



*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 enjoyed seeing many of the county assessors and deputies who attended the County Officers' and Deputies' meeting last week. We had a good turnout at the CODA meeting, and I thought our county assessors' breakout was a good session.

The CODA conference was just after the fifth anniversary of the September 11 bombing, and as I told the county assessor session, I was struck by how the passage of those five years seems warped. On one hand, it feels like a long-time ago, and other days, it speaks to us with such clarity that seems like yesterday. There are so many parallels between the way the human soul handles tragedies like the Oklahoma City bombing and the World Trade Center in New York City. I think that this has made us all more appreciative of the sacrifice and courage in America still needed to move us past that terrible event.

I appreciated everyone's comments, evaluations, and suggestions on the Annual Conference in Tulsa last month. We had 469 who registered, but it was probably close to 500 with special guests and speakers who attended. I was pleased that the Commission on County Officer Training scheduled their session at our conference, and we were also glad to welcome the County Officers and Deputies Association Board. We're always happy to see them at our meetings.

Regarding the Annual Conference, Tulsa County had the most in attendance with 38 staff members, closely followed by Oklahoma County with 30. Our average county registration per county was 5.75, and we also had 38 "day trippers," who were county folks who came in for one day. Our biggest session, as usual, was 176 in administrative, 96 in mapping, 97 in appraisal, and 60 in the overview. The computer lab for AA and CAMA had 77 students, and it continues to be well attended and high maintenance since we are using computer software "live" thanks to Oklahoma State University/Tulsa IT department.

Based on some of the feedback that we received from conference evaluations, next year we will be adding some classes at the advanced level for some of the experienced staff. We're looking at several topics in the area of appraisal, statistics, and audit. Let us know if you have any suggestions. We are planning to host the conference a week or so earlier next year because of the PGA golf tournament. If possible, we'll announce the date at the County Assessors Association meeting in October.

Every assessor registered and attended the Annual Conference except for Teresa Tallon, who's undergoing treatment, and Tom Porton, who's dealing with some cardiac problems. We wish them both success and progress in their recovery.

### A Look Ahead...

- October 17-20: Unit II, Real Property Appraisal, Norman
- October 25-27: Assessor Fall Conference
- October 29: Daylight Savings Time Ends

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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, County Cooperative Extension, State Auditor and Inspector, and the Oklahoma Tax Commission, Ad Valorem Division.

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. “As a former panhandle guy, I enjoyed seeing Hooker, Oklahoma’s new slogan: “It’s a location, not a vocation.” Anwar Caddo, Ad Valorem Philosopher.*



With the Tulsa school over, it is time to get back into the swing of things. However, we still have the Assessor Fall Meeting and the Ad Valorem Division staff planning session to contend with.

In spite of that, by the end of this month, we will have twenty of the thirty-five counties with the State’s AA and any ArcView upgraded to export map pictures to the new state AA package. We will also have created and installed 2005 aerial photo pictures to use with the State’s new AA package for eight counties with MIMS that do not have ArcView.

Also, I am planning to distribute the 2007 Mapping Support DVD-ROM at the annual winter conference next February. This DVD will have the latest of everything. Right now, the 2006 color aerials (flown last month) are available for approximately 40 counties. Over 60 counties have their NRCS digital soil maps available. I will start the download process for these files in the near future in preparation for producing the Mapping Support DVD’s.

If you have questions or would like to schedule a visit, please let me know.

*Remember: The difference between people who try and “trying” people is their attitude!*

## 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](mailto:cheath@tax.ok.gov).





## Market Appreciation Rates For Oklahoma

In spite of national trends indicating a housing market “cool-off,” Oklahoma’s real estate market continues to appreciate at a steady rate according to recently released Office of Federal Housing Enterprise Oversight (OFHEO) figures.

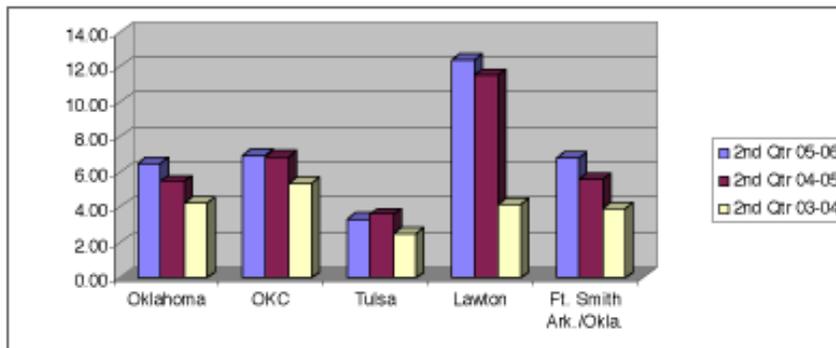
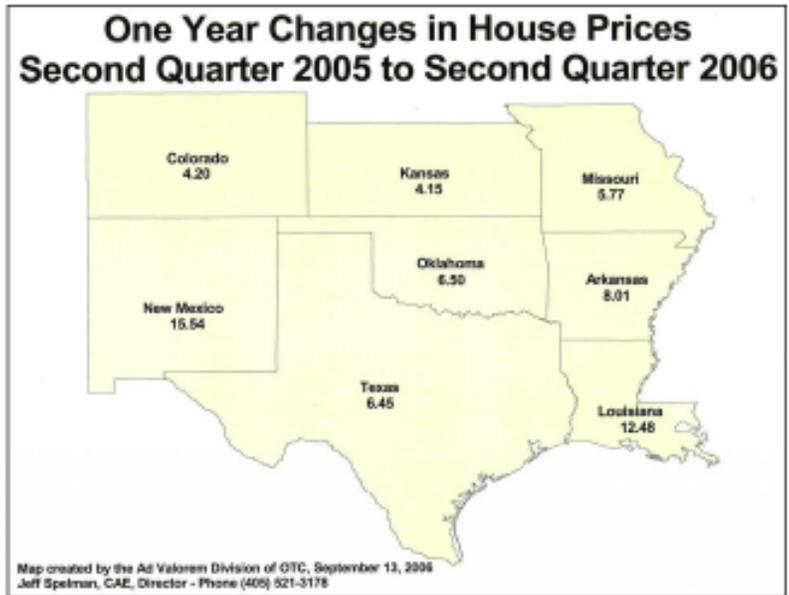
The one-year appreciation rate for Oklahoma is 6.5%. Over the past five years, OFHEO indicates a total appreciation of 26.75%. And since 1980, the Oklahoma real estate market has grown a total of 97.79%.

OFHEO’s House Price Index is published on a quarterly basis and tracks average house price changes in repeat sales or refinancings of the same single-family properties. OFHEO’s index is based on analysis of data obtained from Fannie Mae and Freddie Mac from more than 31 million repeat transactions nationwide over the past 31 years.

OFHEO analyzes the combined mortgage records of Fannie Mae and Freddie Mac, which form the nation’s largest database of conventional, conforming mortgage transactions. The conforming loan limit for mortgages purchased in 2006 is \$417,000.

The latest OFHEO report can be viewed in its entirety at <http://www.ofheo.gov/>. Another spot on the web site allows users to review house price appreciation by Metropolitan Statistical Areas (MSA’s). Numbers are available for Oklahoma City, Tulsa, Lawton, and Ft. Smith Ark./Okla. The web link is <http://www.ofheo.gov/HPIMSA.asp>. Once you have reached this page, scroll down to the bottom of the page and you can select up to three MSA’s to compare side by side.

For Oklahoma City and Tulsa MSA’s the numbers go back to 1978. OFHEO began tracking the Lawton MSA in 1994, and the Ft. Smith Ark./Okla. MSA in 1987. The overall Oklahoma numbers, along with the breakdown by these MSA’s can give assessors and deputies a good idea of market appreciation trends over time.



Location:	2nd Qtr 05-06	2nd Qtr 04-05	2nd Qtr 03-04
Oklahoma	6.50	5.48	4.23
OKC	6.96	6.90	5.37
Tulsa	3.33	3.60	2.53
Lawton	12.41	11.54	4.16
Ft. Smith Ark./Okla.	6.82	5.61	3.93





## Property Tax News From Around The Country



### Florida...

A Florida program that allows senior citizen homeowners to defer annual property taxes was recently amended. As of January 1, it will allow homeowners who are at least 65 years old and meet income qualifications to defer property taxes until the home is sold or ownership is transferred. Under the law, deferred taxes can accrue as much as seven percent interest.



### Idaho...

Idaho Governor Jim Risch signed a tax reform legislation package into law recently, to raise Idaho's sales tax and lower property taxes.

The legislation was enacted during a special session called by Governor Risch solely to consider his bill. The measure:

- Eliminates the \$3 per \$1,000 property tax levy that now funds basic school operations, cutting \$260 million in property taxes for all types of property, including homes, businesses, farms and utility property.
- Raises the sales tax to 6 percent, from 5 percent, on October 1, generating an additional \$210 million a year.
- Shifts \$50 million from the state's \$203 million budget surplus to make up the rest of the lost school funding.
- Adds another \$100 million from the surplus to a special savings account for schools that now holds \$13 million, to hedge against future economic downturns that could affect the state's sales tax revenues.
- Places an advisory ballot measure before voters in November asking whether they approve of the change.



### Massachusetts...

The Massachusetts House of Representatives recently passed legislation benefiting veterans and their families.

The legislation, which now heads to the Senate, will deliver to the state's military families various forms of relief such as:

- An increase in property tax exemptions and abatements for veterans.
- Grants of \$2,500 for property tax exemption for eligible surviving spouses of veterans killed in combat or missing in action.
- An increase in the real estate tax exemption for disabled veterans from \$600 to \$1,000 and making the exemption available for surviving spouses of qualifying disabled veterans.
- Establishing a new five-year, 100 percent property tax exemption for war widows and widowers. (Gold Star Spouses)
- Gives cities and towns the local option of suspending property tax payments from National Guard members and Reservists who are serving on active duty or their dependants.
- Extending sales and vehicle excise tax exemptions to all veterans who qualify for a Disabled Veterans license plate, as determined by the Registry of Motor Vehicle's Medical Advisory Board.

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## New Jersey...

A little over a month into efforts to cut New Jersey’s high property taxes, lawmakers are finding solutions hard to come by, but Governor Corzine recently said he remains confident progress will be made.

Legislators have run into obstacles in the month since the governor jump-started the drive to cut the state’s highest-in-the-nation property taxes.

Legislators have been told they cannot cut pension benefits for most public government workers and that consolidating local governments wouldn’t save much money.

A discussion about amending the state constitution incensed businesses worried they’re going to be targeted for increased property taxes.

Heavy state funding for poor, city schools remains politically sensitive and the issue quickly provoked squabbling among urban Democrats and suburban Republicans.

New Jersey’s property taxes are twice the national average—at \$6,000 per property owner—and have been increasing at a rate of 7 percent per year. Corzine wants to cut projected property tax growth by about 20 percent by 2010 and expects the panels that have been meeting this summer to devise recommendations by November 15.

Corzine said roadblocks were expected, but aren’t impossible to overcome. “We’re going to be on this virtually every day between now and the end of the year,” the governor said. “And I think we’re going to get real progress. I have no reason to believe that we won’t, and I’ll be one of the first to speak out if I don’t think it’s moving.



## Pennsylvania...

A study released recently urged continuing Philadelphia’s property-tax abatements on new construction and renovations, saying the program had strengthened the local economy.

The Building Industry Association, a trade group that promotes residential development, commissioned the study by Econsult Corp., a Philadelphia research and consulting firm.

The tax abatements have stimulated growth, reducing the need for future tax increases or cuts in services, the report said.

“Our analysis of the Philadelphia housing market demonstrates that the current abatement program is highly beneficial, in both efficiency and fairness terms, to the overall economy of the city and region, as well as to the fiscal health of the city government and the school district,” the authors wrote.

The city’s property-tax abatement program began in the late 1970’s. To spur conversion of office buildings to hotel and residential uses, the abatements were extended from three to 10 years in 1998. The program was expanded again in 2000 to include new construction for both residential and commercial uses.

The report estimated that from 1997 to 2008, the tax abatements will have generated \$4 billion in construction-related economic activity. This includes \$700 million in increased earnings by 16,000 workers, the report said.

Some officials and community activists have argued that the program is no longer needed and should be curtailed. Others have called it unfair, claiming it gives tax breaks to the wealthy and puts added burdens on other city residents.

Also in Pennsylvania, new legislation required all school districts in the state to create a local tax study commission by September 14. That commission is to provide a report with recommendations by December for reducing property that should include initiatives to be placed on the primary ballot in May.



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## Texas...

Texas Governor Rick Perry said recently that the one-third reduction in property taxes he helped push through the Legislature this spring could evaporate before citizens ever see it unless lawmakers rein in runaway increases in local property appraisals.

Perry, who is in a five-way race for re-election in November, is taking heat from some Republican conservatives for not bringing appraisals under control.

Independent candidate Kinky Friedman called this week for a 3 percent annual cap on increases in property appraisals, which are set by county appraisal districts. The present cap is 10 percent. Friedman called the process "a shell game" that allows elected officials to reap the benefit of raising taxes without having to vote for a tax increase.

Two years ago, Perry called for capping appraisal increases at 5 percent annually, but the Legislature balked, in large measure because local elected leaders complained that such a move would be too great an exercise of state power and would impede their own ability to generate revenue for local government operations.

A blue-ribbon panel, headed by former Texas Republican Party Chairman Tom Pauken, will conduct hearings in every region of the state on how to keep rising appraisals from leading to larger tax bills even when the property tax rate remains flat or is lowered. A hearing in Dallas is scheduled for November 16. The commission is expected to make recommendations to the Legislature in time for the session that begins in January.



## Wisconsin...

In one Wisconsin school district, the schools get volunteer help and senior citizens can get a property tax break.

It involves working for the Pulaski Community School District. Senior citizens over 62 volunteer to work in the public schools and get paid for it.

The school district pays five dollars an hour for no more than 86 hours. The senior volunteers get a two party check made out to them and their county tax collector. That comes to \$430 off a property tax bill.

The volunteers can do anything from stuffing envelopes, working in the library or working directly with students.

Mark Heche, who runs the program in the Pulaski schools, calls it a win-win situation. It's working so well that other school districts in the state are coming to the Brown County community to see if they can make it work in their schools.

