



Oklahoma Ad Valorem

FORUM

Director's Notes:

The County Assessors Association Convention is over and it's nearly Thanksgiving and Bedlam Time again.

This is a busy time of the year with tax bills on the streets in many counties and others working to get joint district millages settled so the bills can get out the door. Marshall County again as far as I know is the first or near the first out the door. (Full disclosure: they're the only county in the state without joint districts. For those of you new to the ad valorem business, a joint school district is one that has territory in one or more counties and it's always a challenge to get all of the budgets done in a timely manner and ready for bills.)

I thought the County Assessors' Association Convention was very good this year. Denise Heavner and her officers did a good job. The new location worked out well at the conference center. We had several good comments on the program, including all the various presentations as well as the First Lady's appearance.

The Ad Valorem Division also attended the fall Oklahoma Association of Tax Representatives (OATR) meeting and I thought it was also a productive session. Commissioner Connie Irby with the Oklahoma Tax Commission attended that meeting, and we're looking forward to working with Deborah Gibson who took over from Michael Kemp of Conoco Phillips as the new President of the Oklahoma Association of Tax Representatives (OATR).

We've been pleased with the fall regional training we're conducting. I can't take credit for it since our field staff has made all the arrangements, but thanks a lot to the counties who've hosted the session and participated in some "hands-on" work on personal property.

I've included this message in the last four or five November newsletters and it's still valid. Betty Price, past Coal County Assessor, used to call and thank all the people that she worked with on the day before Thanksgiving. The Ad Valorem Division was always on the list. What a great tradition. It's always nice to get a thank-you. County assessors and deputies and the Ad Valorem Division should remember how much a "thank-you" can mean.

Have a good Thanksgiving. We'll see everyone at the State Board of Equalization (SBOE) meeting. 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 protest but also to the person who doesn't complain. They don't always get a "thank-you", but some people who don't express their appreciate just realize how important the job is. Have a good Thanksgiving.

P.S. Possible New Motto for assessors: "Pisces Mortui Solum Cum Flumine Natant" Latin for "Only dead fish go with the Flow." Tropel I.P.Madison.

A Look Ahead...

- November 30- December 2, Unit V, Business Personal Property, Norman
- December 13-16, Unit VI, Cadastral Mapping, Lake Murray State Lodge
- December 25, Christmas Day



Where In The World Is The 2005 Mapping Support CD-ROM?

Each year we try to give you a cd-rom or diskette of all the updated city and school boundaries. The main reason that we have not done so this year is because we are waiting for the 2004 aerial photos. They should be available any time.

The 2004 and 2005 aerial photos have been flown by the Farm Services Administration as a part of their yearly compliance program. The 2003 aerial photos that some of you and NRCS helped fund were originally scheduled as the first flight. The 2004 photos are close to being certified as correct. The 2005 photos should be ready next year. Both sets are 2-meter, color instead of the 1-meter that some of you helped pay for. Until we get a copy of the 2-meter, we will not know how useful they will be. If nothing else, the photos will help you keep up with ag land use changes and new construction sites.

As soon as we can get these photos, we will give you a new cd. If you have any questions, please let me know.

Remember: ...Something about plans, mice, and men?

Property Tax News From Around The Country



Georgia...

A proposed constitutional amendment would do away with property taxes as a means of funding K-12 public education in Georgia. School taxes account for about 55 percent of the typical Georgian's annual property tax bill.

To make up for that lost revenue, the measure would increase the state sales tax by 3 percent. Supporters say moving away from property taxes would spread the burden of funding the schools more equitably because everyone pays sales taxes.

"Currently, about 900,000 property owners pay the bill for 8 million Georgians," said Rep. Larry O'Neal, Chairman of the House Ways and Means Committee, which has jurisdiction over tax legislation.

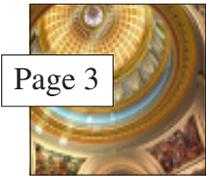
But the Georgia Budget and Policy Institute, an Atlanta think tank, cited several reasons for not swapping the property tax for the sales tax.

According to the report, Georgians are already paying more in sales taxes than property taxes, \$7.5 billion compared to \$6.6 billion in 2002. With the economic ups and downs of the last several years, property taxes also have become a more stable source of revenue than sales taxes. But the institute's chief argument is that sales taxes fall disproportionately on poor families.

According to Melody Harrison, Georgia director for the National Federation of Independent Business, said the proposal is overwhelmingly popular with businesses across the state. In a poll conducted by the FJIB in September, 86 percent of small business owners supported replacing school property taxes with a sales tax.

Continued on page 3...





Continued from page 2 “Property Tax News”...

But Representative O’Neal said the amendment isn’t likely to clear the legislature during the session that starts in January.

Many questions were raised about its implications during a series of public hearings held across the state in August and September, including whether getting rid of local property taxes would mean a loss of local control over school programs.



Michigan...

Michigan legislators are working on a business tax package to give high-tech industry and manufacturers some relief. Under the plan, manufacturers would get a 15 percent refundable credit for personal property taxes on business equipment.

In addition, the agreement offers companies a 100 percent personal property tax credit in 2006 and 2007 for equipment they bring into the state if they consolidate operations there.

Charles Ballard, an economics professor at Michigan State University, said he has mixed feelings about the package.

He said it could provide some growth in manufacturing, but added the continued reduction in taxes pose a threat to basic public services. “I’m not against the business tax cuts per se, but I think we’ve got to worry about the overall amount of revenue we’re collecting he said. “We’re a lot closer to Alabama than we are to New York.”



South Carolina...

South Carolina is embroiled in a major debate over how the state pays for its public schools. A South Carolina Senate joint panel has proposed that the General Assembly raise the sales tax by two cents to remove property tax on homes and vehicles as a source of funding public school operations.

The state would become responsible for all school operating funding along with the U.S. Government’s federal program allocations. The proposal immediately set off alarm bells among state educators and other officials.

The concept of dropping all personal property taxes for school operations may sound good at first blush, but brings huge policy implications, said Dr. Paul Krohne, director of the South Carolina School Boards Association. There is a role for property taxes for schools, which is the only expression of control remaining to local governments.

“We believe there is a tremendous over-reliance on property taxes in areas that don’t have a strong tax base,” said Krohne. “But local communities should also have the ability to go above the state funding. The sales tax is not stable or predictable, and we can’t prepare students to proficiency by 2014 with an unstable tax.”

The Senate panel is looking at other tax reform measures, including a cap limiting how much cities and counties could raise property taxes without a referendum.



South Dakota...

Over 51,000 signatures were recently gathered by people who favor a drastic change in the way real estate is assessed for tax purposes in South Dakota.

The proposal, in the form of a constitutional amendment, would base property values on the purchase prices of land, homes and businesses. Valuations initially would be based at assessed levels in 2003, and they could increase no more than 3 percent a year or at the rate of the consumer price index- whichever is less.

“It’s not a freeze. It’s a limit,” said State Senator Bill, Napoli, R-Rapid City. “We’re moving away from market value to purchase price. Whenever the property sells, the purchase price will become the new assessment.”



Continued on page 4...



Continued from page 3 "Property Tax News"...

Only when real estate changes hands or significant improvements are made to property would base valuations be revised to the actual sales prices or take into account the additional costs of improvements, he said.

Existing law requires local assessors to update valuations each year on the basis of current market values of similar properties.



And Elsewhere Around The World... London, England

Debate over how much of an estimated \$8.7 million budget surplus should be used to cut property taxes is currently raging in London.

Senior administrators at city hall recommended about \$600,000 should be allocated for property tax reduction. Several other projects that would "improve the financial health" of London should get the lion's share of the surplus, staff said in a report released recently.

But the recommendation to set aside less than 10 percent of the projected surplus to lower the 2006 tax increase irks at least one city council member. "Here we have an opportunity to give Londoners some relief after year of property tax increases," Paul Van Meerbergen said. "That's what we should do. The bottom line: It belongs to the people of London. Give it back to them."

The city's draft budget proposes a five percent hike in property taxes next year.



New IAAO Headquarters



This is the Adler Building in downtown Kansas City, the new headquarters of International Association of Assessing Officers (IAAO). It is located in the old garment warehouse district. Built in 1901, the structure is listed on the national historical preservation register.

It is located near the downtown Marriott Hotel and the Kansas City Convention Center where many FFA activities have been held over the years. (Ralph Wilson, County Assessors Association President stayed there on a FFA trip in the historic old Muehlebach Hotel which is now part of the Marriott. Several bellhops still remembered Ralph's visit. Not actually true.)

The residential area nearby is called "Quality Hill" an early neighborhood of nice homes that fell into decline in 1940s and 50s, but has been recently revitalized as an upscale area for downtown office professionals.

IAAO purchased the property for \$750,000 and spent about that

amount in renovating the building with more improvements planned. It has four stories, a full basement, and 28 parking places. It recently appraised for \$1.5 million. An interesting and complete new appraisal of the building is on the IAAO web site.



Volume XIV, Issue XI • November 2005



Continued on page 5...

Continued from page 4 “New IAAO Headquarters”...

“Ribbon Cutting”

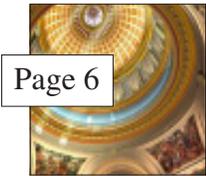


Kansas City Mayor Kay Barnes, the city’s first female mayor, cuts the ribbon for the Grand Opening November 4, 2005 of the new International Association of Assessing Officers (IAAO) headquarters in Kansas City. The Grand Opening was attended by about a hundred people including the International Association of Assessing Officers (IAAO) Executive Board and Committee members. The etched glass doors shown were used in the IAAO headquarters in the Prudential Building in the Chicago “Loop.” They were rescued from the possibility of being thrown away by IAAO staff. They were disassembled, hauled down twenty-five or so stories out of the Prudential building, put on a truck and transported to Kansas City. The Kansas City Chapter paid for the trip.

“Lisa Daniels, IAAO’s New Executive Director”

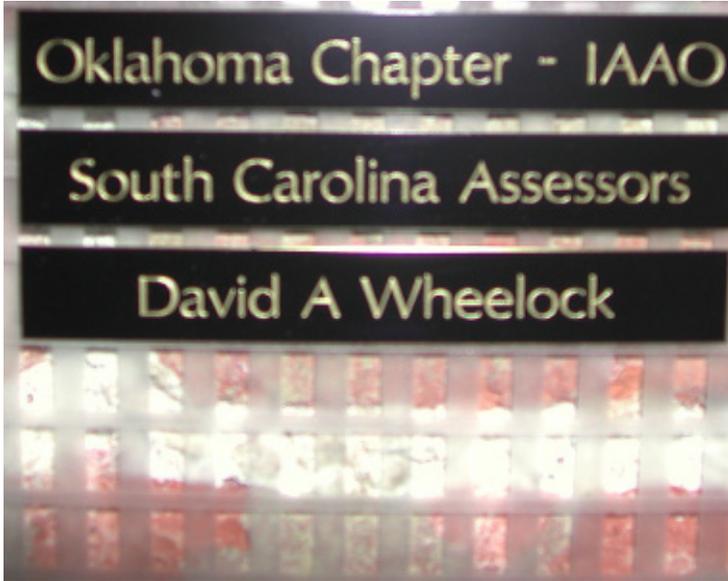
Lisa Daniel and Jeff Spelman, CAE shown at the Grand Opening. Lisa is the new Executive Director of IAAO. She and her husband Joe Daniels are long time Kansas City residents. Lisa has been a professional association executive for several years and oversaw the difficult task of moving IAAO, its library, files, and equipment from Chicago to Kansas City. Among the many reasons why she was selected by the International Association of Assessing Officers (IAAO) Board as director was because she’d been through a major move of another trade association and knew what was involved in such a job.





Continued from page 5 “New IAAO Headquarters”...

“Wade, the Check Make It!”



Wade Patterson, past IAAO Chapter President, presented a check from the Oklahoma Chapter at the last IAAO Conference to help with the building purchase and renovation costs. This picture is proof positive that Wade really did deliver the check and that IAAO is on the ball and already has the Oklahoma plaque made and on the wall honoring the IAAO Chapters and members who have contributed to the project. Note: IAAO Chapter funds don't involve any state or county funds. The Chapter is funded by dues and educational class revenues.

Volume XIV, Issue XI ● November 2005



Housing Permit Counts

All Data Expressed in Thousands

	SINGLE-FAMILY				MULTIFAMILY				TOTAL			
	YTD SEP 2005	YTD SEP 2004	YTD PCT CHG	YEAR TOT- 2004	YTD SEP 2005	YTD SEP 2004	YTD PCT CHG	YEAR TOT- 2004	YTD SEP 2005	YTD SEP 2004	YTD PCT CHG	YEAR TOT- 2004
UNITED STATES	1,304.3	1,255.5	4%	1,613.4	351.3	324.7	8%	456.6	1,655.5	1,580.2	5%	2,070.1
NORTHEAST	96.1	97.5	-1%	131.8	55.6	49.0	13%	65.2	151.8	146.5	4%	197.0
NEW ENGLAND	32.6	31.8	3%	43.7	11.2	9.7	16%	14.1	43.8	41.4	6%	57.9
MIDDLE ATLANTIC	63.6	65.7	-3%	88.0	44.4	39.4	13%	51.1	108.0	105.1	3%	139.1
MIDWEST	223.5	220.7	1%	295.5	53.0	51.9	2%	74.9	276.5	272.6	1%	370.5
EAST NORTH CENTRAL	150.2	149.1	1%	196.5	36.2	34.0	6%	48.9	186.4	183.1	2%	245.4
WEST NORTH CENTRAL	73.3	71.6	2%	99.0	16.8	17.9	-6%	26.1	90.1	89.5	1%	125.1
SOUTH	633.5	570.9	11%	756.1	158.6	145.4	9%	204.5	792.2	716.3	11%	960.6
SOUTH ATLANTIC	399.9	357.7	12%	471.8	104.8	94.0	12%	134.8	504.7	451.6	12%	606.7
EAST SOUTH CENTRAL	71.7	70.2	2%	89.9	13.2	15.0	-12%	19.5	84.9	85.2	0%	109.36
WEST SOUTH CENTRAL	161.9	143.0	13%	194.4	40.6	36.4	11%	50.4	202.5	179.4	13%	244.75
OKLAHOMA	11.87	11.00	8%	14.10	1.82	1.67	15%	2.97	13.78	12.66	8%	17.07
* Oklahoma City OK	6.38	6.03	8%	7.77	0.82	0.97	-15%	1.56	7.18	6.99	3%	8.33
* Tulsa OK	3.75	3.31	13%	4.43	0.31	0.18	71%	0.25	4.06	3.49	16%	4.69
WEST	351.1	330.8	6%	430.0	84.0	79.3	6%	111.9	435.1	410.1	6%	541.9
MOUNTAIN	173.7	162.0	7%	213.9	26.5	24.0	10%	31.1	200.2	186.1	8%	244.9
PACIFIC	177.3	168.8	5%	216.2	57.5	55.2	4%	80.8	234.9	224.0	5%	296.96

NOTES: Data from National Association of Home Builders

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.