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

Volume XV, Issue XI ● November 2006

Director's Notes:

Count The New Assessors One More Time

The County Assessors' Association Convention is over, and so it's nearly Thanksgiving and Bedlam time again. Best of all, for most county assessors the election is finally over, and things can return to a relatively normal state. This election had ten races that went on clear until November.

We'll have plenty of new faces at the next meeting of the County Assessors' Association. With retirements and elections, we will have at least twenty-one men and women joining the ranks of the county assessors. One in four assessors will be "rookies," and it will be the responsibility of the "partnership" (County Assessors' Association, Ad Valorem Division, Center for Local Government Technology—now known as "ATAP," Commission on County Training, and State Auditor and Inspector) to help in any way we can as these brave souls undertake their duties. It takes a tremendous commitment and lots of courage to take on the job.

At the Ad Valorem Division, we're looking forward to assisting in any way we can. We've planned a new assessor orientation for January 17-19, 2007 in Oklahoma City at the Country Inns & Suites at 3141 NW Expressway. Room rate will be $67.00. More information will be forthcoming.

The County Assessors' Association Convention had a good program this year, and Ralph Wilson and the officers group did an excellent job. Ralph and his staff (Suzanne and Donice) were super to work with in their calm Major County way of handling things. We had several good comments on the program, including the appearances by several statewide candidates.

The Ad Valorem Division also attended the fall Oklahoma Association of Tax Representatives (OATR) meeting, and I thought it was also a productive session. Deborah Gibson had a good year as President of the Oklahoma Association of Tax Representatives.

In the spirit of Thanksgiving, we'd like to thank everyone for all they've done this year. Cherry Hefley's predecessor in Coal County, Betty Price, 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.

We'll see everyone at the State Board of Equalization meeting. The most important thing in a democracy 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. County assessors don't always get a "thank-you,", but some people who don't express their appreciation do realize how important the job is. Have a good Thanksgiving. (Go Pokes. Go Sooners. Not presented in any particular order.)

P.S. "If you find a path with no obstacles, it probably doesn't lead anywhere." Anwar Caddo, Ad Valorem Philosopher. (quote stolen from Frank A. Clark)

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I was able to attend the IAAO Course 601, "Advanced Mapping", last week in Topeka, Kansas. Since the class was sponsored by the Kansas Association of Mappers, they made sure to give us some of their literature including a list of classes they offer.

Currently, Kansas offers 37 classes ranging from simple map making and editing to metadata creation, building connections, and external databases. All of these classes are designed for ArcGIS (ArcView, ArcEditor, ArcInfo and ArcIMS).

A future consideration might be to create some similar mapping classes for Oklahoma assessors based on use with ArcView or MIMS, and perhaps some AutoCAD Map. This could be a way to expand our mapping training across the State.

Please let me know if you have any questions or concerns, want to schedule a visit or want to drop in and see what we are doing. We are here to help you.

Remember: Nothing ventured, nothing gained.

Freeport Exemption Glitch Resolved

Oklahoma voters approved a state question which gives the Legislature the power to create a deadline and an application process for granting the freeport exemption, altering the original language put in place in 1968.

The Oklahoma Constitution provides what is known as the "freeport exemption", meaning merchandise being shipped through Oklahoma on its way to another state cannot be considered as the business's personal property for the sake of assessing property tax.

Property being shipped through Oklahoma is exempt from property tax if the merchandise is moved in and out of the state within 90 days. Merchandise held for assembly, storage, manufacturing, processing or fabricating purposes can be kept in Oklahoma for up to nine months without being assessed for taxation, provided the goods are not consigned for sale within the state.

The Freeport exemption was originally approved by the people of Oklahoma in 1968, but it did not set a deadline for businesses to file for the exemption. Nothing in state law prevented businesses from filing retroactively for several years' worth of exemptions all at once. County assessors had difficulty making accurate assessments from year to year when businesses failed to designate property to be exempted in a timely manner.

This created difficulties for the counties which run a real risk of having insufficient monies to issue refunds. If a county doesn't have sufficient monies for refunds, the refund must be levied on the tax rolls as a judgment. Then counties may have to raise taxes to make up the difference.

The Oklahoma Legislature attempted to fix the problem with Senate Bill 521 in 2000. The law stipulated businesses must file for the exemption by March 15 of the year the exemption applies. The affidavit must be filed annually and established a filing procedure. This was challenged in court in Tulsa County by Thales Navigation Inc., claiming the constitutional exemption and the legislative intervention must be deemed unconstitutional. The court agreed and a refund was issued to the company. Tulsa County appealed, but the Oklahoma Court of Civil Appeals also held the law to be unconstitutional.

Creating a mandatory filing deadline could only be accomplished through a state question to amend the constitution. Sixty-three percent of the voters decided to give the Legislature the power to create a deadline and an application process for granting the exemption.

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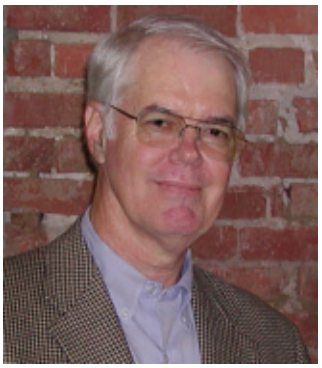
IAAO News - Jeff Spelman Receives Presidential Citation Award



Jeff Spelman, CAE received a Presidential Citation Award from President Wayne Trout for his work on the IAAO Communications Committee. Presidential citations are presented each year to IAAO committee chairs for outstanding service. He has been chair of the committee for the last two years. The Communications Committee oversees publication of the "Fair and Equitable" magazine and two professional journals. He will rotate off the committee this year, and Wade Patterson will join the committee as a new member.

New Assessors' Orientation

The Ad Valorem Division is in the process of developing training for new county assessors and deputies.

A variety of topics will be on the agenda to provide an overall perspective of the assessor's responsibilities and duties. Staff from the State Auditor's office as well as the Assessors Training Accreditation Program of the Center for Local Government Technology will be involved. Representatives from the County Assessors Association will also participate.

The training dates are January 17 – 19, 2007. The location will be the Country Inns & Suites located at 3141 N.W. Expressway, Oklahoma City, OK 73112. Guest rooms are available for $67.00 a night. Ask for the OTC room block to get this rate. The hotel telephone number is (405) 843-2002.

More information will be forthcoming in December about this training.

Property Tax News From Around The Country

California...

Voters gave a resounding "no" by 76.9% to State Proposition 88. The proposal would have imposed a $50 tax on each real property parcel to provide additional public school funding for kindergarten through grade 12. Certain elderly and disabled homeowners were to be exempted from the tax.

Florida...

Voters passed two constitutional amendments pertaining to property. (1) The Legislature is authorized to allow counties and municipalities to increase the maximum additional homestead exemption from property taxes from $25,000 to $50,000 for adults at least 65 years old with a household income under $20,000. (2)Permanently disabled veterans who are at least age 65 will receive an additional homestead exemption of up to $25,000. It will apply only to veterans whose disability was combat-related and who were Florida residents when they entered the service. The total fiscal impact to local governments is estimated at $20.1 million.

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Maine...

The State of Maine is looking to reform its property tax system. Three elements have been suggested: (1) Dump the personal property tax. It's anti-business and difficult to track. (2) Require all cities and towns have a current assessment overseen by a Certified Maine Assessor so that all are assessing the same way. (3) Require all towns and territories put their information online in keeping with the "sunshine law" that keeps all the public's business public and available to the people.

Missouri...

More residents are opting to pay property taxes in installments instead of a lump sum. This method helps people on fixed incomes to manage their money. Under the program, a taxpayer signs up to make 11 tax payments through the year via electronic debits. The first 10 payments are all the same amount, based on the previous year's tax. The final payment in November is adjusted to reflect any increase or decrease in the total owed. There is no fee charged for the service. The county places the tax payments in a separate account with the interest dedicated to the expense of maintaining the program.

New Jersey...

New Jersey voters overwhelmingly approved using sales tax money to provide relief from the state's high property taxes, the highest in the nation. The state's sales tax would increase from 6 to 7 percent. Half of the $1.2 billion sales tax revenue is to be used to provide property tax relief. The mechanics of administering the proposal are still under consideration. Some items under consideration to reduce property tax revenue spending are restrict travel and perks for school superintendents, allow county superintendents to have authority over local school spending, and merge some municipalities.

South Dakota...

South Dakotans do not want to change the way real estate is assessed in the state as expressed by an 81% "no" vote. The amendment proposed existing values on property would roll back to the 2003 level, then a 3% increase would have been added for each of the next 3 years to reach the 2007 assessed value for tax purposes. Sales price would have been the starting point for property tax assessments after 2007. The assessed value could not increase more than 3% a year after that unless improvements or additions were made to the property. Currently, market value is used to make assessments based on sales records and similar properties.

Tennessee...

A majority of Tennessee voters approved a constitutional amendment that would help older homeowners by exempting year-to-year increases in property taxes. The amendment would essentially freeze property tax rates for homeowners 65 old and older. But, it would be up to local governments to decide whether to give these seniors a discount.

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