



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

## Director’s Notes:

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With my retirement coming up shortly, this Director’s letter is more or less my valedictory speech. Every year our high school English teacher, Mr. Worley, would make a point of telling everyone that the valedictory speech didn’t mean “Speech by kid with the best grades.” (The two smartest kids that year were a couple of friends of mine-- one who was later a OSU computer science major and another who went to Southeast Asia in the military.) Mr. Worley would carefully explain that “vale” comes from the Latin word for farewell and “dicta” from the word “to speak.”

I’ve thoroughly enjoyed working in the ad valorem system—the Oklahoma County Assessors office and the Oklahoma Tax Commission for the last 33 years. I’ve enjoyed my association with many county assessors and deputies, public service tax professionals, common school and career tech administrators, other state agency staff, and taxpayers.

My first interest in property tax occurred when a college instructor suggested I scrap a paper on political theory and focus on real life research. I drove down to Oklahoma City and interviewed dozens of Legislators, who were gracious enough to talk to a college student who didn’t know a whit about the legislature much less ad valorem. One legislator I talked with was Representative Bill Poulos, a critic of the ad valorem system. He later filed three separate lawsuits against the State Board of Equalization resulting in a landmark Supreme Court decision on property tax. In many ways, the Poulos court cases laid the foundation for the first county ratio studies, performance audits and set the stage for many other ad valorem reforms.

The second big experience in ad valorem was at Oklahoma County Assessor’s office showing up in 1981 to take a job as Second Deputy for George Keyes. At one of the first meetings I attended, the State Board of Equalization, in response to the Poulos cases, found 56 counties out of compliance. Shortly thereafter, Mr. Keyes called me into his office and told me that we needed to start some IAAO classes and conduct a complete revaluation of the entire county. I replied, “What is a revaluation?” Five or six years later as a result of the hard work of Phillip Scott, Danny Briggs, Linda Rogers, Steve Storff, Ed Hardison, Rick Knoch, J.D. Reed, James Mallory, and scores of other people, the project was complete.

My final chapter in ad valorem began after I came to the Ad Valorem Division in 1993 at the same time the Ad Valorem Task Force was transferred. The first order of business was working to implement HB 1750 and HB 1388 authored by House Speaker Steve Lewis and many other legislators. This remarkable legislation based on many recommendations from an IAAO study of Oklahoma, created much of the existing system: the accreditation and training program, the new role for county boards of equalization, including the formal and informal hearings, the first recognition of computer assisted mass appraisal, and aspects of oversight by the Ad Valorem Division. Even more importantly, it set up \$26 million in funding to computerize the county assessors’ offices across the state, and it provided software for the project to be carried out by the county assessors in the state.

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Over the past years, the ad valorem system has faced some major problems, but some significant progress has been made through the hard work of many people. Our Public Service Section has established a capitalization rate process and upgraded its valuation methodology. The personal property schedule and five-year valuation process has been improved. The Annual Conference has been greatly expanded over the years, and all levels of training from the Ad Valorem Division, and especially CLGT, has become really effective in providing good training for county assessors and deputies. The State CAMA system was underfunded from the beginning, but it has made many improvements along with the AA system.

The key factor in much of this progress has been the result of those county assessors who’ve moved their offices forward to do a really good job for the taxpayers in their counties. But, in the end, the ad valorem system is like the motto of the City of Paris (written in Latin of course) which says the city is like a great ship. It rocks and takes on water, but it does not sink and still sails on. That was true about the ad valorem system when I first interviewed Bill Poulos, and it is true today.

So that’s it. Thanks for everything to my many friends in ad valorem—past and present county assessors and deputies, the leadership of the Oklahoma Tax Commission, the folks at Oklahoma State, the scores of Common Education and Career Tech superintendents who’ve called in with ad valorem questions over the years, the public service tax professionals who represent many of the largest taxpayers in the state, the hard working folks in the Ad Valorem Division, and especially Kenny Chuculate for answering literally thousands of ad valorem questions over the years as part of his “group therapy” sessions. And finally for those high school scholars and old friends-- both now gone, one lost in Viet Nam--who gave the real valedictory speech for the Boise City High School Class of 1963, I say good-bye and farewell.

Jeff Spelman, CAE

*P.S. Anwar Caddo, Ad Valorem philosopher, wanted me to report that last Saturday morning after I came out of Wal-Mart I noticed that my license tag holder read “Go Sooners.”*

*Although I’m a big fan of the Sooners except when they play one other state school, I was a little puzzled why I had an OU license tag holder. (I went to OSU as did my father, my wife, my sister, three cousins, an aunt, and for a time my youngest daughter.)*

*I suspect that Rob Tigner and Troy Frazier may know how this happened, but I have no proof.*

## Jeff Spelman Retires from State Service

After 21 years in the Ad Valorem Division, Jeff Spelman, CAE, retires from the position of Division Director effective October 1, 2014.

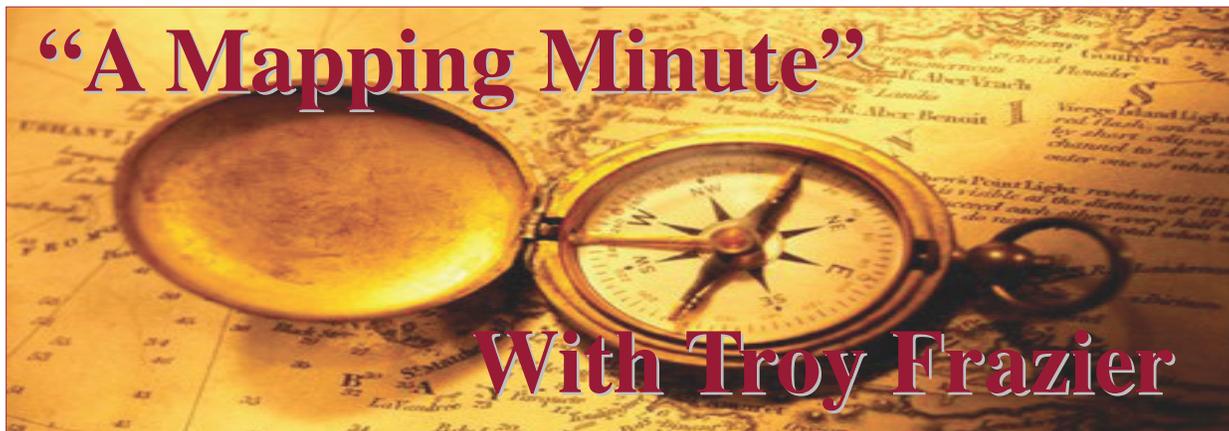
Jeff’s involvement with the ad valorem assessment process is extensive. He was Oklahoma County deputy assessor and acting assessor (1981-1993) before coming to the Tax Commission in 1993.

Active in the International Association of Assessing Officers (IAAO), he served on the executive board and was a member and chairman of numerous committees. Through IAAO, Jeff obtained the CAE designation and received writing awards for articles relevant to the ad valorem assessment system.

A charter member of the Oklahoma Chapter of IAAO founded in 1985, he served the chapter as president and in other board positions. Jeff was awarded the George Keyes Award for meritorious service to the chapter in 2010.

We extend to Jeff our gratitude for his diligence and integrity in his leadership role as director. Our best wishes for the greatest experiences and opportunities retirement years may offer. ~ Ad Valorem Division Staff.





When is the last time the International Association of Assessing Officers hosted a conference in Oklahoma? How many of you have never been to an IAAO conference? When will you ever get a chance to go to an IAAO conference so close to home?

The 19th Annual GIS/CAMA Technologies Conference will be in Oklahoma City at the Renaissance Convention Center (attached to the Cox Center) March 2-5, 2015. This conference is sponsored by IAAO (International Association of Assessing Officers) and URISA (Urban and Regional Information Systems Association).

The goal of this conference is to assist assessment and appraisal professionals to work more effectively through the use of CAMA (computer assisted mass appraisal) and GIS (geographic information systems - mapping) technology.

Registration information can be found at [http://www.iaao.org/wcm/Events/GIS\\_CAMA/wmc/Events\\_Content/GIS\\_CAMA.aspx](http://www.iaao.org/wcm/Events/GIS_CAMA/wmc/Events_Content/GIS_CAMA.aspx).

Let me know if you have any questions about this conference.

I hope to see you there!

*Remember: When losing a coin toss at a football game, never choose to kick!*

## “Let’s Get Personal” Property

by Doug Brydon

Patty Heath is in the field performing the 5-year exempt manufacturing inspections. All is good so far. Her schedule is packed. Remember the county is not obligated to go, but it may serve as a good “P.R.” visit to the site.

The XM2-XM5s were distributed at the annual conference and you should start to balance to the assessed value on the printouts. We have not heard much feedback on this issue, so I am assuming that 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.

Research is well under way on the Section VII (Oil and Gas) of the Personal Property Schedule. Here is the timeline process for the Personal Property Schedule:

August 27, 2014: Interested parties were asked to submit written comments and presentations ten days before the meeting which makes the due date by September 8. This lead time is requested to give the Ad Valorem Division time to review and study any information to be presented in the event the division has any questions.





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**September 18, 2014:** Public comments will be heard beginning at 10:00 a.m. on the methodologies used in the Business Personal Property Schedule. Comments will be posted on the website following the meeting by October 3, 2014 along with the Draft Business Personal Property Schedule.

**November 4, 2014:** 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 14, 2014. These comments will be posted on the website and available to anyone who accesses the website.

**December 1, 2014:** The Ad Valorem Division posts its proposed changes to the Business Personal Property Schedule on the website. The entire schedule will not be reposted. The only sections that will be reposted are (1) the ones that the division proposes to change or (2) the sections where comments were received but the Division is not recommending a change.

**Second Ten-Day Comment Period:** Parties wishing to submit written comments on the changes may do so within the ten-day period by December 12, 2014. The division will post all comments received during the second comment period.

**January 2, 2015:** Upon approval of the Oklahoma Tax Commissioners, the Business Personal Property Schedule for 2015 will be posted on the website and available for use. Hard copies will not be printed for 2015; the Schedule will only be available through the website.

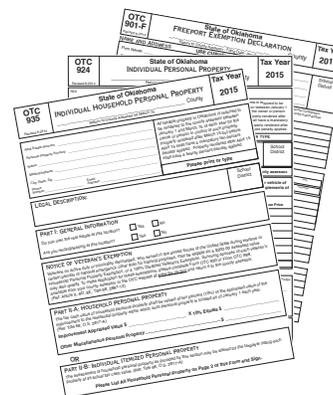
*Have a heart that never hardens, and a temper that never tires, and a touch that never hurts.* **Charles Dickens**

## Ad Valorem Revised Forms

The ad valorem forms on the Oklahoma Tax Commission webpage have been revised for 2015.

These interactive forms should be used in place of those that are outdated.

Please be aware that Form 538-H, Claim for Credit or Refund of Property Tax, is only available in the OTC listing of individual income tax forms.



## Calendar of Events

- Oct. 1 - 3:** **Data Collection of Residential Properties**  
- Stillwater - OSU/CLGT
- Oct. 15 - 17:** **Assessors Association Fall Conference**  
- Wyndham Garden Hotel, S. Meridian, Oklahoma City
- Oct. 28 - 31:** **Unit IV, Income Approach**  
- Roman Nose Resort
- Nov. 18 - 20:** **Unit V, Personal Property Appraisal**  
- Hilton Garden Inn, Norman
- Dec. 2 - 5:** **Unit VI, Cadastral Mapping**  
- Hilton Garden Inn, Norman
- Nov. 18 - 20:** **Unit VII, Ag Land Valuation**  
- Hilton Garden Inn, Norman





## Martin Edwin Trapp

Sixth Statehood Governor

November 19, 1923 - January 10, 1927

Martin Edwin Trapp (April 18, 1877 – July 26, 1951) was a state auditor, governor and lieutenant governor of the State of Oklahoma. As Oklahoma's third lieutenant governor, he was the first to become governor, not through an election, but due to the previous governor's impeachment.

Martin Edwin Trapp was born in Robinson, Kansas on April 18, 1877. Martin would spend the first twelve years of his life in Kansas until 1889. Following the Land Run of 1889, Trapp's father moved the family to Logan County to a claim just seven miles west of Guthrie. Since there was no public school to attend in Oklahoma Territory, he was educated mostly by association and study with a neighbor by the last name of McDaniel. Trapp worked at a local newspaper while gaining his education. He also worked at the age of 21 as a certified teacher and later as a traveling salesman.

Trapp served as the first state auditor and third lieutenant governor of Oklahoma. When Governor Jack Walton was impeached and removed from office, Trapp became the sixth governor of Oklahoma. As governor, he was responsible for the establishment of a state bureau of investigation, conservation programs, and his attempts to join the Ku Klux Klan. He began his political career serving as the county clerk of Logan County in Oklahoma Territory.

Trapp began his political career in 1904 when he ran on the Democratic ticket for the Logan County county clerk, an office he would hold from 1905 to 1907. On November 16, 1907, Oklahoma Territory officially became the U.S. state of Oklahoma. That same year Trapp married Lula Strang, daughter of Judge Jeremiah C. Strang.

Leaving county government, Trapp was elected Oklahoma's first state auditor, serving under Charles N. Haskell, the first Governor of Oklahoma, from 1907 to 1911. After his term as state auditor, Trapp moved to Muskogee, Oklahoma, where he established a bond business.

In 1914 Trapp made a return to Oklahoma politics when the Democrats nominated him to serve as the Lieutenant Governor of Oklahoma. Replacing outgoing Lieutenant Governor John A. Greer, Trapp would be elected to his new office for three consecutive terms, in 1914, 1918, and for an unprecedented third term in 1922. As the lieutenant governor, Trapp would serve under governors Robert L. Williams, James B. A. Robertson, and John C. Walton. However, Trapp would only serve for the first 11 months of his third term. On October 23, following impeachment charges against Walton, Trapp became the acting governor. Walton was found guilty by the Oklahoma Senate in its role as the Court of Impeachment on November 19, 1923, Trapp immediately left the office of lieutenant governor to be inaugurated as the sixth governor of Oklahoma.

As the first lieutenant governor in Oklahoma to take office following a governor's impeachment, Trapp was Governor Walton's opposite. Walton had been progressive and aggressive, while Trapp was quiet and conservative. At the top on the new governor's to-do list was trimming the state's budget to provide for a more efficient state government. Immediately upon coming into office, Trapp called the Oklahoma Legislature into special session to address the issue. An investigation of many state offices, commissions,

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and departments soon followed. In true conservative form, Trapp removed many state organizations that were, in his opinion, of little use to Oklahoma and provided much needed reorganization of the inflated state government.

Trapp succeeded in having the state legislature repeal over \$10,000,000 in expenditures that Walton had set up, thus restoring the state's credit. This also meant repealing the state's new free textbook program and a one-third reduction in the funds spent on school aid. Through the use of a three-cent gasoline tax, Trapp raised enough funds to finance Oklahoma's first Highway Commission. This commission oversaw Oklahoma's much needed highway construction program.

Following a growth national trend started by U.S. President Theodore Roosevelt in 1907, Trapp began a program of conservation. Trapp created the Oklahoma Forestry Commission, the Oklahoma Conservation Commission, and the Oklahoma Fish and Game Commission out of his desire to preserve the environment. Trapp expanded the term lengths of county offices from two years to four, enacted a state drainage law to protect the state from floods, and raised the cost of licenses in the state.

Trapp also proved to be an effective law enforcement officer. For the first time in the state's history, a State Bureau of Criminal Investigation was established in 1925 from pressure from Trapp's administration. Trapp asked the Legislature for harsher punishment and stricter enforcement of prohibition, which he received. Trapp also tackled the growing power of the Ku Klux Klan by passing an anti-mask law which eventually reduced the group's power.

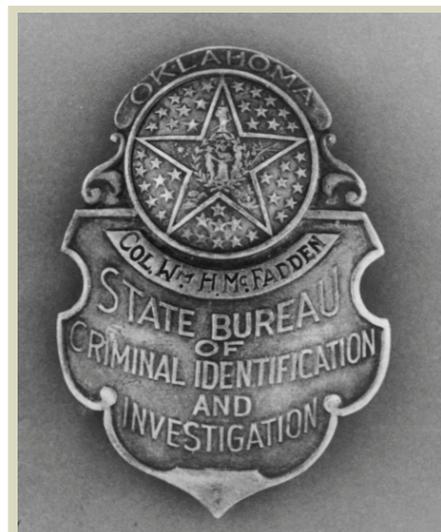
Throughout his term, Trapp had viewed his position as "acting governor" and not the actual governor. Trapp had proved a capable administrator and had become widely popular, with many agreeing that Trapp should seek retention in office. This proved to be a problem for Trapp when he desired to seek reelection in the fall of 1926. State law had forbidden the governor from succeeding himself, and thus Trapp was ineligible for reelection. Trapp insisted that the law did not apply to him since he had been elected lieutenant governor and succeeded to the governorship only upon the impeachment and removal from office of John C. Walton.

The Oklahoma Supreme Court investigated the issue. On June 6, 1926, the court ruled on the case *Fitzpatrick v. McAlister*, which stated that Trapp was "the governor for the simple reason that he governs. He governs officially for the reason that section 16 expressly vests him with authority to do so. Therefore he is the official governor, and, being the official governor, he is rendered ineligible to succeed himself by the inhibition contained in section 4, art. 6, of the Constitution." Thus, Trapp was ineligible to run for reelection.

Trapp officially ended his term in office on January 10, 1927 with the inauguration of Henry S. Johnston as the seventh governor of Oklahoma.

After finishing his term as governor, Trapp would continue to play a key role in the Oklahoma Democratic Party even though he would never hold another political office. Trapp did campaign for the governor's office again in 1930, but did not receive the party's nomination, losing it to the colorful and popular William H. Murray. Moving back to Oklahoma City, Trapp spent the rest of his life as a dealer of investment securities. Trapp died on July 26, 1951 in Oklahoma City at the age of 74. He is buried in Fairlawn Cemetery in Oklahoma City. He and his wife had one child, Martin E. Trapp, Jr. (1915-1987).

As governor, Trapp left a legacy that included the establishment of the State Bureau of Criminal Investigation, environmental conservation, and victories against the Ku Klux Klan in Oklahoma. He is best remembered as the first lieutenant governor to become governor due to the impeachment and removal of a governor.



1925 State Bureau of Criminal Investigation badge

