



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:

We've enjoyed seeing everyone at the County Assessors' Association Convention. We marked one of the best times of the year in Oklahoma—great weather, football, and finally a little rain---with another good convention with lots of participation from everyone involved.

I know for the county assessors with tax bills on the street or in the final process of preparation, this is a busy time of year. The Ad Valorem Division also has lots of activity ahead of us this fall. Equalization Studies are almost wrapped up for the year. We're close to completing the inspection of the five-year exemption properties in the forty-five counties with projects. Larry Rawlings and Doug Brydon will be completing the last of the projects, helping Patty Heath in Texas County in the next week or so. We also are completing some work with the Department of Commerce reviewing the five-year exemption and the T.I.F projects, which Kenny Chuculate discussed at the Convention.

In addition to that, the Ad Valorem Division has reviewed some office space for a possible move of the offices to another location close to the Capitol. We may have more news on our progress later in the year.

As you heard at the convention, the big news for October was the IAAO Chapter's success in being named Outstanding IAAO Chapter of 2006 in the small Chapter category. Monica Schmidt, Woods County Assessor and Chapter President, accepted the award for Oklahoma.

We had a lot of competition in the selection. I talked with the Awards Committee Chair, and she said that picking Oklahoma's application was a "no brainer" since the Chapter had done a lot. Much of the credit for the winning application goes to Monica Schmidt, Wade Patterson, Garfield County Assessor, Doug Warr and Gary Snyder, Center for Local Government Technology, Tom Henry, Larry Stein, and Mike Morrison of Oklahoma County, as well as many other Chapter members for their work, hosting the IAAO courses, hosting Lisa Daniels at our Annual Conference, taking hundreds of pictures of Chapter activities and developing the web site.

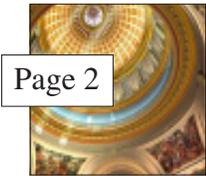
When I first talked with Monica Schmidt and Wade Patterson about submitting the Chapter for nomination, I don't think that everyone realized we had a secret weapon in Cathy Gibson. She put the final application together and organized all the materials. Cathy once served on the IAAO Awards Committee, so she knew the drill, and I think that we were all extremely pleased since it reflects on Oklahoma and all the county assessors in the state.

The last time Oklahoma won the Chapter Award was in 1988. This was only a few years after the Chapter was established

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A Look Ahead...

- November 2-3: Unit VII, Ag Land Valuation, Norman
- November 14-17: Unit III, Mass Appraisal, Norman
- November 23: Thanksgiving Day
- November 28-December 1: Unit IV, Income Approach, Norman



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and incidentally the first year that there was an award for outstanding Chapter. At that time, we had to compete directly against some of the bigger Chapters. (The Florida Chapter and the Kansas City Chapter are large and put on dozens of IAAO Courses every year.) I worked on putting Oklahoma’s nomination together then, and we were delighted then, but this has been even more satisfying for the entire Oklahoma Chapter.

Finally, as King Ralph joins the exclusive and important “Past President’s Club,” I’d like to express my appreciation to Ralph Wilson, Major County, for all his hard work this year as President of the County Assessors’ Association. Ralph is terrific to work with, and his office staff has been really helpful. Unless you’ve served as an officer in the County Assessors’ Association or watched it from the Ad Valorem Division perspective, it’s hard to realize how much work and travel the leadership positions require. He’s attended countless CODA meetings, County Assessor District meetings, OATR meetings, and this year, many extra meetings as the county training process underwent lots of discussion and debate. Ralph was always a good solid presence and a great representative for the county assessors and deputies.

Thank you for all your help this year. Have a good month. We appreciate all you do for your taxpayers and all the hard work of county assessors and deputies everywhere. 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.

Recent Winners of IAAO Chapter Award



- 2002: Kentucky
Central Arizona
- 2003: Kansas City
Florida (One of the largest Chapters in the nation)
- 2004: Minnesota
Kentucky
- 2005: Florida
Kentucky
Kansas City
- 2006: Kansas City
Oklahoma



Ask Yourself A Few Questions...

What are you using your mapping for? Are you creating computerized maps of areas of interest for taxpayers on demand, or are you taking a hand drawn map out of a book and copying it on a copier? Are you making plat books and wall maps, or are you referring your customers to some one else that is making money off of your data? Are you making sales maps for fee appraisers and for your revaluation staff and their in-house sales analysis, or are you just printing a sales list and helping them to figure out

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where the properties are? Are you using your mapping to visually confirm your school district, fire district, and city codes match the actual boundaries, or are you "trusting" that all your data is entered correctly? Are you using your computerized mapping for ag land valuation, or are you counting dots off of a thirty year old soil book with forty year old photos?

Every county was given money for mapping hardware and software about a dozen years ago. What are you doing with it today? Is your parcel layer complete and up to date? Are you using the soil layers the Tax Commission has given to you, either the ten acre grid we had OSU create for you about a dozen years ago or the more recent digitized soil layer from the Natural Resources Conversation Service as it is released for each county?

After mapping their parcels and land use, MIMS counties have been able to download ag land values to the State CAMA system for years. Some MIMS counties have been doing this for nearly a decade. About half of the current MIMS counties are uploading to CAMA on a regular basis.

With the purchase of an extra extension, ArcView has been able to as well. With ArcView 9.1 and its command line commands, you can now do the same without any extra purchases. By the time you get this newsletter, we should have the coding finished and be able to starting installing it in counties using ArcView 9.1 that are actually mapping their land use. We may be able to write code for counties using older ArcView, but so far, no success. This may be a good reason to update your ArcView if you haven't already. Keep in mind: THIS CODING AND SOFTWARE WON'T HELP YOU IF YOU DO NOT HAVE YOUR PARCEL LAYER CURRENT AND YOUR AG LAND USE MAPPED.

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

Remember: Asking the hard questions sometimes produces challenging answers, but it encourages us to continue to do our jobs better over time.

Property Tax News From Around The Country



Alabama...

A constitutional amendment that would require every city and county school system in Alabama to have at least 10 mills of property taxes allocated for public education is on the general election ballot November 7. About one-fourth of Alabama's school systems fall below 10 mills.

A state law enacted in 1995 provides that in order to get state education funds, every city or county school system must have 10 mills of property taxes or have other taxes that raise an equivalent amount of money.

Alabama has 101 city and county school systems with 10 mills or more. But there are 30 systems that have fewer than 10 mills and use other taxes to make up the difference. In most cases, the difference comes from local sales taxes.

The Legislative Fiscal Office estimated that Amendment Two would generate about \$23 million in the affected school systems. It would start with the tax year beginning October 1, 2007.

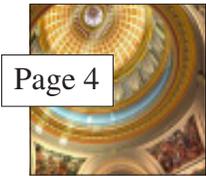
To pass, Amendment Two will have to get a majority of the votes statewide. If it does pass, it will take effect even if voters in the 30 affected counties reject it.

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Receive The “Forum” By Email:

To receive the “Ad Valorem Forum” by email, please forward your email address to Cyndi Heath at cheath@tax.ok.gov.





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California...

A proposed constitutional amendment on November's ballot would generate more than \$450 million a year for a wide array of public school programs. But how that money would be raised has caught the attention of critics.

Proposition 88 would impose a \$50 per year tax on most real estate parcels in California, a move opponents call a stealth attack on Proposition 13, the state's landmark property tax initiative.

"To some people, \$50 may not sound like a lot. But if we impose a statewide property tax, then other interest groups are going to want their own statewide property tax," said Jon Coupal, president of the Howard Jarvis Taxpayers Association, named for the co-author of the 1978 initiative that capped increases in property tax assessments.

Proposition 88 would impose a tax on most properties, with exceptions for the elderly and disabled. The money would be funneled into class-size reduction efforts, textbooks and grants to school that are performing well.

Opponents say it would create the first statewide property tax in California since 1910. That's a precedent they don't want, said Ron Roach, spokesman for the California Taxpayers Association.

He called Proposition 88 a "huge, huge frontal attack and assault on Prop. 13."

Proposition 13 capped the amount property taxes can increase each year but has led to wide disparities in the amount paid by homeowners and businesses because taxes are reassessed when property is sold. It also forced the state to shoulder more of the responsibility for funding schools and local governments.



Florida...

Approximately 25,000 wounded Florida veterans over the age of 65 would benefit if Constitutional Amendment 7 passes in the November 7 election. The amendment would give such vets a discount on their property tax that's equal to the percentage of their service-connected disability.

For example, a veteran with a 70 percent disability would get a 70 percent discount. And with real estate prices skyrocketing statewide, some vets say the discount couldn't have come at a better time.

With Florida's flourishing economy, Rep. Ray Sansom (R-Destin), who sponsored the bill, said the state should help vets. Senators unanimously approved the bill (HB 1325) during last session.

That new discount will cost the state about \$20.1 million annually, assuming that 20,135 of the 823,718 Florida vets will qualify for the reduction. The reduction would take effect December 7.

No groups have organized to oppose the amendment.



Indiana...

A state law that limits the amount of property taxes people can pay- but also jeopardizes the budgets of many local governments- will not get through next year's legislative session without changes, according to Republican leaders.

A provision of House Bill 1001 passed by the General Assembly this year caps the amount of property tax residents can pay at 2 percent of the assessed value of their property.

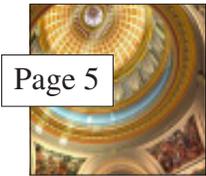
For example, the owner of a \$100,000 home could not pay more than \$2,000 in property taxes. If that property owner were charged more than \$2,000, the county would have to refund the difference and would have no way to recoup that revenue.

The 2 percent circuit breaker would become effective for residential property in 2008 and all property in 2010. Statewide, the percentages of taxes paid were on average 1.1 percent, well below the 2 percent threshold.

Allen County Auditor Lisa Blosser recently estimated that the law could end up costing local governments a combined \$8.2 million in 2008.

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New Jersey...

New Jersey lawmakers on four special committees debating property tax reform are trying to cut the state's highest-in-the-nation property taxes by cobbling together ideas that will likely be included in their final recommendations to the Legislature by November 15.

New Jerseyans pay about \$6,000 in annual property taxes, twice the national average.

Speaker Joseph Roberts Jr., D-Camden said most committee ideas would provide long-term tax relief, but legislators intend to find means to give immediate relief to homeowners.

That could come by boosting direct state property tax relief to homeowners or limiting how much property taxes are charged, though nothing has been finalized.

"We're going to let the four committees do their work and we're going to take their work product and we're going to advance that," Roberts said.

"At the end of the day, I believe that the citizens of this state will understand that we get it and that we're committed to making the reforms that demonstrate that."



Vermont...

A group of five Republican state representatives held a press conference recently to launch a campaign to repeal Vermont's statewide property tax.

The group is seeking to reverse Acts 60 and 68, and promise to introduce legislation in January when the new legislative session commences. They say the Legislature could come up with a new plan over the next two years to fund the state's education system, which is supported by the state property tax. The Legislature developed the current system in 1997 after the state Supreme Court ruled the old school funding system was unconstitutional.

Rep. Joseph L. Krawczyk Jr., R-Bennington, said the group wants to listen to a variety of ideas. They are seeking to form a committee that can study the situation and find an alternative way to fund education.

"The governor's got a plan that caps taxes, let's look at that. There's a lot of smart people out there that have a lot of great ideas. Let's hear them," he said.

Governor James Douglas "appreciates the fact that these lawmakers are drawing attention to this important issue," said Douglas spokesman Jason Gibbs.

"People want fair school funding. They want to control costs and fund schools on people's ability to pay. That's what people want and that's what we should aim for," said Rep. William Botzow, D-Pownal/Woodford.

"I am more focused on the goal than the strategy that they proposed. The strategy they proposed is an election year strategy...It's not a policy strategy to repeal without a plan."



And Elsewhere Around The World...

Hungary

Hungary's government plans to introduce a property tax some time in the future, although it has revealed few details about the form it would take.

An undersecretary at the Finance Ministry resigned recently a day after suggesting the tax would be levied on properties worth more than Ft. (Hungarian Forint) 9.5 million, or approximately \$45,000 U.S. dollars, considered the average value of Hungarian homes.



Maximum Income Qualifications For Valuation Limitation Change In 2007

With the passage of State Question 714 on November 2, 2004, the maximum qualifying income for the Property Valuation Limitation as provided for in Okla. Const. Article 10, Section 8C is tied to the United States Department of Housing and Urban Development income figures. The Tax Commission provides these numbers to the counties each year. The following listing is the maximum income qualification for each county for tax year 2007:

1. Adair \$35,000.	27. Grant \$42,200.	53. Nowata \$43,500.
2. Alfalfa \$41,800.	28. Greer \$36,700.	54. Okfuskee \$36,000.
3. Atoka \$35,100.	29. Harmon \$34,900.	55. Oklahoma \$53,900.
4. Beaver \$49,000.	30. Harper \$49,600.	56. Okmulgee \$40,400.
5. Beckham \$41,000.	31. Haskell \$36,000.	57. Osage \$54,500.
6. Blaine \$41,200.	32. Hughes \$34,900.	58. Ottawa \$38,900.
7. Bryan \$40,800.	33. Jackson \$46,100.	59. Pawnee \$44,300.
8. Caddo \$38,500.	34. Jefferson \$36,700.	60. Payne \$48,900.
9. Canadian \$53,900.	35. Johnston \$35,900.	61. Pittsburg \$42,500.
10. Carter \$43,900.	36. Kay \$45,900.	62. Ponotoc \$42,300.
11. Cherokee \$39,200.	37. Kingfisher \$52,400.	63. Pottawatomie.. \$45,800.
12. Choctaw \$33,700.	38. Kiowa \$41,400.	64. Pushmataha \$33,500.
13. Cimarron \$43,100.	39. Latimer \$36,600.	65. Roger Mills \$43,200.
14. Cleveland \$53,900.	40. Le Flore \$38,900.	66. Rogers \$54,500.
15. Coal \$34,400.	41. Lincoln \$43,800.	67. Seminole \$37,200.
16. Comanche \$47,000.	42. Logan \$53,900.	68. Sequoyah \$41,200.
17. Cotton \$41,500.	43. Love \$46,000.	69. Stephens \$43,400.
18. Craig \$43,500.	44. McClain \$53,900.	70. Texas \$54,500.
19. Creek \$54,500.	45. McCurtain \$35,800.	71. Tillman \$36,900.
20. Custer \$44,700.	46. McIntosh \$38,100.	72. Tulsa \$54,500.
21. Delaware \$39,700.	47. Major \$44,000.	73. Wagoner \$54,500.
22. Dewey \$42,700.	48. Marshall \$38,200.	74. Washington..... \$52,400.
23. Ellis \$40,800.	49. Mayes \$44,600.	75. Washita \$43,100.
24. Garfield \$47,700.	50. Murray \$44,600.	76. Woods \$46,700.
25. Garvin \$41,700.	51. Muskogee \$41,600.	77. Woodward \$48,000.
26. Grady \$47,500.	52. Noble \$47,200.	

Counties with Decreased Qualification Requirements:

1. Grady (-) \$ 1,400.00
2. Cherokee (-) \$ 100.00
3. Coal (-) \$ 800.00
4. Haskell (-) \$ 200.00
5. Kay (-) \$ 1,400.00
6. Kingfisher (-) \$ 900.00
7. Latimer (-) \$ 800.00
8. Love (-) \$ 3,100.00
9. Major (-) \$ 900.00
10. Pottawatomie... (-) \$ 6,750.00*
11. Sequoyah (-) \$ 3,000.00
12. Washita (-) \$ 1,100.00
13. Woodward (-) \$ 500.00

Counties with No Change in Qualification Requirements:

1. Creek
2. Osage
3. Rogers
4. Tulsa

All other counties increased in qualification income requirements.

* H.U.D. removed Pottawatomie County from the Oklahoma City MSA for 2006.



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Oklahoma IAAO Chapter Wins Award At International Conference



The Oklahoma Chapter of IAAO was recently awarded the Outstanding Chapter Award at the 72nd Annual International Conference held in Milwaukee, Wisconsin October 8-11. This award is conferred annually on an IAAO chapter that has made an outstanding contribution to the realization of the mission of the IAAO.

Accepting the award on behalf of the Oklahoma Chapter was current President Monica Schmidt, Woods County Assessor. Other state chapter members present at the Milwaukee Conference were Wade Patterson, Doug Warr, AAS, Jeff Spelman, CAE, Kenny Chuculate, William Mack, and Joe Hapgood, CAE.

The Oklahoma Chapter was formed in 1985, and currently has 117 members, 73 of which are also members of IAAO. The Chapter meets quarterly, and hosts guest speakers including IAAO International officers, appraisers, builders, realtors, and news media representatives.

Current officers include Monica Schmidt, President, Cathy Hokit, Vice President, Gary Snyder, Secretary-Treasurer, David Tinsley, IAAO State Rep., Keith Hulsizer, Executive Board member, Larry Stein, Executive Board member.

The Oklahoma Chapter sponsored two IAAO courses in 2005 and again in 2006, all of which were filled to capacity.

The Kansas City Chapter of IAAO won the Outstanding Chapter Award for a large chapter.

Congratulations to the Oklahoma IAAO Chapter for receiving this great honor and recognition.



Monica Schmidt, Oklahoma IAAO Chapter President, accepts the Outstanding Chapter Award presented by IAAO President Wayne Trout at the 72nd Annual International Conference in Milwaukee.



Wade Patterson, Monica Schmidt and Doug Warr, AAS gather for a photo during the Installation Banquet at the close of the 72nd Annual International Conference in Milwaukee.

Oklahoma IAAO Chapter members pose with IAAO President Wayne Trout after receiving the Chapter of the Year award. From left to right are Wade Patterson, William Mack, Kenny Chuculate, Monica Schmidt, Wayne Trout, Jeff Spelman, CAE and Joe Hapgood, CAE

