



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:

Ad Valorem Division Road Trip 2006

The traditional road tour for the Ad Valorem Division has begun. This year we're going from Tulsa (with OATR also) to Durant to Buffalo to Norman. That's a lot of miles, but as I've said many times in the past, it is really a pleasure to get to travel around Oklahoma and see what is going on in each county we visit.

Deborah Gibson, this year's President of the Oklahoma Association of Tax Representatives, invited us to their spring meeting in Tulsa, and we always enjoy meeting with OATR. They have lots of experience and knowledge in the process.

Tulsa County did an outstanding job hosting the Northeast District at the Oklahoma Aquarium, a new Oklahoma destination there in Jenks. We enjoyed Ken Yazell's comments, his staff's hard work, and the presentation by the oldest surviving Buffalo Soldier that was really interesting and inspiring. Glendel Rushing, the "Dean" as the longest serving assessor, followed up with the Southeast District meeting in Durant. I was amazed at the growth in Durant, particularly around the new Casino Resort area. Bryan County really went all out with good food and a program from State Auditor and Inspector and Center for Local Government Technology (CLGT). We were honored to have Jeff McMahan attend the entire session, and the key legislative leadership from Bryan County also joined the group at the meeting. This week will be Harper County and after there we'll be in Cleveland County for the last session.

The Legislative session is in its last few weeks. No one is sure entirely how everything will end up, but several significant ad valorem bills are still under consideration. In the next few weeks, there will be some additional discussion as the legislative session concludes. We'll get everyone up to date on new legislation after the session is over.

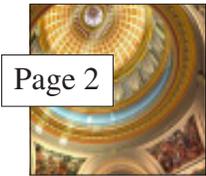
We'll send out reminders on the abstract submission dates later this month. Abstracts are due on June 15. Statutes are strict on the deadline, so please let us know. We'll be sending a bulletin reminder out shortly. The State Board of Equalization (SBOE) has scheduled June 20 for its regular meeting which should give everyone time to complete their abstracts. Check those dates for any change as we get closer to the date.

Ralph Wilson, County Assessors Association President, and his officers and Legislative Committee members met with the Ad Valorem Division before the Bryan County meeting. As you may be aware, the Annual Conference planning is in progress. We'll be

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A Look Ahead...

- June 6-7: Basic Mapping, Claremore
- June 7-8: Unit VII, Ag. Land Valuation, Tahlequah
- June 19: State Board of Equalization Meeting to Certify Abstracts
- June 19-22: Unit VI, Cadastral Mapping, Tahlequah



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at the same hotel again and we should have a notice out on the room arrangements in a week or so. We discussed various plans for the conference and had some good input from everyone involved in making the annual conference a good event.

Bob Behn, a lecturer at the JFK School of Government, wrote a recent column on improving management in government. He quoted President Andrew Jackson’s thoughts on government jobs: “The duties....ought to be so plain and simple that men of intelligence may readily qualify themselves.” In other words, he thought that almost anyone could do a government job. Jackson of course was interested in appointing lots of his friends and supporters, to jobs so he didn’t want a lot of training requirements, but as we all know in the ad valorem area, the work has become more complicated, not less. The job of the County Assessor has changed enormously in the last fifteen years. That’s why our District Meetings, Annual Conference, the training provided by Oklahoma State, Ad Valorem Division, IAAO, and Center for Local Government Technology (CLGT) and Cooperative Extension are so important.

Behn’s example of competent government, incidentally, was the New Orleans flood. No, not the recent Hurricane Katrina, but the Great Mississippi Flood of 1927. Herbert Hoover, a highly qualified engineer and super manager, led a relief effort that evacuated 330,000 people and sheltered another 300,000. Training is even more important and always needed in the public sector.

We’ll see everyone at the district meetings. Have a good month. We appreciate all you do for your taxpayers and all the hard work of county assessors and deputies every where. It’s a tough job, but ad valorem is an extremely important part of local government in Oklahoma. We’re all working to pass the system on better than it was given to us.

Sincerely,

Jeff Spelman, CAE
Director, Ad Valorem Division

P.S. “It’s good to call your mother on Mother’s Day, but it’s even better to call her on an ordinary day.” Anwar Caddo, Ad Valorem Philosopher.

Email Subject To Open Records Act

One of the greatest benefits of the Internet computing age is email. It allows for a fast and effective means of communication between staff members, with taxpayers, and other government officials in the course of performing your duties.

Since email has become such an important tool in our day to day work, it is important to have some knowledge about how these documents may be subject to disclosure, and to review some tips to keep email messages appropriate, professional, and on point.

The Psychology of Email

The simplicity of email and its more casual nature entices us to use it frequently as a means of communication. When we send an email the element of anonymity that we may feel can cause us to be less formal with language and speech elements.

The lack of face to face communication cues may lead to ambiguous communication through email, so it is important to be appropriately polite, friendly, and as clear as possible in what you write to avoid miscommunication.

Emails Subject to Disclosure

Any email that you write may be subject to disclosure. Consider that your email or portions of it may be viewed by the public or published due to an open records, discovery, or taxpayer records request.

Attorney General materials on the Open Records Act state “The result of this Act is to make many a public servant who must apply the law feel truly naked and uncertain.”

Any document created or received by a state public body which is connected with the transaction of

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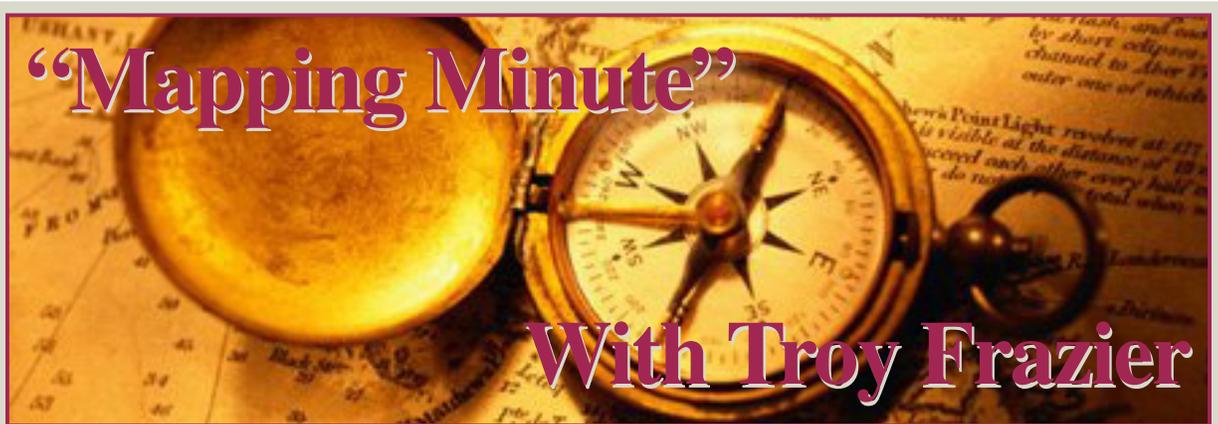
official business, the expenditure of public funds, or the administration of public property is a record subject to the Oklahoma Open Records Act.

Public records are open to any member of the public for inspection, copying or reproductions during regular business hours EXCEPT records specifically made confidential by law.

What You Should Do

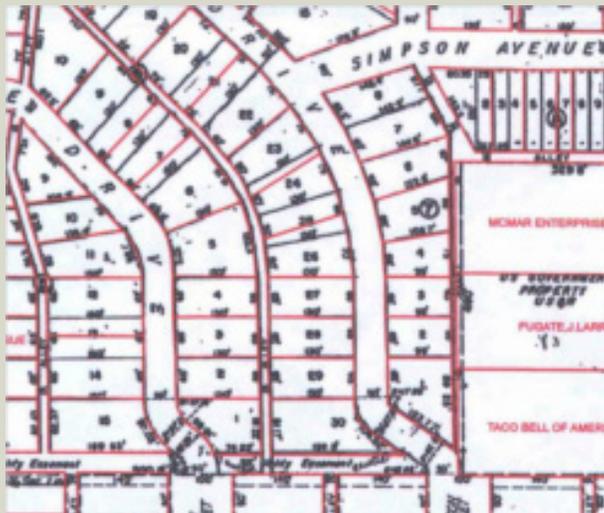
- Keep emails professional and to the point.
- Don't mix personal and business content.
- Keep in mind that any document you produce may be a record subject to disclosure under the open records act, and of interest to the public.

By following these simple guidelines, and any other specific guidelines that may have been established by your county, you will go a long ways toward ensuring that your use of email will be appropriate and effective.



By the end of May, I will have five of the twenty-five counties with AA and ArcView 8+ upgraded to export map pictures to the new state AA package. Even though it takes only about an hour to set up the code for a particular county, I generally try to stay for the entire day. This allows time for training and covering of other mapping concerns. On one such visit to Jackson County, we had the opportunity to play a little with the scanned plats from the County Clerk's office. We were able to bring the images into the mapping. We were able to fix them to always come in the right spot like the aerial photos. We were even able to change the colors of the plat from black to yellow to see it against the aerials. When I come by to visit, we can “play” in your county too! If you have any questions or would like to schedule a visit, please let me know.

Remember: “Reality is only for those with no imagination.”





Property Tax News From Around The Country



Florida...

Florida lawmakers ended up getting cold feet about letting homeowners take their lower tax bills with them when they buy a more expensive home. The chill has led them to the age-old answer to prickly policy problems: Study them.

The Senate Ways and Means Committee unanimously approved a bill to spend \$1 million on a study by the Florida Department of revenue to take an 18-month-long look at the state's property tax structure—including the impact of "portability," the proposal to allow homeowners to carry some of their property tax savings with them when they move.

Officials say that because the proposals would have an unknown impact on cities and counties—whose budgets depend on property taxes- the ideas need more time. They are also concerned about the constitutionality of Florida's property tax system, which allows unequal tax rates to apply to homeowners because of the Save Our Homes amendment.

That amendment was enacted in 1992 and has allowed homeowners to keep their property taxes artificially low as long as they live in their home by capping the annual increase on the taxable value at 3 percent a year.



Illinois...

Chicago homeowners with spiraling home values will have to brace themselves for property tax whiplash next year with the defeat recently of a bill to extend the 7 percent assessment cap for an additional three-year cycle.

In a 37-69 vote, the Illinois House of Representatives rejected Senate Bill 2350, the latest 7 percent cap measure, when it was called for a vote the day before the legislature's adjournment.



Iowa...

The Iowa Court of Appeals says a nonprofit owner of two elderly homes in northwest Iowa must pay property taxes—despite a state law that allows tax exemptions for some charitable groups.

The homes are in Sioux Center. They're owned by the Sioux Center Community Hospital and Health Center. It claims its nonprofit status should make it exempt from paying more than \$55,000 in property taxes each year.

In a hearing earlier this month, Sioux County Attorney Melissa O'Rourke noted the health center generated about \$24 million last year from Crown Pointe and Franken Manor.

The evidence convinced the court that the homes are not charitable enterprises.



Kansas...

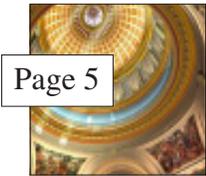
The Kansas Legislature recently approved a bill eliminating the property tax on business machinery and equipment after July 1.

Kansas Governor Kathleen Sebelius, who championed the bill, is expected to sign the legislation. The bill also increases the current property tax exemption for business personal property to \$1,500 from the current \$400.

And to protect local governments from the loss of tax revenue, the bill includes four years of state aid to governments where the tax base might decline because of the exemption. Built into this bill also is the Local AdValorem Tax Relief Fund that will restart state aid in 2010, aid that was discontinued by legislators in 2002.

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Minnesota...

The Mall of America in St. Paul wants lawmakers to approve about \$200 million in property tax relief as it prepares for a \$1.4 billion expansion that will more than double its size.

But with the legislative session nearing an end, it's missing support from the "home team." Representatives Ann Lenczewski and Dan Larson, both Democrats from Bloomington, oppose legislation to excuse the megamall and the planned Phase II expansion from paying property taxes until 2035.

Lenczewski said the current mall is exempt from property taxes until 2015.

Malls of America officials have said that not getting the property tax breaks would force them to reduce the size of the expansion. Plans are to start the second phase this fall and finish it by the end of 2009.



Montana...

A district judge in Great Falls recently ruled that PPL Montana's power plants are fairly valued for property tax purposes, handing the state a major victory worth millions of tax dollars.

The ruling, if it stands, means local governments and schools in several counties can recover and spend millions of dollars in taxes held under protest the past six years.

The company could appeal the ruling to the Montana Supreme Court.

PPL Montana has protested a portion of its property taxes on power plants since 2000, and greatly expanded its protest in late 2002.

The protest has tied up more than \$25 million in property taxes, much of which have been held in escrow accounts until the case is decided.



New Jersey...

In a step toward tackling New Jersey's property tax crunch, Senate President Richard Codey recently announced that he will appoint a task force to lay the groundwork for a special legislative session dedicated to tax relief.

Codey said recently that the task force will begin work after the state budget is approved June 30. He could not immediately say when the panel would complete its work or when a special session would be held.



Texas...

The Texas legislative special session ended recently, producing passage of a property tax bill. The bill would cut property taxes by \$.17 per \$100 valuation in 2007. Lawmakers believe the bill will solve the Supreme Court challenge by giving districts meaningful discretion in setting local property tax rates.

The bill joins two other House bills on the governor's desk. One would create a broad-based business tax on gross receipts for businesses that earn more than \$300,000 annually. The other would require used car purchasers to pay 80% or more of the blue book value of the car.

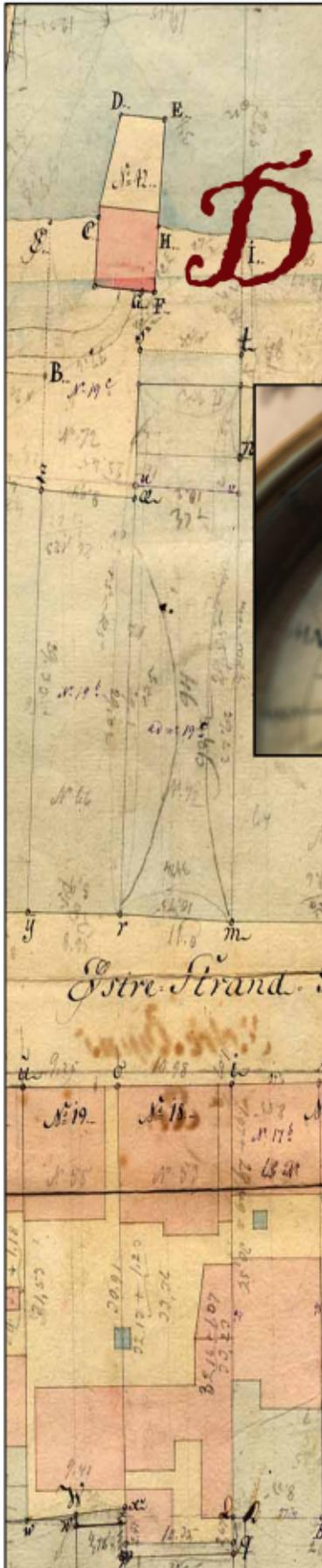
The final components of the five-bill tax reform plan await concurrence in the House as of publication deadline, before moving on to the governor. House Bill Five would increase the tax on cigarettes by \$1 a pack. House Bill Two would dedicate revenues raised by House Bills Three, Four and Five to property tax reduction. Property taxes would eventually be brought down to one dollar per \$100 valuation.

Lieutenant Governor David Dewhurst says once the property tax rate reaches a dollar, the savings to taxpayers will be historic. He says it would be the "largest tax cut in the history of the state," with a tax reduction of over 10 billion dollars.

Dewhurst attributed the session's success to three factors, including the June first deadline set by the Supreme Court to address the unconstitutional statewide property tax. He also says Governor Rick Perry's business tax plan and the willingness of the House and Senate to work together have contributed to the 30-day special session's success.



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Oklahoma Tax Commission
62nd Annual Educational Conference
For Assessing Officers

Discovering the Value in Assessment Education



Plans are well under way for the 62nd Annual OTC Annual Educational Conference. This year's Conference theme is "Discovering the Value in Assessment Education."

The following information will help you in making plans to attend.

- **Dates:** August 8 – 11, 2006
- **Location:** Marriott Southern Hills, 1902 E. 71st Street, Tulsa, OK
- **Registration Fee:** \$55.00 per student
- **Guest Room Rates:**
\$66.00 for a single bed, 1 or 2 occupants
\$76.00 for two beds, 2 or more occupants

The program is nearing completion, and soon enrollment information will be coming your way. In keeping with past years, confirmation numbers will be provided to ensure every county has at least 2 rooms. When those confirmation numbers are received, the hotel block will be open. Then 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.

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