



Oklahoma Ad Valorem

FORUM

Director's Notes:

Sometimes I am amazed at some of the fun experiences we get to have at the AdValorem Division. Last week, we had a fascinating experience in learning some more about the property tax. Four assessor/appraisers and their translator visited Oklahoma from the Japan Real Estate Institute. They visited Oklahoma after the IAAO Conference. Oklahoma County's Ed Hardison, Gary Dobson, Linda Rogers, and Chief Deputy Larry Stein showed the Japanese guests the appeals process, and Cleveland County's David Tinsley gave them a similar perspective from a non-metro county. The delegation also met with two members of the State Board of Equalization (SBOE).

Who wants to be a Japanese property taxpayer?

The ad valorem system in Japan closely resembles the American system. It was established following WWII during General McArthur's tenure. Four things really struck me as interesting:

- 1) The name of the game in Japan is land value. Land is so scarce and valuable that the land value is often greater than the market value of the structure. Traditional Japanese housing is often one level wooden frame, but most urban property is multi-level and multi-use with residential, shops, offices, and apartments in one structure. They keep a sales file that goes back to the 1950s and track trends and real estate "bubbles."
- 2) Nearly 100 municipalities rely on the Japan Real Estate Institute to establish land values. The Real Estate Institute has 600 employees and 300 licensed appraisers. They also work with Boards of Equalization (called appeal boards which have a local option as to the size of the board. Some have as many as ten people on the board, but most are three members).
- 3) All land in Japan, even agricultural land, is in some boundary of a prefecture (similar to our states with its own elected governor) ward, city, town or village. There is no unincorporated land. Japan has a variation of an agricultural use value and something similar to a cap. They also use a CAMA system and have studied CAMA in Boston, New York, Los Angeles as well as smaller jurisdictions.
- 4) Traditional Japanese culture emphasizes the responsibility to pay taxes to support schools and city planning/services. Protests are fairly rare, but are expected to become more common as land values are adjusted.

We enjoyed seeing many of the county assessors and deputies who attended the County Officers and Deputies meeting last

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A Look Ahead...

- **October 19-22, Unit III, Mass Appraisal, Norman**



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week. The State Auditor and Inspector (SA&I) Jeff McMahan’s second fish fry at the Governor’s mansion was great again. This is a great time of year. We had a pretty fall evening, a great nice view of the guardian statue against the setting sun, some great conversation from all the county officers and deputies, lots of fish, and being waited on hand and foot by State Auditor and Inspector (SA&I) employee, Ron Sosbee: Priceless. Jeff McMahan can flat catch fish.

We’ve had again had good evaluations and suggestions on the Annual Conference. We finally registered 512, but with day-trippers and guests and speakers who attended it was probably higher. Again, I don’t think that we overdo it to remind everyone that the success of our efforts rests on the partnership of the County Assessors’ Association, Center for Local Government Technology (CLGT), County Cooperative Extension, and State Auditor and Inspector (SA&I) and the Oklahoma Tax Commission Ad Valorem Division.

Our staff is looking forward to the County Assessors’ Association Convention in early November and the Oklahoma Association of Tax Representative meeting which is scheduled for mid-October.

Finally, we appreciate all the hard work of the county assessors and deputies this year. We all share a responsibility to make the ad valorem system better than it was when it was given to us. Efforts to constantly improve taxpayer service are extremely important and we appreciate the efforts of the members of the County Assessors’ Association who’ve made that happen.

Jeff Spelman

P.S. The other thing I learned about our guests from Japan is they love Willie Nelson and Bob Dylan. When they found out that Willie/Dylan concert in Oklahoma City, they raced across the street at Bricktown and got tickets on the front row. They told me that the cost of living in Oklahoma was so reasonable they were amazed, particular compared to Tokyo where tickets to a Bob Dylan’s concert would be very expensive.

Mfg. Home System Security Form Checklist

When completing the security forms for access to the Oklahoma Tax Commission Manufactured Home Information System, the following checklist should be used to avoid problems or delays in establishing a user account:

- ◆ Make sure the Manager’s account on the Manufactured Home Web Site has been established
- ◆ User’s account should match the user signature on the security form
- ◆ Manager’s account should match the manager signature on the security form
- ◆ User should establish a unique user name on the Manufactured Home Web Site
- ◆ Email address must be valid and must be included on the security form
- ◆ Manager’s security form is required
- ◆ User’s security form is required
- ◆ Security form must be the new form (sent out to counties in bulletin 04-xx)
- ◆ User must sign security form
- ◆ Manager must sign security form

After completing the security form and establishing the online manager and user accounts, the security forms are to be sent to Oklahoma Tax Commission, Motor Vehicle Division, 2501 Lincoln Blvd., Oklahoma City, OK 73194. Direct all questions to Charles Dusenbery at (405) 521-3538, or email Charles at cdusenbery@oktax.state.ok.us.

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.





In the November, 2003 *Ad Valorem Forum*, we partially quoted Title 68, O.S., 2001, Section 2821, which dealt with the statutory requirement for the county assessor to map. In the February, 2004 *Forum*, we quoted Title 68, O.S., 2001, Section 2829.1 which dealt with the establishment and use of the “County Assessor Fee Revolving Fund. Now, here is another statute with direct bearing to mapping:

Title 68, Article 28, Section 2815.2

“The county assessor shall maintain and use the current boundary descriptions of each and every school district or part of a district in the county furnished by the State Department of Education pursuant to Section 4-104 of Title 70 of the Oklahoma Statutes.”

This means that you should be using the boundaries on the school maps that we provide you through our joint contract between the Department of Education, the technology centers, and OU.

You should be making sure that all properties on the tax roll are coded to match these maps. If there are small differences in your parcel mapping and these school district map lines are not lining up exactly right, go with your mapping.

The mapping done by OU for the Department of Education is not to the same scale and control as your mapping. In all other cases, you should change the tax roll to match these provided maps.

If you have any questions or need any help in comparing your tax roll to the Department of Education mapping, give me a call at (405) 521-3178.

Remember: The only way to succeed is to try. The easiest way to receive help is to ask. The only way that guarantees failure is to not try at all.

Public Service Update With Mike Isbell

After having rushed through the public service presentation at the Educational Conference, once again, it’s nice to get back to a print medium. The theory of looking over the top of their heads doesn’t work for me. But it was good to see everyone there. Our section doesn’t get out much (there is a joke there somewhere), so it’s good to put faces with names.

The public service section is still working on some of the more involved situations that developed with county inquiries. It is important to us that what we do is done right. That being said, we realize the implications of some of the changes we have to make. Nobody ever said it would be easy, and it’s not. But that is a part of the process to get it right.

While discovery is an ongoing process, this is the time of year that we research state and federal records for companies or property that possibly should be centrally valued. Take the opportunity if you can, and research you county records. If you should see activity that relates to a company or property that should be centrally valued, pass the information on to us.





Property Tax News From Around The Country



Connecticut

Connecticut relies more heavily on property tax revenues than any other state in the country for the funding of education, according to Maria Simao, manager of the Institute for Municipal and Regional Policy.

Simao has been traveling the state discussing the need for finding solutions for the problems Connecticut towns and municipalities are facing.

With the property tax providing 36 percent of tax revenue for the state, income tax providing 32 percent and sales tax providing 21 percent of tax revenue, Simao and other municipal government experts say something needs to change in the formula in order to curb rising mill rates.

“What you’re seeing is all of the towns and cities dealing with the effects of growth issues that they cannot afford. We’re accustomed to having cities suffer under these revaluation struggles. Now towns are facing the same difficulties,” says Simao.

Florida

Florida lawmakers may consider whether to give tax breaks to thousands of people who received property tax bills for homes severely damaged or destroyed by Hurricanes Charley, Frances, and Ivan.

The legislature may consider the issue during a special legislative session in December, Which Governor Jeb Bush may call to help the state rebound from the storms that caused billions of dollars in damage.

Hawaii

A Kaua’i county task force has proposed a new property tax model that would decouple property taxes from market valuations, relieving homeowners of sudden increases in taxes if they live in an area with a “hot” real estate market.

Under the proposal, land would be valued based on an average of the assessed property value from 1999 to 2003. After that, the value of all parcels would be increased each year to account for inflation, using the Honolulu consumer price index as the multiplier. Buildings would be valued at their replacement value, adjusted for depreciation.

The plan would create two tax categories for the purposes of property assessments: long-term residential and everything else. Currently, properties fall into one of eight categories, including residential, commercial, resort, agricultural, and more.

Long-term residential includes owner-occupied housing and rented residential properties with lease terms of one year or more.





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The measure would be revenue-neutral to the county in the first fiscal year. If approved by the mayor and council, it would go into effect in July 2005. Thereafter, revenue could be positive or negative, depending on whether real estate is in a bust or a boom cycle.

Indiana

Republican gubernatorial candidate Mitch Daniels has proposed to "eventually" eliminate property taxes, and has received the recent endorsement of the Indiana Farm Bureau.

A state commission has been looking at ways of cutting property taxes by 50 percent, 75 percent, or completely, and replacing the revenue with other taxes.

Replacing property tax revenue with sales taxes alone would require the sales-tax rate to be raised from 6 percent to 13.4 percent, according to the Legislative Services Agency. The rate for individual income taxes would have to be raised from 3.4 percent to 8 percent using that tax alone as a replacement.

Michigan

A debate over legislation that would move up the collection date for county property taxes continues to rage in the Michigan State House. The Senate recently passed the measure.

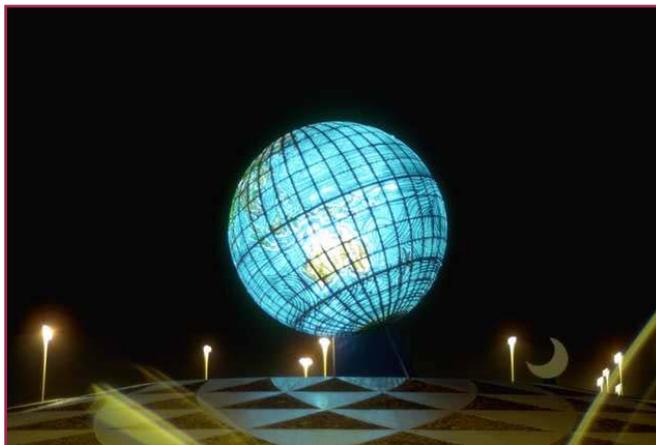
Under the property tax shift legislation, property owners would pay one-third of their county property tax next summer with the rest due after December bills go out.

The measure would require homeowners to pay two-thirds of their county property tax bill in the summer of 2006 and the remaining one-third in the winter of that year. Beginning in 2007, the entire amount would be collected as summer taxes.

The early tax collection legislation has been a contentious issue in Lansing in recent days, with some local officials and state lawmakers calling it a tax increase.

The earlier collection would create a \$1.4 billion pool that counties can draw on starting in 2005 rather than getting revenue sharing dollars from the state. The money collected would stay with the counties, rather than going to the state.

... AND ELSEWHERE AROUND THE WORLD:



India

Delhi, India property tax authorities recently introduced a mobile tax collection van to help homeowners pay their property tax. To make the payment of property tax convenient for the people, the vans are available for each of the zonal offices.

Tax authorities are also permitting the payment of the property tax through courier. Additionally, drop-boxes are being installed in each collection zone, so people don't have to stand in line.

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