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.

"IAAO Zangerle Award Winner: 1997 and 2010"

Oklahoma Ad Valorem

FORUM

Volume XXII, Issue X ● October 2013

Director's Notes:

Happy Halloween and amazingly, the County Assessors Association Convention is already over. That's one for the record book. After years when the County Assessors Association was almost always the same week as Halloween, the pattern has been broken since the Association's switch from the Biltmore to the Wyndham Hotel required an earlier date.

Change is hard sometimes, but we thought that the new hotel worked out well with good attendance, and the vendor area was pleasant and well-lit making it perhaps more cheerful than past years.

I personally enjoyed the personal development programs developed by the Association with the assistance of CLGT and Cooperative Extension. I thought they were a nice break from past years. (If anyone is interested, I discovered I was a strong "business shoe" personality. Like that was a surprise to my family.) Also enjoyed Steve Sutterfield, PPS and Jewette Farley, CAE as always. They do a great job.

The conference week was certainly busy for the Ad Valorem Division. With the OATR meeting in Tulsa and the Convention, it involved a lot of travel and preparation. Mike Isbell, Doug Brydon, and I attended the Oklahoma Association of Tax Representatives in Tulsa.

Last year the discussion focused on SQ 766 on intangibles as you might imagine, but this year OATR was more a review of how the state had successfully navigated the change and its impact on the changing composition of the tax base in the state.

A year ago, we were in the midst of the special "test" audit the State Board directed us to do, and we were able to basically forge a new trail to implement/test the new process the State Board set up for county review. This fall we've again had both the equalization study and the 2013 audit on our schedule, and most of the work has been completed.

We had a successful conference last month on the personal property schedule methodology. This is our fifth year with this process which appears to be working well. We appreciate everyone's participation. The process we've used for several years has been more open and transparent.

Doug Brydon will post the first draft on November 1 with a ten-day comment period. The second draft will be posted on December 3, and after review by the Commissioners, we will publish the final schedule January 2, 2014. Anyone is welcome to make comments. You can even send them to Cyndi Heath, cheath@tax.ok.gov, or Doug Brydon, dbrydon@tax.ok.gov.

Joe Hapgood and his staff have completed the Equalization Studies for 2013, and they are putting the final touches on the audit which will be submitted to the State Board Subcommittee. Greg Harmon and Joe have also been working on the fall county assistance projects.

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I would like to thank our Assessment and Equalization Analysts who've been traveling extensively over the last few months to finish up this important work for the State Board of Equalization subcommittee as well as the work for the full Board meeting.

The five-year exemption project inspections are completed with over 200 inspections! Doug Brydon, Paula Gibson and Patty Heath have made numerous inspections of manufacturing applicants across the state. Wind facilities were our most extensive, expensive, and widespread of the projects this year. We expect that wind projects will reach almost 50% of the payout.

We certainly enjoyed having IAAO President Kim Lauffer at the Convention. She did a great presentation, and I appreciate her taking the time to travel to Oklahoma and speak to the group. One of her traditional parts of her visit anywhere as an IAAO President involves presenting little known facts on cities and towns of whatever state where she is traveling. She even mentioned Boise City and that wasn't a set up.

Sincerely,

Jeff Spelman, CAE

Impacts of the Federal Government Shutdown:

The Federal government shutdown has created a delay in the release of the 2013 aerial photography for the eastern 40% of the state. This portion has been flown, but not yet processed.

The western portion of the state was one of the first flights of the season. The eastern portion was one of the last flights. Only about 10% of the 2013 flights have been released so far. However, the Federal government shutdown has closed the public access website ran by the Natural Resources Conservation Service; so, even those previously released are not available at this time.

At this point, we have no idea when the eastern portion of the state will be available. We do have the western 60% of the state already downloaded and will still create DVD's for the winter. If you need what we have before then, please let me know.

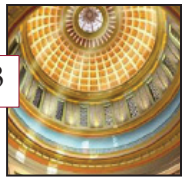
Impacts of ArcGIS 10.2:

Some counties have upgraded their ArcView to the latest version, 10.2. This has resulted in many different issues. None of the Visual Basic Macros written to import CAMA/AA data will work. For those counties using older geodatabases, there are issues with data compatibility and with using external ownership data for map labeling. Be warned!

Remember: If it ain't broke, don't fix it! (This can apply to all software upgrades!)

Ad Valorem Forum Distrubtion Notice

Due to the recent email migration within the Tax Commission, the forum distribution list had to be recreated. If anyone in your office did not receive a copy, please resubmit their email addresses to cheath@tax.ok.gov.



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"Let's Get Personal" Property

by Doug Brydon

The five-year exempt manufacturing inspections are wrapping up. The next set of printouts should be mailed the first week in November. We will also be requesting mill levies that week. Be on the lookout for these letters from our office.

The XM2-XM5s were distributed at the Annual Conference and should be balanced now. We haven't heard much feedback on this issue, so I assume the XM2-XM5s balance which is good. If there is any variance, please contact Patty Heath to resolve. There will be another printout sent in November with the XM1s included.

The Personal Property Schedule Public Hearing went well. There were no comments to post to the web. Industry data is still under review and the Draft Business Personal Property Schedule will be on the web November 1, 2013 for review.

Here is the remaining timeline process for the Personal Property Schedule:

- November 1, 2013: The Ad Valorem Division will post the Draft Business Personal Property Schedule on the website.
- Ten-Day Comment Period: Parties wishing to submit written comments on the draft may do so within the ten-day period by November 13, 2013. These comments will be posted on the website and available to anyone who chooses to access them.
- December 2, 2013: The Ad Valorem Division posts its proposed changes to the Business Personal Property Schedule on the website. The entire schedule will not be reposted. Only those sections that the division proposes to change, or those sections where comments were received but the Division is not recommending a change, will be re-posted.
- Second Ten-Day Comment Period: Parties wishing to submit written comments on the changes may do so within the ten-day period by December 13, 2013. The Division will post all comments received during the second comment period.
- January 2, 2014: Upon approval of the Oklahoma Tax Commissioners, the Business Personal Property Schedule for 2014 will be posted on the website and available for use. Hard copies will not be printed for 2014; the Schedule will only be available through the website.

"The successful warrior is the average man, with laser-like focus." Bruce Lee

In Remembrance

Cindi McKenna, retired Latimer County Assessor, passed from this life on October 3 , 2013. Cindi began working in the Assessor's Office on June 23, 2003 and was promoted to First Deputy in 2006. She became Assessor in 2010, resigning July 1, 2013 due to health problems.

A native of Latimer County, Cindi was married to Dwight McKenna and had 3 children. Cindi never met a stranger, and she was kind and generous to all. She enjoyed cooking for her friends and family whom she loved greatly. Cindi was loved by all who knew her, and she truly will be missed.

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AVG vs. CAMA

by Rob Tigner

We are still experiencing problems with AVG quarantining CAMA. There are two ways to avoid this problem.

First Option: Setup AVG to run at a specified time during non-working hours. Example: set the scan to run on Wednesdays at 5:00 p.m., or whatever day or days you choose. Leave your PC running on the day that the scan is set to run, and press the ALT- CTLR- DELETE keys to lock the PC. The next day you must provide your password to get back in the system.

Second Option: Add the Aplus7.bat and the Callstub.exe to the exception list.

> Open your AVG program.
> From the OPTIONS menu, select ADVANCED SETTINGS.
> In the left pane, select EXCEPTIONS.
> In the right pane, click ADD EXCEPTION.
> In the drop-down menu, select exception type FILE.
> Browse to the file that you want to exclude.
> Choose whether the Identify Protection exception is valid for any LOCATION and ANY FILE CONTENT.
> Select whether you want to apply the exception for other listed AVG components.
> Click OK to save details of the exception.
> Click OK again to save the settings.

Focus on Tulsa County

Tulsa County was part of Indian Territory and was created from the Creek and Cherokee Nation lands. These Native American tribes moved into the region after the passage of the Indian Removal Act of 1830, when they were forced to surrender their lands east of the Mississippi River to the federal government in exchange for land in Indian Territory.

The Tulsa County Courthouse, located in Tulsa, OK.

Founded at statehood in 1907, the county is the second largest in Oklahoma. It was named after the previously established town of Tulsa which is the county seat. The city of Tulsa was first settled by the Lochapoka (Turtle Clan) Muscogee(Creek) between 1828 and 1836. Driven from their native Alabama, the Lochapokas established a new home at a site near present-day Cheyenne Avenue and 18th Street. The Lochapoka named their new settlement "Tulasi," meaning "old town" in their native language. "Tulasi" is the same word from which Tallahassee, Florida takes its name, Florida being part of the original home of the Muscogee people.

In 1846, Lewis Perryman, who was part Creek, established a business foothold in the frontier by building a log cabin trading post in Tulsa near what is now 33rd Street and South Rockford Avenue. The first post office opened in 1879 on a ranch southeast of town owned by Perryman's son, Josiah, who was

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appointed Tulsa's first postmaster, serving to 1885. In order to provide better mail service, Josiah moved the post office from his home to the mercantile store at First & Main which he and his partner, Has Reed, owned.

The Tulsa Fire Alarm Building was built in 1931 and served as the central reporting station for the Tulsa Fire Department. In 2000, The American Lung Association of Oklahoma purchased the building as its new headquarters.

The Hall brothers, James M. and Harry C., operators of the railway's company store in Vinita, chose the point at which the railroad stopped. They initially selected a site where the railroad crossed what would become Lewis Avenue and pitched a tent for the store there. This location was just inside the boundary of the Cherokee nation. When the Halls discovered that the Creek Nation had fewer restrictions on the activities of white merchants, they moved the store a few miles west to what would become First Street and erected a more permanent wooden building. James M. Hall, who would later be referred to as the 'Father of Tulsa,' marked off Tulsa's first streets, built its first permanent store, organized its first church, school, and government, in addition to serving as postmaster after Josiah Perryman.

By 1889 the area was known as 'Tulsey Town' and had grown to be a trading post and cattle town. The Indian Republican was the first newspaper in Tulsa beginning publication in 1893. It was renamed Tulsa World in 1905. Eugene Lorton bought the paper in 1913, and it has been owned by the Lorton family since then.

After the Civil War the United States renegotiated treaties with the Five Civilized Tribes, which paved the way for railroad intrusions. After oil was found near Tulsa, railroad building in the region intensified.

Tulsa changed from a small frontier town to a boomtown with the discovery of oil. A wildcat well named "Sue Bland No. 1" hit pay-dirt on June 25, 1901 as a gusher near the community of Red Fork. Oil produced there was shipped to the nearest refinery in Kansas where it was sold for $1.00 a barrel.

This ushered in an era of good fortune for Tulsa. Although Tulsa itself had no major oil fields, city leaders decided to encourage oilmen to stay and to transact business in the town. In 1904, Tulsans constructed a bridge across the river, allowing oil field workers, supplies, food and equipment to cross the river, reaffirming Tulsa's position as the center of the oil field.

In 1905, the Glenn Pool oil field was discovered. This strike created such a large supply of crude oil that it forced Tulsans to develop storage tanks for the excess oil and gas and, later, pipelines. It also laid the foundation for Tulsa to become a leader in many businesses related to oil and gas, in addition to being the physical center of the growing petroleum industry. Eventually, Glenn Pool established Oklahoma as one of the leading petroleum producing regions in the United States. Many early oil companies chose Tulsa for their home base.

The Hotel Tulsa opened in May of 1912 as one of the finest in the Midwest. After that oilmen flocked to Tulsa, propelling the city to claim itself as the "Oil Capital of the World." Several oil tycoons made the town their base, including Harry Ford Sinclair, J. Paul Getty, Joshua Cosden, William K. Warren, and Robert Galbreath.

Eighteen entrepreneurs came together in 1905 to form the Tulsa Street Railway Company, creating Tulsa's first interurban line. However, construction did not begin until early 1907. By 1912 the city

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was served by four systems, allowing not only travel within the community but also to surrounding communities and connected Tulsa to the oil fields, including the Sapulpa and Kiefer areas. These trolley systems had made their last runs in the 1960s.

The Boston Avenue Methodist Church, in downtown Tulsa, was completed in 1929. It's considered to be one of the finest examples of Art Deco architecture in the United States.

Tulsa County built a court house in 1910 on the northeast corner of Sixth Street and South Boulder Avenue in Tulsa. Yule marble was used in its construction. The land had previously been the site of a mansion owned by George Perryman and his wife. The building continued to serve until the present court house building opened at 515 South Denver. The old building was demolished and the land sold to private investors and is now the site of the Bank of America building, completed in 1967.

By 1918 a number of oil refineries sprang up near the Arkansas River in West Tulsa. Other industry also occurred, with agriculture historically prevalent. Ranching had a long history in the region.

The cattle industry thrived. Farmers grew corn, wheat and cotton. In later years sorghum, oats,and soybeans were cultivated.

Oil continued to drive the county economy, and beginning in 1923 the city of Tulsa hosted the International Petroleum Exposition to platform industry technology. At the beginning of the twentieth century production of crude oil production had fallen, but the county also produced natural and casinghead gas. Extraction of other natural resources also occurred. Ironically, while the city of Tulsa claimed to be the "Oil Capital of the World" for much of the 20th Century, a city ordinance banned drilling oil within the city limits.

In 1926 the "mother road" U.S. Highway 66 was designated and routed though Tulsa on its trek from Chicago to Los Angeles.

The Tulsa Union Depot, completed in 1931, consolidated all passenger railroad traffic in one location, serving as many as 36 trains a day in its prime. Passenger service was discontinued in 1967, and now the depot houses the Oklahoma Jazz Hall of Fame.

The 1930 population doubled that of the 1920 census. The Great Depression arrested population growth in Tulsa, increasing less than one percent between the 1930 census and the 1940 census. Land area increased by only half a square mile. However, the local economy was not devastated in the same degree as much of the rest of the Midwest.

Aviation became one of the ventures that went hand in hand with the oil industry when the Skelly Oil Company purchased the Mid-Continent Aircraft Company and began building Spartan airplanes in Tulsa. As far back as 1911 Tulsa had a small airfield near a place then called Alsuma. In 1919 Tulsans had accomplished the nation's first interstate shipment of goods by air, from Tulsa to Kansas City. On July 3, 1928, leaders inaugurated the Tulsa Municipal Airport, and the first shipment of mail to Ponca City was made.

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By 1929 Tulsa had four airports. During WWII, the Spartan School of Aeronautics, which belonged to Spartan Aircraft Company, was a training site for hundreds of allied pilots. Douglas Aircraft built its mile-long Air Force Plant No. 3 to build bombers in 1942. The federal government built an aircraft plant, known as the Tulsa Bomber Plant, which was operated by the Douglas Aircraft Company. The plant continued production, except for a brief period after the war, until 1991.

The Philbrook Museum of Art is an art museum housed in part in a 1920's villa, situated on 23 acres of formal and informal gardens. The original structure is the former home of Oklahoma oil pioneer Waite Phillips.

In 1936 American Airlines expanded service into Tulsa, locating a permanent facility there on December 30, 1945. At that time American Airlines took possession of the former Douglas Aircraft's modification plant, opening the new facility on June 1, 1946. American Airlines has continued this presence into the twenty-first, but instead of producing airplanes, it produced school buses.

A master plan for the city that resulted in the creation of numerous parks, along with such attractions as its oil mansions, beautiful churches, museums and rose gardens, led to Tulsa being dubbed "America's Most Beautiful City" in the 1950s.

Following the "Oil Bust" of 1982-84, the title of "Oil Capital of the World" was relinquished to Houston. City leaders worked to diversify away from a largely petroleum-based economy, bringing blue collar factory jobs as well as Internet and telecommunications firms to Tulsa during the 1990s, and enhancing the already important aviation industry. Showing that petroleum is still an important player, an abundant supply of natural gas also helped with recovery.

The Tulsa Port of Catoosa ships manufactured goods and agricultural products from Oklahoma to the rest of the world. Located at the head of navigation for the McClellan-Kerr Arkansas River Navigation System, it handles shipping loads through its waterway access to the Arkansas River via the Verdigris River. The industrial park employees more than 3,700 people.

Gilcrease Museum is a national treasure for the preservation, study and appreciation of American art and history. The former home of oil baron Thomas Gilcrease, it has more than 10,000 paintings, drawings, prints and sculptures by 400 artists from colonial times to the present. Gilcrease has the world's largest and most comprehensive collection of art of the American West or artifacts, historic manuscripts, documents and maps. It has beautiful themed gardens, walking paths and picnic areas.

Philbrook Museum of Art began in 1926 as the home of oil baron and philanthropist Waite Phillips who donated the mansion and grounds as an art center for the City of Tulsa in 1938. The beautiful, Renaissance-styled villa, with its 72 rooms on 23 acres of elaborate gardens, has retained its original integrity and the grandeur of the 1920s even after later additions were made. It exhibits more than 8,500 works of art and is listed as one of America's Top 65 art museums.

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Tulsa Air and Space Museum and Planetarium is dedicated to preserving Tulsa's rich aerospace history. The 19,000 square foot museum offers rare and historic aircraft and hands-on child-friendly displays. The many exhibits display the large role that Tulsa has played in the field of aviation. The Electric Sky Theater/ Planetarium offers state-of-the-art presentations with new programs monthly.

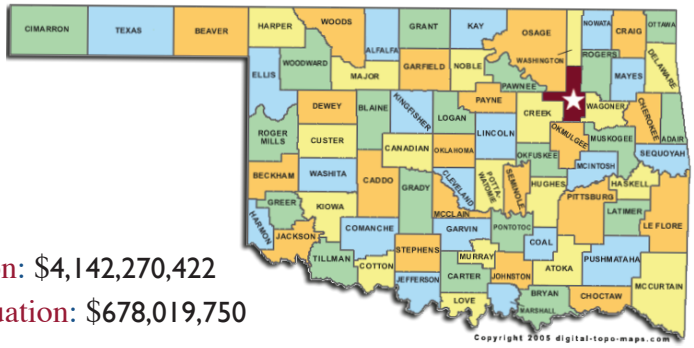
The Oklahoma Aquarium, located in Jenks, has more than 200 exhibits about the inhabitants of the ocean as well as fresh water species and mammals showcased in their natural environments. There are amazing exhibits such as Biodiversity, highlighting how varied aquatic life can be. The shark exhibit includes a water-filled tunnel where visitors walk under swimming sharks. The Aquarium houses a variety of other educational wildlife exhibits.

The county has sixty national historic register properties which includes:

- Broken Arrow has the Elementary-Junior High School
- Haskell State School of Agriculture
- The B.W. McLean House and Office, Jenks
- Fort Arbuckle Site
- Cain's Dancing Academy, Tulsa,
- Cosden Building, Tulsa
- Mayo Hotel, Tulsa
- Waite Phillips Mansion, Tulsa
- Public Service of Oklahoma Building, Tulsa
- William Skelly House, Tulsa
- Tribune Building, Tulsa
- United States Post Office and Courthouse, Tulsa

Tulsa County has had many well-known residents in a variety of fields:

- Frank Abagnale - fraud expert, former con man, subject of movie "Catch Me if You Can"
- J. Paul Getty - oilman founder of Getty oil company, made his first million in Tulsa
- Thomas Gilcrease - oilman and found of Gilcrease Museum
- Waite Phillips - oilman and philanthropist
- William G. Skelly, founder of Skelly Oil Company and Spartan Aircraft
- Ronnie Dunn - singing duet Brooks and Dunn
- The Gap Band - Charlie, Ronnie & Robert Wilson, R&B, funk and soul band
- Hanson - Isaac, Taylor & Zac Hanson, rock band
- David Gates - songwriter, singer with the band, Bread
- Leon Russell - Singer, songwriter and musician
- Wayman Tisdale - pro-basketball player and jazz musician
- Paul Harvey - radio personality
- Kristen Chenoweth - Broadway actress
- Tony Randall - actor
- Steve Largent - Seattle Seahawks Hall of Fame wide receiver
- Jennifer Berry - Miss America 2006



Tulsa County Demographics

Population: 610,599

Area: 571 square miles

2012 Real Property Net Assessed Valuation: $4,142,270,422

2012 Personal Property Net Assessed Valuation: $678,019,750

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