



CELEBRATE OKLAHOMA!



A UNIQUE HISTORY. AN EXTRAORDINARY FUTURE.

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:

Things can always get worse. What a year for the Centennial. When I looked at last year's newsletter, I saw that most of director's letter was about the drought, the wildfires, and the election filings for the office of county assessor. Maybe things aren't so bad. I'm sure everyone is relieved that the elections are over, and I'll take the rain over the fire anytime. However, I do hope that the rain quits shortly before we set a 100 year record, and so we can get a few small roof leaks fixed in our new space.

June has been unbelievably busy for both the county assessors and the Ad Valorem Division. The counties have been working on their abstracts non-stop. We are settled into our new offices, and they have worked out pretty well. Public Service has been really loaded up with a full work schedule getting all the centrally assessed properties completed.

The first State Board of Equalization (SBOE) didn't make quorum at the regular meeting, but we were able to re-schedule the meeting and it went well.

Finalization of the Annual Conference is proceeding. Everyone should have received a bulletin letter with rooming information and conference registration materials.

For you new assessors and as a reminder for the rest of us, the bulletin letter will provide the information for the first two rooms that each county is assigned. (We automatically assign rooms for the counties to make sure no one is left out in the rain. No pun intended.) The block of rooms is open, 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 room after July 13, please do so by calling Cathy or Cyndi in our office, so we do not lose them from our block.

Our opening session will focus on the Centennial Celebration. We're excited about the State's birthday. We'll feature appearances by some special Centennial figures, including our own Pawnee Bill aka Wayne Spears. No, he will not ride his horse "Y" into the lobby, but it should be interesting and a nice kick-off to the conference.

**Program Notes:** We have some really great programs and activities planned for the Annual Conference. Here are a few of the featured classes that we've got lined up.

- CAMA Valuation Case Study: Joe Hapgood and Glen Blood.
- Five-Year Exemption: Patty Heath and Doug Brydon.
- Introduction to County Assessor's Office: Dwight Argo, Gary Snyder and Doug Warr. Gary and Doug are also doing sessions on Data Collection, Oil and Gas Equipment Identification.
- Tax Incremental Financing (TIFs): Kenny Chuculate and Dan Batchelor.
- Big Box Retail Issues: Jeff Spelman, CAE .
- Subsidized Housing with Darcy Green and Darrell Beavers.

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- AA Instruction: Scott Warren, Carol Bomhoff, Johnny Caldwell and Jimmy Duke.
- State system software training: CAMA staff.
- ArcView 8+ as well as the mapping track: Troy Frazier.
- Personal Property Review: Larry Rawlings.
- Deeds and Trusts: Larry Patton and Leisa Weintraub, Tulsa County.
- Exemptions and Manufactured Homes: Kenny Chuculate.
- Agricultural Equipment In-Lieu Stamps: Gala Bowman and Wade Patterson.

In the past several years, we’ve had comments requesting advanced topics. We’re adding an advanced two-day appraisal class on use of SPSS software that will be limited to about fifteen to sixteen people. (Instructor to be announced.) And we’ll have another advanced appraisal session on appraising high value residential properties that will be moderated by Larry Rawlings.

In addition to all this, we’ll have our usual sessions on Public Service Update, Legislative Update with Jim Kelley, Computer Users Group meeting, and other reports.

The County Assessors Association is working on a fun round of evening social events. One of the activities in the works will be a visit to Discovery Land for a centennial presentation of “Oklahoma!” President Cathy Hoklit guarantees a good time.

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. “Everyone needs recognition for his accomplishments, and this is clear in the story about the four-year-old boy who asked his dad, “Let’s play darts together. I’ll throw the darts. You do the part where you say “Wonderful!” Stanley T. Cimarron, Famous Ad Valorem Philosopher quote borrowed from Arthur Lenehan.*



Well, the year is half over. Can you believe it!

So far this year, I have visited 31 different counties, 41 separate visits, and held two regional training classes. In May, we had regional training in Claremore with ArcView. In June (by the time you get this newsletter), we will have had regional training in Pryor with MIMS. These visits have covered everything from software setup to parcel and land use mapping to plat book and wall map creation.

Next is the Annual Educational Conference in July. We will have ten laptop computers supplied by ESRI again this year. As a result, we will be limiting the ArcView class to the first 20 registrants. We will have MIMS training and ArcExplorer training as well. With the ArcView and MIMS training, we will spend a day each centering on parcel and land use mapping.

As the year speeds to its end, call if you need help. If you would like a visit or to host regional training, call and schedule it.

*Remember: County-wide parcel mapping is like using a rubber mallet on a jigsaw puzzle with pieces that do not quite fit. It is an art of compromise.*





## The CAMA Valuation Process, Part 2

### CAMA CHECKLIST FOR VALUATION

- ✓ Quality data collection
- ✓ Accurate sales file maintenance
- ✓ Set reliable land values
- ✓ Clean-up property characteristics
- ✓ Countywide adjustment calculation
- ✓ Establish neighborhood boundaries
- ✓ Calculate neighborhood adjustments
- ✓ Review, revise and finalize neighborhood boundaries
- ✓ Set final values
- ✓ Review final values
- ✓ Roll values to AA system

### LAND VALUATION

Land valuation is a critical step in the CAMA valuation system. Land values must be developed from the local market, and adjustments made to reflect size, shape, topography, etc. A well-maintained sales file is a critical part of the land valuation process.

There are 2 main methods for land valuation: (1) sales comparison, and (2) allocation.

#### SALES COMPARISON METHOD

Sales comparison is the easiest and most accurate method, but requires sales in most areas of the county. The following steps are required:

##### 1. Sales Analysis

Gathering all available information on vacant land sales including location, size shape, topography and site amenities, probable use, etc.

##### 2. Stratification

Sorting these sales into similar groups based on the data gathered.

##### 3. Develop Units of Comparison

Land should be analyzed and valued according to common units of comparison:

- a. Lot
- b. Front Foot
- c. Square Foot
- d. Acre
- e. Site

##### 4. Value Land Using Price per Unit

Value the land using the most appropriate unit after developing the various units of comparison above.

##### 5. Develop and Apply Necessary Site Adjustments

Adjustments should be developed from the market and applied for variations in topography, site amenities, physical characteristics, etc.

##### 6. Value Areas with No Vacant Land Sales

Comparisons must be made between areas with land sales and areas without land sales to determine these values. Sometimes large adjustments must be made.

This technique is quite accurate but is dependent on a large number of vacant land sales in all areas of the county, which may not be available.

### LAND VALUATION BY ALLOCATION

The allocation method of land valuation is useful when there are few vacant sales to work with. It is based on the theory that the value of the land is related to the value of the homes built on it. To develop this relationship, an accurate sales file is once again required. This part of the CAMA process deals only with sales prices, but some sales clean up should be done first to ensure that a vacant sale is truly vacant, and an improved sale is improved.

##### 1. Select Areas with Both Vacant and Improved Sales

Select additions that are representative of properties in the county.

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**2. Determine the Typical Building Site Size for Each of These Areas**

Some areas may require one lot to build on, some two.

**3. Select the Typical Price for an Improved Sale in Each Area**

What price is usual for a house in this addition?

**4. Select the Typical Price for a Vacant Sale in Each Area**

Make sure the price represents a typical building site size (one lot or two). Adjustments may be made for size if necessary.

**5. Calculate the Ratio of Vacant Sales to Improved Sales**

Divide the vacant sale price by the improved sale price.

**6. Array the Land Percentage of Sale**

Remove any outliers and select median.

The median developed from this procedure is the typical percent of a sale that is attributable to the land, based on county-wide information.

**APPLICATION OF LAND VALUES**

In areas with vacant land sales, the market value of the land should come directly from these sales. Similar areas may also be valued from these sales. Additions with no sales should be valued from the allocation of land to building. For this procedure, a typical sale price should be selected for each addition. The land percentage is then applied to these figures, resulting in a land value for a typical property in the area. This value can then be calculated to render a price per unit for further comparison.

From this point any adjustments due to the site variations should be made. Any major differences in topography, street surface or condition, utility availability, etc. should be made, usually as a percentage of the value of the lot or site.



## Oklahoma 2007 Centennial Moment

**The year was 1907. These U.S. statistics reveal what life was like when Oklahoma became a state. What a difference 100 years makes!**

- The average life expectancy in the U.S. was 47 years.
- Only 14 % of homes in the U.S. had a bathtub.
- Only 89 % of homes had a telephone.
- A 3-minute call from Denver to New York City cost \$11.00.
- There were 8,000 cars in the U.S. and only 144 miles of paved road.
- The maximum speed limit in most cities was 10 mph.
- Alabama, Mississippi, Iowa, and Tennessee were each more heavily populated than California.
- The tallest structure in the world was the Eiffel Tower.
- The average wage in the U.S. was 22¢ per hour.
- The average U.S. worker made between \$200 - \$400 per year.
- Ninety percent of all U.S. doctors had no college education; they attended so-called medical schools which the government considered substandard.
- Sugar was 4¢ a pound, eggs 14¢ a dozen, and coffee 15¢ a pound.
- Most women washed their hair once a month and used Borax or egg yolks for shampoo.
- The five leading causes of death in the U.S. were pneumonia & influenza, tuberculosis, diarrhea, heart disease, and stroke.
- Crossword puzzles, canned beer, and iced tea hadn't been invented yet.
- Two out of 10 adults could not read or write.
- There were about 230 reported murders in the entire USA.





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.



## Oklahoma Chapter Officers IAAO Course 311

President Gary Snyder has announced the Oklahoma Chapter of IAAO is sponsoring IAAO Course 311, Residential Modeling Concepts.

Course 311 presents a detailed study of the mass appraisal process as applied to residential property. Topics covered include a comparison of single-property appraisal and mass appraisal, the major steps in the appraisal process, data requirements, market analysis, application of the approaches to value, use of sales ratio studies and valuation review.

The dates are August 20 – 24, 2007. The registration fee is \$375. A soft-cover text book is \$50 for an IAAO member, and \$75 for a non-member. A hard cover textbook is \$75 for an IAAO member, and \$100 for a non-member. Make payments to “Oklahoma IAAO Chapter”. Mail or fax registrations to:

Oklahoma IAAO Chapter  
Attn: Larry Stein  
Oklahoma County Assessor's Office  
320 Robert S. Kerr, Room 313  
Oklahoma City, OK 73102  
Fax number 405-713-1853

The location is the Hilton Garden Inn Tulsa South, 8202 S. 100th East Avenue, Tulsa, Oklahoma, 74133. Telephone 918-392-2000 to make reservations. The blocked room rate is \$68 per night. Make reservations prior to August 8, 2007.

For additional information contact the following:

Gary Snyder  
405-744-6049  
gary.snyder@okstate.edu

Larry Stein  
405-713-1214  
larste@oklahomacounty.org

## OTC Educational Conference Update July 24 - 27, 2007

By now all have received the registration packets for the Educational Conference. Please be sure to send a registration form for each person attending. Notice, too, that the form is to be completed both front and back. It is suggested you retain a copy, so each person will know what classes they are to attend.

The Deeds and Trusts class always proves to be informative and beneficial. If you have deeds or trusts in your county which demonstrate unusual circumstances, please bring those examples to the class. This will be a good way to provide actual scenarios for discussion.

Two sessions will have limited enrollment availability. Those are the SPSS class and the ArcView 8+ class. These classes will be filled on a first-come-first-served basis.

Along with our guest speakers, the Opening Session will have a new presentation this year created by the Oklahoma Centennial Commission. This is going to be an interesting production featuring Oklahoma up to its 100th year of Statehood. You are encouraged to attend and enjoy this session.

Remember, the classrooms are usually cold, so bring a sweater or jacket. We look forward to seeing you in Tulsa.

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