provision of education is appropriate, but the level of funding for education should not be completely determined or borne by local governments.

In short, property taxes are extremely well suited as a source of funding for local services, and they are widely used in both industrial and developing countries.

*(Mr. Ingram is the President and CEO of the Lincoln Institute of Land Policy. This article appeared in the April 2008 issue of Land Lines. Reprinted with permission.)*

## July “4C” Committee Meeting

Chairperson, Debbie Gentry, called the County Computer Coordination Committee to order July 8 at 10:00 a.m. in the Ad Valorem Division’s conference room.

The first order of business was to set the next meeting date to be Tuesday, August 5, 2008, at the Tulsa Marriott immediately after the Opening Session of the educational conference and after the assessors’ group photo. The location will be the Cypress Board Room.

Clean-up work continues on New Draw and Window applications. One issue occurs sporadically when owner names disappear if entering additional data in the “DBA” line. There is some difficulty getting the problem replicated where it can be identified and corrected.

Kay County is currently testing the ability to attach a PDF file to the property record card. Charles Wilson and Sally Frazier will be instructing a digital camera class at the conference to show how to use the camera for the assessors’ purposes.

The new digital cameras take photos that are too big and require too much storage. They have no option to save in a smaller pixel. A program such as ArcSoft will change the quality to 20% and resave as a JPG, thereby taking up less storage. Free software will be available for that purpose.

Counties should clean out old storage that is no longer needed to make room for storing new data and photos.

Scott Warren, Carol Bomhoff and Johnny Caldwell are officially employees of OSU, Center for Local Government Technology. Voice and e-mail will be available for them soon. Now that the relocation is completed, the team will begin making its rounds in the counties. Scott reported that Vista will not be on the new machines until July 19. XP is on them currently, but they come with a Vista disk to install later. There is a Service Pack 3 available for XP. The team will be inventorying the counties to determine what equipment is now in place.

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The Oklahoma Tax Commission has had a printer problem and was unable to print and mail ag permit renewal cards. Businesses can telephone 800-522-8165, work through the menu, select option #3, and then enter the card number. It will tell the business owner the card has been renewed. The cards were expected to be printed by Friday, July 11, and in the mail.

If working in ReportWriter and searching by book and page, the numbers have to be right-hand justified in the search field in order to work properly.

Due to the expansion of the NAISC codes, the CAMA tables will need revising to accommodate new classes of businesses. This will be addressed at the training class in Tulsa.

## Home Values and Tax Rates Across the Nation

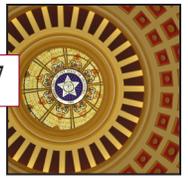
The following chart is an alphabetical listing of the fifty United States plus Washington DC indicating the average value of homes and the average residential property tax per \$1,000 dollars of value.

The chart indicates that 18 states have lower tax rates per thousand dollars of value than Oklahoma. Only one state has a lower average home value (North Dakota), while one state is slightly higher (West Virginia).

State	Average residential property tax per \$1,000 of value	Average value of homes	State	Average residential property tax per \$1,000 of value	Average value of homes
Alabama	3.78	\$109,920	Montana	10.88	\$118,825
Alaska	12.44	\$158,065	Nebraska	16.44	\$102,822
Arizona	7.39	\$154,554	Nevada	7.92	\$172,989
Arkansas	7.00	\$90,377	New Hampshire	19.90	\$156,863
California	7.20	\$283,891	New Jersey	20.48	\$215,955
Colorado	6.52	\$203,316	New Mexico	6.14	\$133,895
Connecticut	14.33	\$232,424	New York	18.34	\$190,078
Delaware	6.32	\$153,474	North Carolina	7.63	\$137,312
DC	6.18	\$252,141	North Dakota	16.87	\$82,996
Florida	11.71	\$141,659	Ohio	12.05	\$126,338
Georgia	8.55	\$143,792	Oklahoma	7.98	\$86,757
Hawaii	3.08	\$311,519	Oregon	10.45	\$179,788
Idaho	9.06	\$130,058	Pennsylvania	15.13	\$120,745
Illinois	16.07	\$164,061	Rhode Island	16.72	\$162,684
Indiana	9.51	\$113,854	South Carolina	5.49	\$127,539
Iowa	12.87	\$97,682	South Dakota	16.10	\$91,457
Kansas	11.56	\$103,669	Tennessee	7.63	\$119,923
Kentucky	7.24	\$105,952	Texas	16.98	\$109,639
Louisiana	3.59	\$106,953	Utah	6.37	\$175,587
Maine	13.03	\$123,917	Vermont	17.75	\$131,727
Maryland	11.21	\$179,458	Virginia	8.91	\$160,382
Massachusetts	11.15	\$234,345	Washington	10.24	\$208,850
Michigan	12.36	\$142,654	West Virginia	5.34	\$86,995
Minnesota	11.47	\$142,700	Wisconsin	18.51	\$131,853
Mississippi	6.18	\$90,164	Wyoming	5.92	\$124,241
Missouri	9.22	\$114,482	<b>U.S.</b>	<b>11.27</b>	<b>\$158,934</b>

This information was compiled by the National Association of Home Builders.





## Focus on Adair County

When the Cherokees were driven from their homes in Georgia and Tennessee, some of their most prominent families settled within the present limits of Adair County. They were attracted by the primitive forests and beautiful streams where game and fish were plentiful.

Adair County was named in honor of Watt Adair, a Cherokee who was one of the first settlers of Indian Territory. The county seat is Stilwell which was founded in 1897 by railroad baron Arthur Stilwell, who also founded the cities of Stilwell, Kansas and Port Arthur, Texas.

Located in the eastern part of Oklahoma, the western slope of what is called the "Ozark Uplift" of Arkansas extends into Adair County, giving it an altitude of one thousand feet or more. The greater part of the county is rough and hilly and originally was heavily timbered. The hilly sections are underlaid with sandstone, limestone, and granite which very closely resemble marble. These hills are plentifully supplied with sparkling springs and good grass.

One of the historic spots in the area is the site of the old Flint District Courthouse where many important civil and criminal trials were held during the days when the laws of the Cherokee Nation were in full force and effect. The Cherokees say the laws were rigidly enforced and justice was swift.

Adair County boasts of being one of the best watered counties of the state, its numerous springs forming little streams which furnish pure water for every neighborhood. These streams and creeks are all tributaries of the Illinois and Arkansas rivers, and not only supply pure water to the inhabitants of the county, but furnish great sport for anglers.

The greater part of the hilly sections of this county is still covered with timber, consisting of oak, hickory, walnut, ash, elm and sycamore, much of which is suitable for making furniture and building material.

Stilwell has been dubbed the "Strawberry Capitol of the World" with over a thousand acres of strawberry fields. Its strawberry festival is held annually on the second Saturday of May. Quite a number of orchards have existed for many years producing fruit and berries. This section of Oklahoma may soon compete with Arkansas in the production of fine apples.



*This courthouse was built in 1931 after the original courthouse burned. It was placed on the National Register of Historic Places in 1984.*



### Adair County Demographics

**Population:** 21,657

**Area:** 577 square miles

**2007 Real Property Assessed Valuation:** \$53,579,722

**2007 Personal Property Assessed Valuation:** \$17,499,753

