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

Volume XV, Issue VI ● June 2006

Director's Notes:

June's been a busy month. We've had election filings for the office of county assessor, abstract filings and the completion of the public service valuations for 2006, which are keeping things busy around here. And we're expecting the special session of the Legislature to fire up in the next week or so.

Congratulations to the county assessors who had the courage and dedication to step forward again. As I've often said, it is a tough job that turns out sometimes to be a thankless one, but the public appreciates someone who does a good job for the community.

We had 53 assessors who have already been elected by virtue of the fact they were the only person to file for the office. That is a victory by any account in itself. Several great assessors who've been in office a long time did not file. We'll miss Wayne Spears AKA "Pawnee Bill", who did a super job at President back in the last century (1999) and is riding into the sunset again. (Some of you may recall that Wayne brought his horse "Y" into the ballroom at the Biltmore on the last day he was Assessor President and rode out through the door.)

Loretta Hall, Beckham County, (Her version of "Stand Up for America" is the best ever done in my opinion). Francis Johnson, Caddo County, Sam West, Carter County Assessor, Glenda Kirk, Roger Mills County Assessor, Mike Reynolds, long-time Pontotoc County Assessor, Mary Moore, Noble County, Eugenia Woods, Johnston County, Charles Edwards, Tillman County, Tom Porton, McCurtain County, Jack Matthews, Pushmataha County Assessor, and Shirley Bryant, Choctaw County Assessor have all left their posts. We enjoyed a great working relationship with every one of these county assessors, and we're going to recognize them at the Annual Conference right before the accreditation awards. On behalf of the Ad Valorem Division, I'd like to wish each of them well in their future endeavors and thanks for their service to the taxpayers of Oklahoma.

I was also pleased that a couple of our newest assessors who'd been appointed in the last year or so--- Leon Hurt, Delaware County, Kathy Ladlee, McClain County, Troyce King, Pottawatomie County, B.J. Parks, Seminole County, and Donna Graham, Sequoyah County are ready to settle in for their first complete term since their appointment. None of them drew opponents. For everyone else, good luck, and we'll hope that the voters make the right decision.

Choctaw County, incidentally, did scare some folks because the newspaper reported that no one filed. Becky Harris, a deputy in Choctaw County did file shortly after press time and has been elected.

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A Look Ahead...

- **July 4: Independence Day**
- **August 8-11: 62nd Annual Educational Conference, Tulsa, Southern Hills Marriott**

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Finalization of the Annual Conference is proceeding. Everyone should have received a Bulletin letter with all conference information. As those of you know who've attended the conference in the past, the Bulletin includes your information for the first two rooms that each county is assigned. The block of rooms has been opened, and you can finalize your reservations as soon as you can do so. If anyone new has any questions (or if you just want to chat), please give Cathy Gibson a call. Remember, if you are going to cancel any rooms, please do so by calling Cathy or Cyndi in our office so we do not lose them from our block.

Special note: We've added one session called "What to do if you have to give a Deposition" by Larry Patton. It will be on "do's and don'ts" if your county is involved in a court case. He is a new Oklahoma Tax Commission lawyer who served as a Federal District Attorney and has had extensive court room experience. He might even cross examine a "volunteer" from the audience.

Remember that we will have the photographer at the meeting again this year for the group picture of all the county assessors. This has really been a nice historical record. We think this is the eighth or ninth year in a row that the county assessors have all had their picture taken together.

Have a good month. If we don't see everyone at the June SBOE meeting, we'll see you at the Annual Conference in Tulsa.

Jeff Spelman, CAE
Director
Ad Valorem Division

P.S. "It's wonderful what we can do if we are always doing." Anwar Caddo, Famous Ad Valorem Philosopher courtesy of George Washington.

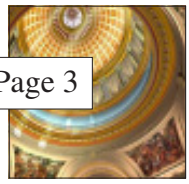
By the end of June, we will have ten of the twenty-nine counties with the State's AA and ArcView 8+ upgraded to export map pictures to the new state AA software. We have also started producing the 2005 aerials as pictures for the non-ArcView counties. We have done this in a couple of counties so far and will continue to do so as we are able to visit more counties. One of the primary reasons that we are doing this is because we have not been able to get the 2005 aerials to display in the free ArcExplorer 2 we installed across the State. By doing this export into the new AA software for you, at least you will be able to see and print these new aerials.

We are still looking at doing two or three more regional training sessions between now and the end of the year. We are planning a MIMS session in Southeast Oklahoma and a couple of ArcView sessions in northwest and north central Oklahoma.

We are also running into problems with older ArcView 8.x and Windows XP service pack three. It seems that Microsoft is changing the ways that Windows guards against Viruses. These changes block certain older installation programs. We do not know if this will affect any other software. As we find out more, we will let you know.

If you have any questions or would like to schedule a visit, please let me know.

Remember: You can buy the most expensive mapping software ever made, but it will not do a thing if someone isn't there to use it. And most mapping software currently used is not so much limited by its age or programming, but by the imagination or experience of the person using it.



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Property Tax News From Around The Country

Idaho...

The growth of Idaho's budget surplus in May places renewed pressure on lawmakers to address property tax relief, possibly in a special legislative session, Gov. Jim Risch said recently.

Idaho had a higher-than-expected $33.3 million increase in state revenue last month, for a running total projected surplus of $168.5 million.

Adding about $50 million unspent from last session, the Legislature will have roughly $219 million in its coffers with just a little time left before the fiscal year ends on June 30.

Touting the state's sunny fiscal outlook, Risch has called for shifting Idaho's school maintenance costs from property taxes to the sales tax.

The move, Risch said, would ease the burden on property owners whose tax rates are climbing as property values soar.

"The Legislature spent a long time talking about this and spent a long time studying," Risch said. "And I hate to see that go to waste."

Illinois...

Among key findings from a study the Building Owners and Management Association of Chicago (BOMA) recently commissioned is that per square foot, the city's commercial real estate taxes are the highest in the country, paying 24% more than New York and 72% more than Los Angeles.

"We knew that it was a big number, but we never knew how much," said Ron Vukas, executive vice president for BOMA. "We knew that they were high, but we were surprised to be the highest in the country."

While Chicago added new commercial tenants in the first quarter of this year after experiencing two consecutive years of inactivity or departures, the increased absorption wasn't enough to offset its high vacancy rate. The 100,000 square feet of space recently leased is equivalent to one large company, Mr. Vukas said.

Chicago has an 18% vacancy rate, making it the second-highest among 10 downtown office markets. Only Houston has a higher vacancy rate with 21.2%, BOMA officials said in the report.

Indiana...

Township and county assessors are currently working to complete the first market-based annual property tax adjustments in the history of Indiana.

The effort will review the values of more than 3 million parcels of real property in the state and is the first adjustment since Indiana adopted a market-based real estate appraisal system in 2002.

Before switching to the more market-sensitive approach used by 48 other states, Indiana had exclusively used the replacement cost-based method of real estate appraisal, according to the state's Department of Local Government Finance.

Under the previous system, properties in the state were only adjusted during renovations of about 10 years during general reassessment. The Dept. of Local Government Finance said the 10-year lapse in assessments often gave taxpayers an exponential change in their assessed values.

"It is imperative we implement and administer a fair and equitable property tax system that offers the least surprises to taxpayers at tax time," said Melissa Henson, commissioner for the Dept. of Local Government Finance. "By annually adjusting assessed values based on sales data, we can more realistically reflect the market value of a property and reduce the large increases in assessed values that Hoosiers have experienced in the past."

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Assessors will make adjustments by comparing 2004 and 2005 real estate sales data in their area with the 2002 assessed values.

The amount of change between the two will then be used to create a factor assessors will use to update the 2002 assessed values.

"Some taxpayers may see an increase or a decrease in the assessed value based on local market conditions," said Barry Wood, assessment director for the Dept. of Local Government Finance. "Regardless of the change, it is important to remember that the assessed value of a property is only one component of property taxes."

Louisana...

The city of New Orleans has finished mailing its long-delayed 2006 property tax bills, New Orleans Mayor Ray Nagin's office said recently.

The bills normally would have been mailed by the start of the year but were delayed after Hurricane Katrina because the Legislature mandated reassessment of storm-damaged properties, which took several months.

After postponing the unpopular task of approving higher millage rates for several weeks, the City Council adopted them May 3, clearing the way for the bills to be mailed.

The most recent projections show the city expects to collect about $38 million this year in property taxes, compared with $78.7 million in 2005 and $80.1 million in 2004. The 2005 collections almost matched the 2004 level because nearly all property taxes normally are paid early in the year and Katrina did not hit the city until August 29.

The Orleans Parish School Board increased its millage rate this year, and the city sharply increased the millage it levies to pay off its bonds in order to compensate for a significant decline in assessments.

Overall, assessments are down by 27 percent since Katrina, said David Gernhauser, secretary of the Board of Liquidation, City Debt, the agency responsible for overseeing the city's bonded indebtedness.

New Jersey...

New Jersey homeowners would see their property taxes cut by an average $1,250 per year under a tax reform bill that shifts some of the school funding burden from property taxes to income taxes, the measure's sponsor said recently.

The so-called "SMART bill" proposes a corollary hike in state income taxes—a 25 percent surcharge on every taxpayer's bill—that would result in the average bill rising by $300 a year. But the much-larger reduction in property taxes would result in an overall tax savings for more than 94 percent of state residents, Manzo said.

The SMART bill "simply adjusts the three taxes in New Jersey (property, income and sales) to allow for fairness," Assemblyman Louis M. Manzo, D-Hudson, told the editorial board of the Asbury Park Press Monday.

Currently, 10.2 billion in property taxes to fund schools are collected in the state. The SMART bill proposes the property tax portion of school funding be reduced to $6.9 billion, with the difference of $3.3 billion raised by an income tax hike.

In theory, the SMART (Save Money and Reform Taxes) bill would reduce the school portion of the average property tax bill by 50 percent, Manzo said. The state currently has the highest property taxes in the nation.

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Receive The "Forum" By Email:

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

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South Carolina...

Governor Mark Sanford recently signed a bill that will reduce property tax bills and raise the state's sales tax to pay for the cut.

Sanford said the law will cut average homeowner tax bills by 60 percent. The law also reduces the sales tax on groceries to 3 percent from 5 percent.

The governor said he thinks lawmakers should have done more to provide tax relief to residents in a year when state revenues increased by $1 billion from the previous year.

"We've said from day one that a significant dividend ought to be returned to the taxpayers- and by signing this bill, we've taken a step toward meeting that goal," Governor Sanford said. "While we continue to believe much more should be done to provide tax relief this year, "I'd give credit to everyone in the House and Senate for coming together on this compromise and getting this bill to my desk."

The changes take effect in June, 2007.

Washington...

A King County Superior Court judge has tossed out an initiative by anti-tax guru Tim Eyman, finding that I-747, passed by voters in 2001, was unconstitutionally deceptive.

The initiative, which voters approved overwhelmingly, limited property-tax growth to 1 percent a year.

But Judge Mary Roberts ruled recently that voters had been told they would be reducing the tax-increase cap to 1 percent from 2 percent, although the initiative actually was reducing the cap from 6 percent to 1 percent.

The initiative forced King County to cut $135 million from its budget in the past five years, said Kurt Triplett, chief of staff for King County Executive Ron Sims. He said the county made "deep, tough cuts" in human services, parks, pools and health care.

Eryman said he was disappointed by the ruling and thinks it will be overturned by the state Supreme Court.

The state could ask the court to stay the opinion, pending an appeal, which would leave the 1 percent cap in effect.

Attorney Knoll Lowney, who represented the groups challenging I-747, said the state Department of Revenue projected it would reduce state and local government revenue by $500 million in 2007.

Great "Ad Valorem" Retirement Announced

With the end of another term quickly nearing the finish line, several Oklahoma assessors will be calling it quits and heading for the "greener pastures" of retirement. But we bet you didn't know that old "Ad Valorem" himself is finally calling it quits.

No—not Glendel Rushing, but rather the 2-year-old unbeaten Irish Champion racehorse who also answers to the name "Ad Valorem." Although it sounds a bit odd, a highly pedigreed thoroughbred by that name does in fact exist, and has met with great success on the track during his short career.

And like our retiring assessors, "Ad Valorem" will be looking for a little bit of rest and relaxation along with some other enjoyable and meaningful activities during his "golden years."

This is evidenced best by the press release announcing "Ad Valorem's" retirement, which states in part:

"Irish Champion 2YO Ad Valorem is to commence his stud career at Australia's famed Woodlands Stud Farm later this year."

So here's to all our retiring assessors with "winning records" on the track, with the hopes that their retirement years will be every bit as enjoyable as those of the legendary racehorse "Ad Valorem." Happy trails!

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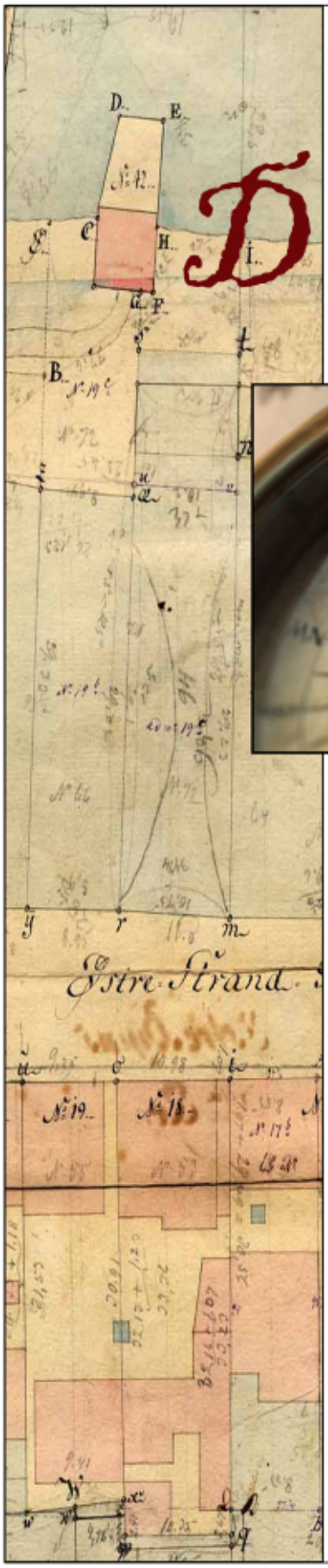

Oklahoma Tax Commission
62nd Annual Educational Conference
For Assessing Officers

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.

Enrollment information has been sent to the counties. Please complete this information as soon as you are able to do so. In keeping with past years, hotel confirmation numbers were provided to ensure every county has at least 2 rooms. If needed, you may alter your reservation, obtain more rooms or turn back those you do not need.

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.

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

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

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County Assessor District Meetings

Assessors and deputies gather for the Southeast District Meeting held in Bryan County.

Glendel Rushing, Bryan County Assessor and host of the Southeast District Meeting announces a lucky number in a door prize drawing.

Ken Yazel, Tulsa County Assessor and host of the Northeast district Meeting introduces Mr. Williams, the oldest living Buffalo Soldier. Mr. Williams assists in "swearing-in" ceremonies for naturalizing new citizens, and is an American and military history expert. He addressed the group attending the meeting, sharing some of his vast knowledge and experience.

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County Assessor District Meetings

Denise Heavner, Cleveland County Assessor and host of the Southwest District Meeting, takes a moment to thank her staff for their help with the meeting preparations.

Assessor's Association President Ralph Wilson addresses the group at the Northwest District Meeting in Buffalo, while Scotty Cosby, Harper County Assessor and Host of the Meeting looks on.

Rosemary Neely, Blaine County Assessor, Greg Harmon, OTC, Debbie Gentry, Woodward County Assessor, Duane Carter, former Woods County Assessor, and Monica Schmidt, current Woods County Assessor enjoy a visit before the Northwest District Meeting.