



Oklahoma Ad Valorem

FORUM

Director's Notes:

Abstract time again and the completion of the public service valuations has arrived for 2005.

The Ad Valorem Division has experienced an extremely busy month building up to the June 20, 2005 State Board of Equalization (SBOE) meeting. We hope that our effort of the last two years to get all 77 county abstracts in on time happens once again. Our public service valuations were completed on time, but with our stretched-short staff situation, we were challenged to get all the values done on a very short time schedule.

We completed the Annual District and OATR meetings last month. I thought the meetings were really productive this year. The Oklahoma Association of Tax Representatives invited us to their spring meeting in Tulsa, and we always appreciate an opportunity to discuss their issues and concerns. The OATR membership has lots of experience and knowledge in the process.

On behalf of the County Assessors Association officers, President Denise Heavner and her officers, the Ad Valorem Division really appreciate the efforts of the counties that hosted the District meetings— Jack O'Neal, Sequoyah, Jim Kelley, Pittsburg; Lennet Pisacka, Dewey, and Ron Funck, Canadian. We had great attendance with a super turnout. I always learn so much: this year we had a lecture on the Eastern Red Cedar plague in western Oklahoma, some Native American dance demonstrations, great meals including some Italian food in McAlester and some western chuck wagon fare in El Reno at their Rock Island museum.

The Legislative session resulted in a few, but significant pieces of legislation. We'll be getting copies out shortly. We have two changes in the five-year program as well as a couple other changes.

Annual Conference planning is proceeding. Our bid process is late this year, but we hope to have dates and a hotel lined up fairly soon. We'll notify you as soon as possible. See the article elsewhere in this issue of the *Forum* for a review of Conference highlights.

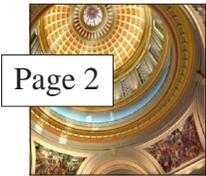
I saw a recent interview on OETA about one of the traditions of the Oklahoma Highway Patrol Academy. Each new cadet is charged with the duty to remember one of the troopers lost in the line of duty. Each cadet learns the name and details of someone in whose path that they are about to follow. It is a way of recognizing the work and sacrifice of those that have gone before us. I think it is a wonderful link between the past and the future.

As the county assessors work through their abstracts, I think it is interesting to reflect on the "old days" before some of our

Continued on page 2...

A Look Ahead...

- July 4, Independence Day
- July 12-15, Unit II, Tulsa
- August 9-12, 61st Annual Education Conference for Assessing Officers, Tulsa
- August 22-26, IAAO Course 300, Mass Appraisal, Tulsa



Continued from page 1 “Director’s Notes”...

accomplishments in computerization of so much of the county ad valorem system.

When I first got in the business, Oklahoma County had already computerized its system, but many of the county assessors I knew told me horror stories that they remembered when in late May and early June every county assessors office became almost completely submerged in huge rolls of calculator tape on the floor during the struggle to complete the Abstract.

The statute provided that if the roll was not completed on time: no one got paid. This penalty was invoked on a regular basis. It was a serious, difficult task and I’m glad those days are gone, but in some ways, it is a loss.

We have a tendency to take the new systems for granted. It is difficult to realize how hard it really is to put together a complete and accurate Abstract for the public and the taxpayers who support schools and county government. Like the Academy, we don’t want to forget the hard work and sacrifice of those that went before us and our duty to make this system work as fairly and equitably as it can.

If we don’t see everyone at the SBOE meeting, we’ll see you at the Annual Conference in Tulsa at a hotel to be named later after the bid is complete.

Volume XIV, Issue VI • June 2005



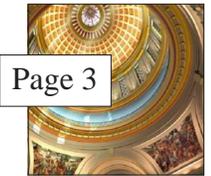
Guess what? While everyone’s attention was turned towards monitoring all the new ad valorem legislation making its way through the capitol, the Oklahoma State Board of Registration for Professional Engineers and Land Surveyors may have completely changed the conventional approach we take in assessment mapping.

Through HB 1607, the Legislature changed Title 59, Chapter 10, Article I dealing with engineering and land surveying. Specifically, the definition of “Practice of land surveying” has been modified to include “obtaining and evaluating evidence for the determination of land boundaries” (pulling and reading deeds?), “determination of the areas and elevations of land parcels” (calculating soil acreages?), “subdivision of land parcels into smaller parcels and/or the preparation of the descriptions thereof” (working splits and preparing legal descriptions for the tax roll?), and “preparation of the control portions of geographic information systems and land information systems” (corrections to inaccurate section grids?) Violations of this statute can carry fines ranging from \$250 to \$10,000.

There is a public meeting scheduled July 22 at 9:00 a.m. at the Oklahoma Engineering Center located at 201 NE 27th Street in Oklahoma City. The purpose of this meeting is to “discuss whether or not the tasks of a photogrammetrist, GIS mapper, and others fall under the definition of the practice of land surveying.” If after this meeting this organization determines that county assessor mapping falls under “the practice of land surveying,” the changed statute will require that a licensed surveyor be involved in every step of the assessor mapping process either on staff as a full-time employee or hired as part of a “land surveying firm” which would be hired to do the mapping (\$\$\$\$\$).

Remember: *You can help shape the future only if you let your thoughts be known! Those who disagree with something quietly will also suffer quietly later!*





Making Money In “Mobile” Housing

From An Online Article Published on MSNBC.com By CNBC Reporter Jane Wells

When Chuck and Sandy Stanley retired recently to East Mesa, Arizona, they moved into a brand new home with lots of space, granite countertops and new appliances. You would have never guessed it was assembled in a factory.

“I would never in a million years have thought that we would be living in a manufactured home, to be perfectly honest with you,” Chuck Stanley told CNBC recently.

The business of manufactured housing, or homes assembled in a factory and transported to a site, has long struggled with a “trailer trash” image. But today’s manufactured homes can be 3,000 square feet in size, they can cost anything from \$40,000 to \$200,000 and they’re going into higher-end housing developments.

And where some see trailer trash, others—such as billionaire investor Warren Buffett—apparently see trailer treasure. Two years ago, Buffett’s Berkshire Hathaway holding company bought Clayton Homes of Maryville, Tennessee, one of the biggest firms in the manufactured housing sector.

Over in Ocala, Florida, Nobility Homes—another manufactured housing company—this week reported record sales and earnings for its second quarter, with net income up nearly 50 percent from a year ago. The firm also said that in the current environment it expects its business to remain under pressure.

The manufactured housing business has certainly seen better days. A few years back, manufactured housing accounted for 24 percent of all new single family home starts, but since then that number has plummeted to 7 percent. No housing bubble here, to be sure, so why are big-money guys like Buffett moving in?

The sector has suffered as low interest rates allowed more people to buy traditional, site-built homes. And mortgages cost slightly higher for manufactured homes, since it costs the same to service the loans, but the principals are lower. On top of that, over-expansion and overly aggressive lending has led to a number of defaults, creating a glut of supply.

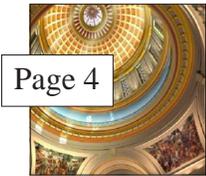
But that glut may now be starting to decrease. Manufactured home builder Cavco Industries, for example, has seen its backlog jump to 15 weeks, which is three times the norm. The company has seen its stock price jump more than 35 percent in the past year.

“Anything that can be done on site we can do at a factory, except we can do it more efficiently, and at half the cost,” notes Joe Stegmayer, chairman and CEO of Cavco.

Stegmayer says the industry has turned a corner, but it’s not bouncing back as quickly as some had predicted. He also says the biggest hurdle for the industry is the availability of financing, but Buffett has made a big difference in that area, buying Clayton Homes because of its lending arm.

Stegmayer predicts that just a little movement from site-built homes to manufactured homes will be enough to make a big difference for his company and others like it.





Continued from page 3 "Making Money in Mobile Housing"...

Cavco is reaching out to retirees and first-time homebuyers, and also to people with land who can't get a contractor to build a single home. Stegmayer also says his firm is targeting people looking for vacation homes, and also immigrants who are not prejudiced against manufactured housing, which has improved dramatically in quality.

For many, interest rates need to move up 1.5 points to convince more homebuyers to buy more manufactured housing. But even as sales remain one third of what they were five years ago, with some companies still in the red, some have been busy buying up stocks in the sector.

"I think it's housing without the real estate," said Mario Gabelli, chief investment officer at Gabelli Asset Management, noting that land is bought separately.

A shortage of land in many of the nation's hottest housing markets is a key factor driving up home prices, economists say.

Volume XIV, Issue VI • June 2005

Property Tax Continues To Spark Debates Across The Country



With real estate prices skyrocketing across the country, and assessors nationwide scrambling to keep pace with hot home markets, homeowners are waging revolts as property taxes post massive gains.

Faced with these protests, legislatures are considering ways to provide relief. Besides implementing a two-year cap on property taxes, Nevada is studying a constitutional amendment that would change the way property taxes are figured.

Maine is picking up a larger share of education costs, which may help to lower property taxes, while voters in New Jersey are trying to force a constitutional convention that would reform property taxes. The State House has to authorize the convention.

"Almost every state is looking at some form of property-tax cap," says Myron Orfield, an expert on property taxes and a law professor at the University of Minnesota in Minneapolis. "It's a 'perfect storm' for property taxes: There are rapidly increasing home values while states are not keeping up with their contributions to school districts."

Oklahoma Tax Facts:

- Oklahoma's Certified State Budget is \$5.391 Billion.
- Eighty percent of the budget comes from the General Revenue Fund.

MOVING UP

Ten fastest growing counties in the U.S., 2000-03

	% increase in population
Loudoun County, Va.	30.7%
Chattahoochee County, Ga.	29.9%
Douglas County, Colo.	27.1%
Rockwall County, Texas	26.8%
Forsyth County, Ga.	25.8%
Henry County, Ga.	25.7%
Flagler County, Fla.	24.8%
Newton County, Ga.	22.8%
Paulding County, Ga.	22.7%
Kendall County, Ill.	22.0%

Source: U.S. Census Bureau



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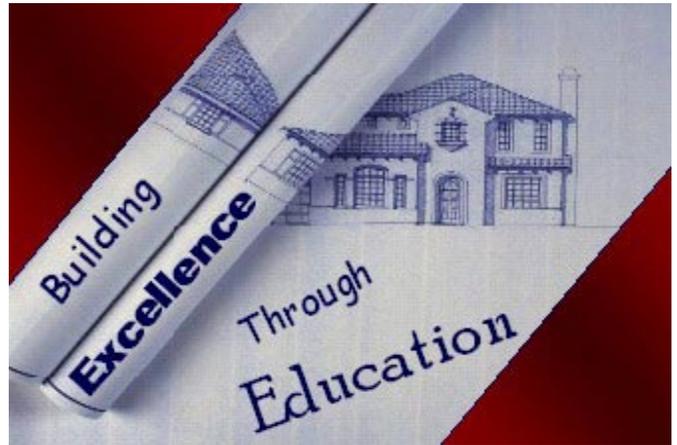
To receive the "Ad Valorem Forum" by email, please forward your email address to Cyndi Heath at cheath@oktax.state.ok.us.

61st Annual Educational Conference Highlights

The 61st Annual Tax Commission Educational Conference for Assessing Officers will be held in Tulsa, August 9-12, 2005. The Conference hotel will be announced as soon as the bid is awarded. This is expected in early July.

This year's Conference theme is "Building Excellence Through Education."

There are numerous learning opportunities for assessors and deputies this year. Listed below are some highlights from the various Conference tracks. The Ad Valorem Division is excited about this year's Conference and looks forward to seeing everyone in Tulsa!



ADMINISTRATIVE SESSIONS

"How To Eliminate Household Personal Property"

Presenters: Greg Hodges, SA&I, Kenny Chuculate, OTC, and Tom Henry, Oklahoma County

This Thursday morning session will provide step by step instructions for eliminating household personal property in counties that have not yet abolished the tax. The speakers will detail the process including everything from how to get the issue on the ballot all the way through the final steps in the process.

"Public Relations: Never Criticize Anyone Who Buys Their Ink By The Barrel"

Presenters: Larry Stein, Jeff Spelman, CAE

How do county assessors communicate with taxpayers and the public? Information and openness are the keys. This session covers ways to work with small weekly newspapers as well as other media, including print, radio or TV reporters. Some lucky person may even be interviewed on camera!

"Working With Your District Attorney"

Presenters: Jeff Spelman, CAE, AG's Office, Lisa Weintraub

This Thursday morning session will cover all aspects of working with your District Attorney, detailing the relationship and responsibilities of both parties as they relate to the administration of the ad valorem tax.



APPRAISER/PERSONAL PROPERTY SESSIONS

"Subsidized Housing"

Presenter: Larry Rawlings

This Wednesday afternoon session will cover which housing records to review, and the relationship of low-income housing tax credits to revenue used in the income approach.

"Convenience Stores Valuation of Inventory"

Presenters: Gary Snyder, Doug Warr, AAS

This morning-long Thursday session is a detailed look at the process of discovering and valuing the

Continued on page 6...





Continued from page 5 “Educational Conference Highlights”...

inventory of convenience stores around the state. CLGT trainers Gary Snyder and Doug Warr will share valuable information that should make life a little easier for personal property appraisers everywhere.



MAPPING

“MIMS Training”

Presenter: Dr. Paul Bendt

We will have Dr. Paul Bendt teaching both the “MIMS for Beginners” session Thursday morning and “MIMS for More Advanced” Thursday afternoon. This is the first time in several years we have been able to have Dr. Bendt for the entire day.

“ArcView 8+ Training”

Presenter: Troy Frazier

Once again this year, we will have the twenty laptop computers supplied by ESRI. Because of this, we are limiting this all-day Thursday class to 40 attendees. This year, Troy Frazier from the AdValorem Division will be instructing.



COMPUTER SUPPORT

“Residential / Mfg’d Housing Data Entry”

Presenters: OTC Staff

These one-day repeat sessions on Wednesday and Thursday at the OSU Tulsa computer labs are an opportunity for employees new to CAMA data entry or needing some additional training to practice in a hands-on environment with both residential and manufactured housing data entry. Basic CAMA data entry procedures will be reviewed.

“Concurrent User Group Meetings”

Presenters: OTC Staff, TerraSoft, 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 assessors office should plan to attend their respective user group meeting.



ASSESSMENT OVERVIEW

“Assessment Overview Topics”

Presenters: OTC Staff, CLGT Staff

Whether you’ve just started working in the assessors 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.

Volume XIV, Issue VI • June 2005





Northwest District Meeting, Dewey County

Scenes from the Northwest District Meeting held May 20th. Host for the meeting was Dewey County Assessor Lennet Pisacka and her staff. The day was a good one, with lots of information and a chance for everyone to visit with others from the Northwest District of the Assessors Association.

Volume XIV, Issue VI ● June 2005



Southwest District Meeting, Canadian County

Scenes from the Southwest District Meeting held May 27th. Host for the meeting was Canadian County Assessor Ron Funck and his staff. This was a productive meeting and an opportunity for everyone to visit and network with their fellow assessors.

Volume XIV, Issue VI • June 2005

