



Oklahoma Ad Valorem

FORUM

Director's Notes:

Thanksgiving time again. It's pretty amazing that 2004 is about over. Tax bills are on the streets in many counties, with others working to get joint district millages settled so the bills can get out the door. This is a busy time of year, and I know at most of the county assessors' offices this is a stressful month with lots of calls about tax bills. Good taxpayer service and assistance is a tough job, and sometimes the "thanksgiving time" part of the effort comes later.

We enjoyed the County Assessors' Association Convention and the Oklahoma Association of Tax Representatives (OATR) meetings. I was glad that Mike Kemp of Conoco Phillips who is the new President of the Oklahoma Association of Tax Representatives (OATR) attended the convention. Mike Kemp gave a very positive and informative presentation to the County Assessors Association on the new Sarbanes-Oxley law (SOX) and its impact on corporate governance.

We also had a good session with John Driskill from the Veterans Affairs Administration who attended the meeting to discuss the new Veterans State Question (I personally like Mr. Driskill's suggestion that we start a policy that any cell phone that goes off during a meeting is an automatic \$25 contribution to the charity of your choice. Regina, Okmulgee County would have made out great last week if that policy had been in place.).

For a number of years prior to her retirement, Betty Price, former Coal County Assessor, used to call all the people that she worked with on the day before Thanksgiving and share her gratitude for the relationships she had with these people. The Ad Valorem Division was always on the list. What a great tradition. It's always nice to get a thank-you. We should all remember how much a "thank-you" can mean.

I'd like to thank the County Assessors Association officers. Debbie Collins, Denise Heavner, Ralph Wilson, and Joy Anderson did a great job in 2004. We enjoyed working with all of them, and they got a lot accomplished.

A special thanks is in order for the three county assessors who have or will shortly retire after many years of service. Bill Schultz, Grant County, Cheri Hall, Payne County, Sharon Butler, Seminole County. Just for the record, that's a combined 66 years of experience walking out the door, particularly since all those assessors must have started working at age twelve. Anyway, I've appreciated Bill Schultz's calmness under stress, Cheri Hall's steady good job, and Sharon Butler's upbeat approach to everything.

County assessors and deputies have the amazing responsibility to make the ad valorem system fair and equitable.

Continued on page 2...

A Look Ahead...

- December 1-3, Unit V, Business Personal Property, Norman
- December 7-8, Basic Mapping, Woodward
- December 15-16, Unit VII, Ag. Land Valuation
- December 25, Christmas Day

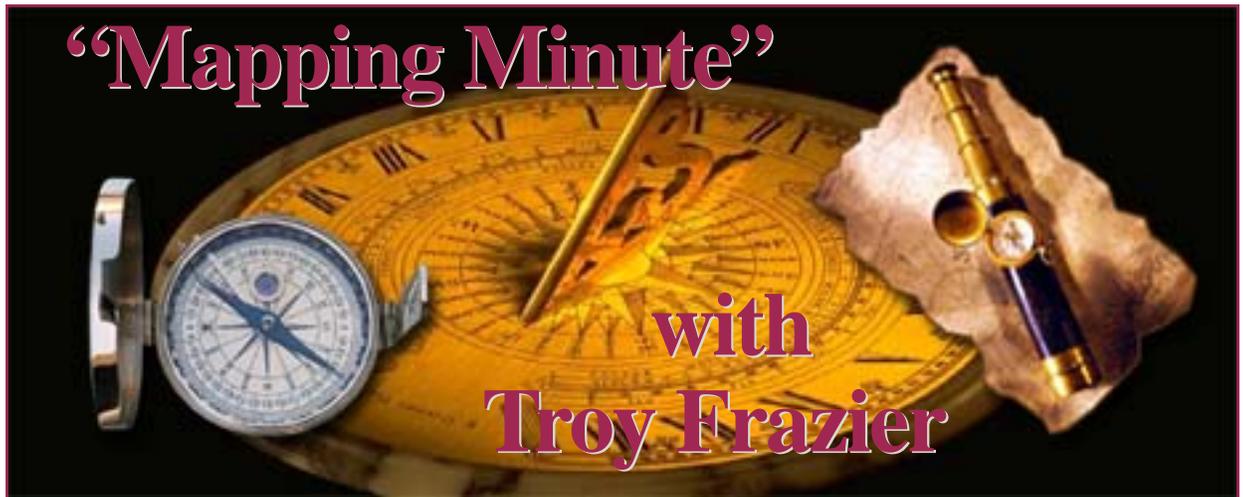


Continued from page 1 “Director’s Notes”...

The most important thing in a democracy, Tom Cusack says, is to make sure that the system is fair, not just to the person who protests but also to the person who doesn’t complain. You won’t always get a “thank-you”, but many people who don’t express their appreciation still realize just how important the job is. Have a good Thanksgiving. We’ll see some of you at the State Board of Equalization (SBOE) meeting December 1.

P.S. Philosophy of sick leave: “When calling in sick, be careful what illness you pick. Contagious flu, usually won’t do. You’ll get blamed for anyone’s sickness for the next six weeks. Broken bones are bad...for weeks you’ll have to remember which leg you can’t bend. On second thought, just use annual leave.”

-Anwar Caddo, Philosopher



Can’t Versus Won’t

Once again I am reminded that there seems to be some confusion about “can’t” and “won’t”. Despite common usage, these two words are not synonymous. As an example, I just recently heard that a county could not line up school boundaries, parcel lines, and physical structures to each other.

Back in 1995, while I was in Noble County, the assessor thought since the corner lots in the original plats of Perry had more grass to mow that they were bigger in size. In frustration, I drew some lots and blocks to the same scale and placed them on top of our 1993 aerial photo mylars (yes... 1993, our OTC mylars were newer than yours). I turned on the light table and showed him that the lot boundaries, the boundaries on the parcels, matched the sidewalks. This overlay clearly showed that these citizens did not have more land. They just had more city property (street right of way) to mow.

Here we are almost ten years later. Since then, I have given each county a copy of the 1995 digital aerial photos, current school district and municipal boundaries, and a free mapping program that can overlay these with your parcel boundaries. I am in the process of giving each county a copy of the 2003 aerial photos. I have visited most of the counties (all but one) and have installed this setup in most of them. If you have lost this setup, never had it, or need help re-establishing it, please give me a call.

Software Training

Moore-Norman Technology Center is no longer supporting off-site training. If you are interested in attending classes at their Norman campus please contact Scott Brown at Scott.Brown.MNTC@coxnet. I am looking to schedule regional training in December possibly at Alva and Stillwater. If you are interested in attending, please give me a call.

If you have other mapping software needs, please give me a call. If you want me to come out, just ask!

Remember: If you do not want to do something, say so! If you want to, and do not know how to, ask! We are at YOUR disposal...Use us!





Public Service Update With Mike Isbell

It is that time of year when the leaves change, football season is wrapping up, basketball is beginning, and we get our tax statements from the County Treasurer. None of us live such a surreal existence that we can avoid it, not even public service companies. That being the case what follows is a listing of those public service companies who, as of this writing, have an existing valuation protest for the 2004 tax year. The chart will list the company, the State Board of Equalization certified Fair Cash Value, the company estimate of Fair Cash Value as submitted on Form 989 to the Court of Tax Review, and the percentage in controversy.

S.B.O.E. Company Name	Company FCV	Protested Estimate	Percentage
Atlantic Coast Airlines	11,550,900	0	100.00
Chesapeake Energy Marketing, Inc.	12,078,080	0	100.00
Emerald Pipeline Corporation	199,886	162,884	18.51
Shamrock Pipeline Corporation	480,720	1,450	99.70
Skelly Belvieu Pipeline Corporation	4,544,184	2,014,500	55.67
Skywest Airlines, Inc.	16,678,000	4,196,400	74.84
Southwest PCS, LLC	39,557,700	2,500,000	93.68
Southwestern Bell Telephone	1,933,536,454	876,172,965	54.69
Valero Logistics Operations, LP	34,090,067	18,675,000	45.22

Readily apparent are the seven companies who are protesting 50% or more of their certified Fair Cash Value. Regardless of the protested percentage, each company may request a part of their tax payment be escrowed and held by the treasurer with their December and March payments pending resolution of the protest.

Ad Valorem “Frac. Tank” Taxation Ends

Beginning November 1, 2004 all Frac. Tanks will be subject to registration under the Motor Vehicle Code 47 O.S. 2004 Supp. Sec. 1133 (Ref: SB-1504).

Frac. Tanks will no longer be subject to ad valorem tax beginning January 1, 2005, provided they have been properly registered under the above referenced title and section.

These tanks will now be subject to an initial annual registration fee of \$48.00, renewal registration fee of \$4.00 and a flat excise tax amount of \$10.00 payable to any Motor License Agent upon registration.

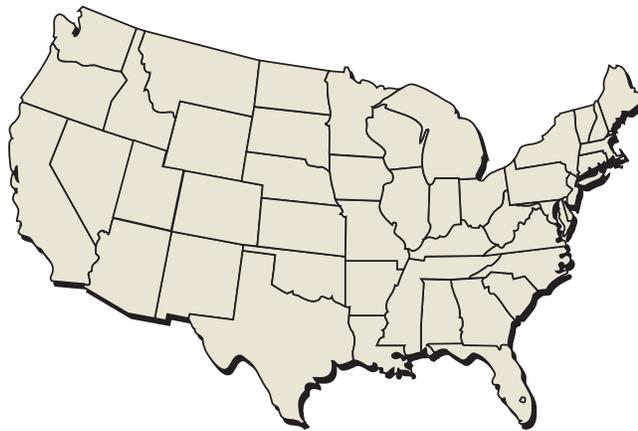
17 O.S. Sec. 54 defines a Frac. Tank as: “Any portable or stationary, high volume holding vessel designed and constructed for use in separating, storing or temporarily holding materials used in or resulting from fracturing techniques in oil and gas exploration.”

If you have any questions please contact the Ad Valorem Division at (405) 521-3178 or your local tag agent.





Property Tax News From Around The Country



Hawaii

Kaua'i county voters will vote on a proposed change to the County Charter that would cap owner-occupant property taxes. If approved homeowners who have lived in their current homes on or before June 30, 1999 would see their property taxes rolled back to what they paid in the 1998-1999 fiscal year.

Owner-occupants who moved into their homes on or after July 1, 1999 would see their tax set at what they paid on the year they bought the home. Increases thereafter would be capped at 2 percent per year or the retirement compensation adjustment used by the Social Security Administration, whichever is smaller.

The charter amendment proposal is the result of an initiative effort by the 'Ohana Kaua'i group, which gathered enough signatures to place the issue on the ballot.

Indiana

Indiana voters recently approved changes to the Indiana Constitution that will give lawmakers unprecedented authority to rewrite property tax laws. State lawmakers had backed the change so the inventory tax could be legally abolished and other tax breaks for homeowners and businesses could withstand court challenges.

The Indiana Farm Bureau, representing Hoosiers in agriculture, had called for the amendment's defeat, fearing farmers could end up paying even more after their taxes went up after the court-ordered property tax overhaul.

The amendment removes the requirement that homes, land, buildings, equipment and inventories be taxed on a "uniform and equal" basis. The so-called "uniformity clause" meant, for example, that homeowners shouldn't get tax breaks that are more favorable than those available to businesses.

The Constitution requires collecting \$300 million a year of property taxes on business inventories, equipment and machinery. The much-maligned tax is slated to disappear by 2007.

Critics fear the amendment's wording could pave the way for the General Assembly to shift more of the property tax burden onto businesses. This could be done by valuing homes and farms at a fraction of their market value in a process known as property classification.

Iowa

The Iowa Department of Revenue has decided to give homeowners a break next year by reducing the percentage of their homes' value they can be taxed on, but will not grant a property tax rollback for commercial properties.

Continued on page 5...





Continued from page 4 "Property Tax News"...

The change may put a strain on local governments' operating budgets. Currently, the owner of a residential property valued at \$100,000 only pays property taxes on \$48,459 of the value. Next year, the taxable value of a \$100,000 property will go down to \$47,964.

However, commercial properties, which are currently taxed on 99.25 percent of their assessed value, will be taxed on 100 percent of their assessed value next year.

Pennsylvania

Homeowners throughout Pennsylvania recently received applications for a property tax reduction that will use gambling revenue to bring down local school taxes.

While the benefits of the homestead-farmstead property tax exclusion are two or three years away, eligible property owners must complete and return the applications by March 1. The homestead exclusion is a provision of the Homeowner Tax Relief Act, one of two gaming-related laws signed July 5 by Gov. Ed Rendell.

To qualify for the tax reduction a person must own and live on the property in question. That property must be the person's only residence. If a person owns another home declared as a residence, he or she is not eligible for the tax break. A homeowner is also ineligible if he or she receives another homestead tax reduction in Pennsylvania or any other state.

Wyoming

Only one Jackson Hole resident has applied for property tax relief under a state program aimed at helping homeowners in areas of soaring home values. To qualify, a homeowner can have no more than \$5,000 in household assets, and they must be residents of Wyoming for at least the past 10 years. Additionally, an applicant's income must not exceed half the median income in their county.

While the program had been expected to result in \$2.3 million in lost revenue each year, so far only about \$75,000 in tax relief has been provided. Revenue Department Director Ed Schmidt says his agency will spend more money to promote the program.

Elsewhere Around The World...India

364 villages in Delhi have come together to fight the state government, which is trying to impose property tax on villagers for the first time in history.

"We have been staying here for thousands of years. Not even the British or the Muslim rulers or later the Marathas imposed any kind of tax on us. So why should we pay now," said Sahab Singh. The villages are denied all facilities provided by the municipal authorities including drinking water supply.

"They do not provide us any facilities; no school, no park, no sewage. And they are forcing us to pay this property tax. This is injustice," said Urmila Chowdhury.

Though there is fear of political interference in the movement, the villagers are now planning a show of unity on November 29 in New Delhi where a demonstration will be held.

With the villagers threatening to hit the road against the imposition of property tax, Municipal Corporation of Delhi's plan to collect taxes from these villages might just remain unfulfilled.



Receive The "Forum" By Email:

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



Senior Valuation Limitation Income Limits Change

With the approval of State Question 714 on November 2nd, the maximum annual household income on the Senior Valuation Limitation qualification changes from the current Twenty-Five Thousand Dollar (\$25,000.00) limit. The United States Department of Housing and Urban Development (HUD) will determine the estimated median income for the preceding year for each county or Metropolitan Statistical Area (MSA) beginning January 1, 2005. *The income limit for additional homestead exemption is not affected by this Constitutional change.*

Each county's new median income figures were sent in Tax Commission Bulletin 04-26 on November 3. The Tax Commission will provide this maximum qualification amount to each county annually. The qualification amount is subject to change each year. Historically the amount will increase, however it may also decrease. No other qualification requirements have been changed. This change in income qualification does not affect other exemptions.

If you have any questions, please contact the Ad Valorem Division at (405) 521-3178.

Retirement Receptions Announced

All good things must come to an end, or something like that. Three members of the "Assessor Family" will be leaving us soon to begin their retirement years. Bill Schultz, Cheri Hall, and Sharon Butler are preparing to start a new and interesting phase of their lives as the year 2004 winds down.

A retirement reception in honor of Bill Schultz is scheduled for Tuesday, November 30th from 1:30 – 3:30 p.m. in the Grant County Courthouse lobby.

A come and go reception for Seminole County Assessor Sharon Butler will be held Tuesday, December 21st from 1:00 – 4:00 p.m. at the Seminole County Courthouse.

And finally, a retirement party for Payne County Assessor Cheri Hall is scheduled for Thursday, December 30th from 2:00 – 4:00 p.m. in the Payne County Administrative Building.

Please make plans to attend these parties and receptions to recognize the achievements of these individuals and to wish them well in their retirement.

The Ad Valorem Division extends best wishes for happy, healthy and fulfilling retirements for each of these assessors, and thanks them for the good working relationships and their substantial efforts on behalf of the taxpayers during their time in office. We will miss each of you.

