



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.

“IAAO Zangerle Award Winner:
1997 and 2010”



Oklahoma
Ad Valorem

FORUM

Director’s Notes:

For those of us who make a living in assessment, the term “March Madness” is much more suited to describe what happens in ad valorem this time of year than basketball!

With ad valorem filing deadlines, notices on the street, and taxpayer inquiries, life is busy for everyone right now. Hopefully you’re keeping up with it all, and not stressing too much!

We are busy at the Ad Valorem Division as well, with our field staff working hard to gather audit data, the Public Service Section gearing up for renditions and valuations, and Five-Year Exempt Manufacturing putting the finishing touches on our Annual Report to the Tax Commission on claims against the ad valorem reimbursement fund.

Tracking legislation and performing impact studies on all the bills each session is always interesting as well. With the first major deadline for bills to make it out of their house of origin having just passed, our tracking list has been whittled down to a slightly more manageable size at this point.

I know your Assessors’ Association Legislative Committee, with Gail Hedgcoth as Chair, has been spending a lot of quality time at the state capitol keeping an eye on things for you.

It’s only March, but we’re already spending a lot of time preparing for our 71st Annual Educational Conference in Tulsa, which will be held August 4-7. As I mentioned to you at the CODA meeting last month, we are “re-bidding” the hotel accommodations this year since our previous 3-year contract has expired.

The Conference hotel bid closes March 18, and then we will go through the selection process. In addition to those efforts, we have been hard at work putting together a program that will provide opportunities for professional growth and the chance to acquire additional knowledge (while allowing for a healthy dose of fun on the side!).

Our 8th Annual Public Service Capitalization Rate Conference will be held March 26 at 9:00 a.m. in the Ad Valorem Division Conference Room. This has been a good opportunity for industry input and dialogue in the valuation process, and makes the whole process more open and transparent. In addition to company representatives, we look forward to seeing some of you there as well.

I continue to enjoy my Monday morning phone calls to check in with your Association President Mandy Snyder, who manages to have an upbeat attitude no matter what kind of chaos is unfolding!

Joe Hapgood, CAE
Ad Valorem Division Director

P.S. “I try to take one day at a time, but sometimes several days attack me at once!”



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This has been a busy month for GIS and mapping in Oklahoma. During the first week of March, we had the 19th Annual GIS/CAMA Technologies Conference in Oklahoma City. The conference was sponsored by IAAO and URISA and has been hosted across the country. (Last year, it was in Jacksonville, Florida.) This results in a blend of participants from county assessors to municipal officials to county 911 coordinators to state and federal personnel.

I ran into several people from our assessors' offices and from our state agencies. I even spent some time with one of our rural county 911 coordinators.

We had local presenters from the Center for Government Technology – OSU, the City of Ardmore, the Office of Geographic Information – Oklahoma Conservation Commission, the Department of Transportation, the Tax Commission, and Total Assessment Solutions Corporation (TASC) made presentations.

All of our northern states and Canadian participants laughed about our snow emergency with schools closing that Wednesday and Thursday. (Some of our western school districts were closed Friday as well.) However, who is laughing now? They still have their 7+ feet snow banks, and we have our 60's-70's temperatures!

The following week we had our annual GIS Day at the Capitol on Thursday, March 12th. This annual event is organized by Shellie Willoughby of the State Office of Geographic Information within the Oklahoma Conservation Commission. Each year, we have 50+ participants. This year, we had cities, counties, state agencies, universities, federal agencies, Native American nations, and various commercial vendors participate. Lt. Governor Lamb addressed the conference as well.

Remember: The nicest thing about mapping is that you are never "done". You can have job security for as long as you want it.



- **8th Annual Public Service Capitalization Rate Conference:**
 - March 26 - 9:00 a.m.
 - Ad Valorem Division Conference Room
- **County Assessors District Meetings for 2015:**
 - Southeast May 1
 - Northwest May 8
 - Northeast May 15
 - Southwest To be determined
- **71st OTC Annual Educational Conference for County Assessors and Deputies:**
 - August 4 - 7



“Let’s Get Personal” Property

by Doug Brydon

Thank you for your responses to the 5-Year Exempt Manufacturing balancing. This is the first year we have balanced this early, and your cooperation in this effort is greatly appreciated. There are a couple of pending protests, but there is no resolution in sight.

The claim forms should be received by the end of the month. The June 2015 reimbursement will be \$67,599,821. That means the legislative appropriation will be around \$28 to \$30 million dollars. This will be the largest appropriation of monies in the history of the 5-Year Exempt Manufacturing Program. The projected payout by property type still has Electric Wind Generation leading the way at 40% of the reimbursement amount with Traditional Manufacturing at 23%. The rest as follows: Large Manufacturing at 22%, Data Computer Processing at 14%, and Distribution at 1%.

The Personal Property Schedule for 2016 is under way, and already we have had some requests for next year’s schedule. All requests to add items to the schedule will be researched to determine if they should be included.

On a legislative note, there are a couple of bills that are still viable that relate to personal property and five-year exempt manufacturing:

- HB1963 relates to certain sworn statements in court not be public record.
- HB1962 relates to a change in Freeport Exemption verbiage.
- HJR1024 relates to five-year exempt manufacturing authority changes from the AdValorem Division to the County Commissioners.
- SB387 relates to taking out “recurring bonuses” in a five-year exempt manufacturing payroll.
- SB498 relates to wind generation having a million dollar payroll.
- SB694 relates to using the income approach for five-year exempt manufacturing.

Some of these may die by the end of March, but they are all still active as of March 9, 2015.

The greater danger for most of us lies not in setting our aim too high and falling short; but in setting our aim too low, and achieving our mark. - Michelangelo

Robert Samuel Kerr

Twelfth Statehood Governor

January 11, 1943 - January 13, 1947

Robert S. Kerr was born in a log cabin in Pontotoc County, Oklahoma, near what is now Ada in Indian Territory, the son of William Samuel Kerr, a farmer, clerk, and politician, and Margaret Eloda Wright. Kerr’s upbringing as a Southern Baptist had a profound influence on his life. Not only did his religious beliefs lead him to teach Sunday school and to shun alcohol throughout his adulthood, it also aided his political aspirations in a conservative state.

He enrolled at Oklahoma Baptist University in Shawnee as a junior in high school. He later graduated from East Central Normal School in Ada. He briefly studied law at the University of Oklahoma until poverty forced him to drop out in 1916. When the United States entered World War I in 1917, Kerr was commissioned as a second lieutenant in the army, never saw combat, but he used his active involvement





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in the Oklahoma National Guard and the American Legion to forward his business and political careers. After serving nine months overseas, he returned to Ada to enter the produce business. In 1919, he married Reba Shelton, and the couples' first children, twin girls, died at birth. His produce business burned to the ground in 1921.

Kerr began working in law, in the office of Judge J. F. McKeel of Ada. Passing the bar examination in 1922, he became McKeel's partner and began to sharpen the oratorical skills that would serve him as a politician.



Kerr was born in this cabin near Ada, Oklahoma.

But Kerr would again face tragedy when his wife and son died in childbirth in 1924. Kerr was inconsolable and vowed never to remarry, according to the Kerr exhibit at the Carl Albert Center at the University of Oklahoma. Although he buried himself in his work, he did find love again and married Grayce Breene in 1925, the daughter of a wealthy Tulsa oil man. They had four children: Robert Samuel Kerr Jr., Breene Kerr, Kay Kerr Clark and William Graycen Kerr.

Kerr used his new family connections to enter the oil business with his brother-in-law, James L. Anderson, as his partner. By 1929 the Anderson-Kerr Drilling Company had become so prosperous that Kerr abandoned his law practice to focus on oil. Anderson retired in 1936, and Dean A. McGee, former chief geologist for Phillips Petroleum, joined the firm, which changed its name in 1946 to Kerr-McGee Oil Industries, Incorporated. Kerr-McGee diversified into global drilling for petroleum and processed other fuels and minerals, including uranium and helium.

Kerr's growing wealth and business ties made him a power in state Democratic politics during the 1930s. In 1940, he was elected as Democratic national committeeman for Oklahoma. In 1942 he ran for the Democratic nomination for governor as a supporter both of the New Deal and of a vigorous U.S. role in World War II. Oklahoma's Democrats were divided over President Franklin Roosevelt's policies, leading to a bitter campaign. Kerr narrowly won the primary and went on to triumph by a small margin in the general election and was the first native-born governor.

Running for governor, Kerr used the slogan “I'm just like you, only I struck oil.” His four-year term as governor served as a turning point for Oklahoma's politics and economy. After he was elected, he took the state from a debt of \$44 million to a surplus of \$40 million. For the first time in the state's history, executive-legislative relations remained cordial, largely due to Kerr's patient leadership. When not cultivating legislators, the governor prepared his state to weather postwar economic storms. At his own expense, Kerr traveled more than 400,000 miles to sell Oklahoma's products and potential throughout the nation. Not surprisingly, his promotion of the state also stimulated his own political fortunes.

In 1944 he was chosen to deliver the keynote address at the Democratic National Convention, where he played a back-room role in the selection of Harry S. Truman as vice president. During World War II, despite the tendency of Oklahomans to keep the federal government at arm's-length, Kerr encouraged ties to the government, knowing how important the jobs and activity were to create prosperity. Oklahoma became home to many wartime industries and was a training site for military personnel. After the war, he called for increased spending to allow for post-war development of the state.

Kerr used his success as governor to catapult himself into the U.S. Senate in 1948. Although he had national ambitions, he always put what he perceived to be the interests of his state first. Unlike many of his peers he generally neglected headline-grabbing issues, including anticommunism, foreign affairs, and

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civil rights, in favor of more mundane topics such as oil policies and public works. He believed Oklahomans would benefit most, and support him strongly, if he concentrated on concrete economic matters.

In a closely contested race, Kerr became the first Oklahoma governor elected to the Senate. Kerr devoted his energies to building his Senate career. In the Senate, Kerr’s activism on natural gas regulation quickly won him a reputation for being a staunch defender of his region and its special interests, including his

own petroleum company. His personality reinforced these first impressions. Kerr’s colleagues widely considered him a brilliant debater who overwhelmed his opponents with his passion and his mastery of policy detail.

He had Presidential aspirations briefly in 1952, but he failed to win the Democratic nomination. A disappointed Kerr then threw himself completely into his legislative work. He built alliances with the powerful southern and western Democrats who dominated the Senate, including Richard Russell of Georgia and Lyndon Johnson of Texas. Kerr relied on these friends and on careful committee preparation to pursue regional economic development.

Kerr’s father had told him “To raise a family, you have to have three things – land, wood and water” but it is water conservation for which we remember Kerr. He told countless audiences that the key to future prosperity was adequate water supplies. In one speech shortly before his death he said “the value of water to Oklahoma over the next fifty years would far outweigh the value of all the oil and gas produced in Oklahoma in the last fifty years.”

Kerr’s chief legacy for the state of Oklahoma is a series of water projects and dams that made the Arkansas River into a navigable inland waterway system. During his term as governor, Kerr witnessed the devastation caused by flooding of the Arkansas River and its tributaries due to the river’s shallowness, which prevented river traffic from reaching Oklahoma. His first bill in Congress created the Arkansas, White and Red River Study Commission, which planned the land and water development in this region. He died before he saw the commission’s work come to fruition as the McClellan-Kerr Arkansas River



President John Kennedy visited Robert Kerr at his home October 29, 1961.



An aerial view of the Robert S. Kerr Lock and Dam that forms Robert S. Kerr Reservoir on the Arkansas River in Oklahoma. The Kerr-McClellan Arkansas River Navigation System is co-named to honor Kerr for his role in obtaining funding and legislation to build the system.



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Navigation System, a series of 17 locks and dams making the waterway navigable from the Tulsa Port of Catoosa to the Gulf of Mexico.

The \$1.2 billion federal project, centered in northeastern Oklahoma, fostered more than \$3 billion in commercial and industrial development in the Arkansas River basin during the two years after its completion in 1971. A once stagnant portion of his state quickly emerged as a regional economic hub. Kerr would also serve on several key Senate committees, most notably the Finance and Public Works committees. He chaired the United States Senate Committee on Aeronautical and Space Sciences from 1961 until his death.

His legislative acumen combined with changes in congressional leadership to make his allegiance pivotal to President John F. Kennedy’s programs on Capitol Hill. On issues of common interest, such as space and taxes, Kerr cooperated with Kennedy to guarantee mutual success. On areas of disagreement, including Medicare, Kerr stymied the president. In January 1963, the Wall Street Journal summarized the relationship with only some exaggeration: “Mr. Kennedy asked; Mr. Kerr decided.”

Kerr built a home near Poteau, Oklahoma which is longer than a football field, and in more recent years, it has served as a conference center and museum. The Kerr Mansion is probably the only home in Oklahoma that has hosted five U.S. presidents. Presidents Kennedy, Lyndon Johnson, Gerald Ford, Jimmy Carter and George H.W. Bush all stayed there. Kennedy came in 1961 to dedicate Oklahoma Hwy. 103 which is in the Ouachita Mountains running between Heavener and Broken Bow. Kennedy stayed overnight at the mansion and took in a Black Angus cattle demonstration with more than 200 “newsmen” on hand to watch, according to the Tulsa World coverage.



Robert S. Kerr's home near Poteau, Oklahoma which has served as a conference center and museum.

As a petroleum executive, Kerr also championed petroleum and natural gas interests, and advocated for the conservation of natural resources.

Dozens of Oklahoma schools, buildings, roads, streets, parks, organizations, and events are named in Kerr’s honor. The Carl Albert Center at the University of Oklahoma houses Kerr’s papers from his years in the U.S. Senate, his gubernatorial papers and his speeches. In 1956, Senator Kerr was inducted into the Oklahoma Hall of Fame.

Kerr’s death contributed to Kennedy’s legislative difficulties in 1963, marked the end of the Democratic party’s dominance in Oklahoma politics, and signaled the passing of a major figure in the oil industry. However, in addition to an estate estimated to be worth at least \$35 million, he left a legacy that extended beyond partisan or business affairs. His forceful use of the federal government to spur regional development, an approach shared by contemporaries, including Johnson, helped integrate the South and Southwest into the national economy. The rise of the “Sunbelt” ultimately transformed all aspects of American life. Robert Kerr played a significant role in that transformation.

Kerr suffered a fatal heart attack on January 1, 1963. Shortly after he died, an article written by an Associated Press reporter agreed with the title of the The Saturday Evening Post tribute. Both called Kerr “The Uncrowned King of the Senate.” He was first buried at Rosehill Cemetery in Oklahoma City, but his body was later moved to the Kerr homestead in Ada, Oklahoma.

