



# Oklahoma Ad Valorem

# FORUM

## Director's Notes:

It's time for abstracts and the completion of the public service valuations for 2004. Things in the Ad Valorem Division are in a dull roar and mild madhouse as we work toward the valuation deadline. June will be an extremely busy month with three State Board of Equalization (SBOE) meetings. That is a world record. We hope that we can duplicate our effort last year and get all 77 county abstracts in on time. Our public service valuations are on track to be completed on time, but it is always intense to get all the values done on a very short time schedule.

We completed the Annual District and OATR meetings last month. I thought the meetings were successful and productive. Thanks to the counties that hosted them — Rhonda Pritchett (Adair), Wade Patterson (Garfield), Kathi Mask (Hughes) and Loretta Hall (Beckham). We had a near record turnout and all of us together have pretty well gotten that routine down to a science. It is always a challenge to be out of the office during the waning days of any legislative session; this year was no exception. We had a rash of telephone calls during the meetings with questions about legislative language or impacts.

I don't want to sound like a broken CD, but I really enjoyed visiting all parts of the state. This year was an especially interesting cross-section, including Pat Daniel's retirement reception in Hollis. The Oklahoma Association of Tax Representatives invited us to their spring meeting in Tulsa, and we always appreciate an opportunity to discuss their issues and concerns. The OATR membership has lots of experience and knowledge in the process.

The Legislative session resulted in a few, but very significant pieces of legislation. We'll be getting copies out shortly. Veteran exemption and the change to the freeze income level are two most significant. Both will require a vote of the people later this year. We also have changes to the five-year exemption program and a change in the protest filing deadline.

The GIS Council has also been overhauled with the County Assessors selecting a nominee for the Governor's appointment by November 1, 2004 when the new Council is restructured. I'm glad to see the County Assessors Association participate with the GIS Council. Debbie Collins has nominated Denise Heavner, Cleveland County, for the seat.

State Board of Equalization (SBOE) regular meeting is scheduled for June 21 which should give everyone time to complete their abstracts. Monitor this date for any changes as we get closer to the meeting.

Annual Conference planning is in its final stages. Debbie Collins and her officers met with us at Beckham County and we're in the process of finalizing the session schedule. We have completed our bidding process and it looks as if we're on our way to another successful Annual Conference.

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### A Look Ahead...

- July 4: Independence Day
- July 27-30: Unit VI, Cadastral Mapping, Norman



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Always remember it’s assumptions that get you. My daughter and some of her friends at school were invited to a cookout at a friend’s house. The host and his wife told everyone to be careful since they had just put in new carpet. When my daughter got to the apartment, they assumed it was the apartment that had the door wide open. They rang the doorbell, but no one answered. Inside, however, they could see a pile of shoes. They assumed that all the invited guests had taken off their shoes to protect the new carpet so they went inside and marched into the kitchen. Big mistake. It was the wrong house and they’d walked in on a meeting of the Chinese Student’s Association. There were two sets of startled people looking at each. The party was in Apartment A, not Apartment B.

Have a good month. Good luck on completing your abstracts.

Sincerely,

Jeff Spelman, CAE  
Director, Ad Valorem Division

*P.S. “Just because everyone’s got their shoes off, don’t assume that you’re in a shoe store.”*  
Anwar Caddo’s latest quote.



Now that we have all seen the new SA&I Assessment Administration software program, maybe I can offer some ideas related to mapping. The new program will display jpeg and bitmap pictures of the aerial photos, parcel mapping and scanned plats.

He suggested that you talk to your mapping vendor about the production of these images for the parcel mapping pictures. That’s not a bad idea. The ArcView, ArcEditor, ArcInfo, and AutoCAD Map counties’ mapping software will produce a digital picture of what is currently on the screen.

If you need any help, give me a call. The MIMS mapping software (as far as I know) does not offer this capability. However, most MOMS counties have had a print screen program installed on most of their computers when the CAMA was updated. If you are using the Windows version of MIMS, you can use the print screen program to take a picture of your current MIMS mapping screen and save it.

Again, if you need any help, let me know. The DOS MIM counties can still bring their parcel layer into ArcExplorer and then produce your mapping picture. If you need help, let me know (All these Arc-software systems can produce pictures of your aerial photos as well).

The bottom line is that the only thing preventing you from having mapping pictures available in the new AA software is if you just do not have it mapped.

**Remember:** You can do anything if you set your mind to it.





## 2004 Ad Valorem Legislation Overview

The legislative session has concluded once again, with just a few ad valorem bills of significance gaining passage and signature by the Governor. Following is a brief overview of the more significant legislation for the session. A detailed legislative summary will be provided at the Annual Educational Conference.

### SB 1254: Five Year Manufacturer's Exemption Program Modification

Senate Bill 1254 allows an exempt manufacturing company to take up to seven years to get the five years of exemption. If the company misses filing for a particular year, they can apply the following year. They cannot add new assets, etc. Only the original assets that now qualify would be allowed. They would be valued at the current value, not the value for the year missed.

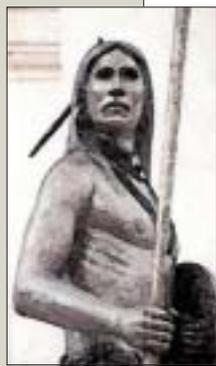
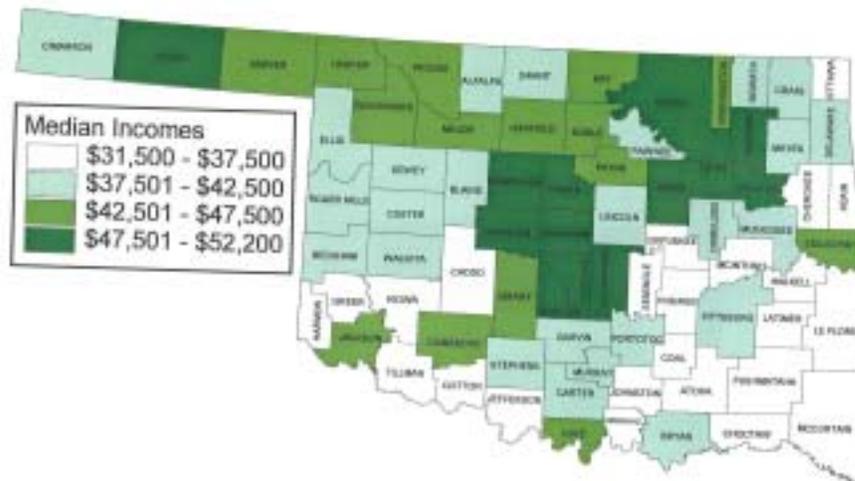
### HJR-1044: New Exemption For 100% Disabled Veterans

HJR-1044 drafts a state question proposing a Constitutional amendment creating an exemption for honorably discharged 100% disabled veterans or to the surviving spouse, an exemption for the full amount of the fair cash value of the homestead property. The current homestead residency requirements apply. This will require a statewide vote during the next general election.

### SJR-30: Modifying Income Limits For Additional Homestead

SJR-30 drafts a state question proposing a Constitutional amendment modifying household income limits for additional homestead exemption. The income limits would be tied to the United States Department of Housing and Urban Development (HUD) median income levels for the preceding year for the county or metropolitan statistical area that includes the county. The HUD income numbers will change each year. The AdValorem Division would provide the new income figures to each county assessor annually if the state question is passed.

### HUD Median Family Income - 2004





## Present Status of Property Tax in U.S.

*Continuation of Excerpts from an Article by Jeff Spelman, CAE and Mary Spelman, PH.D. Entitled “We Come to Faintly Praise the Property Tax, Not to Bury it: The Importance of the Property Tax in the United States,” appearing in the Fall, 2003 IAAO Assessment Journal.*

### Local Control Necessary?

Every local government in the United States uses or benefits from some form of the property tax; however, in recent years, many local governments have begun to utilize other revenue sources besides the property tax. State governments hard pressed by fiscal problems and strong lobbying efforts have “empowered” local governments to raise their own revenues using mechanisms other than the property tax. Local county sales taxes, gross receipts taxes, and even city income taxes have been used in many jurisdictions with success.

Therese J. McGuire, a professor at the University of Illinois at Chicago, argues that perhaps it is not even necessary for local government to have its own tax. She points out that local governments in many European countries are funded by the central government. In fact, several types of funding sources finance many school districts in the United States, the quintessential example of local self-governance.

### Traditional Model

The traditional model of the one-room schoolhouse funded by local property tax is an antiquated image. School districts now derive their funding from a combination of Federal funds, grant-in-aid, state-aid, local sale taxes, and property tax.

Most supporters of the property tax would argue that local control is one of the strongest attractions of the property tax. The property tax provides local governments its own revenue source, and taxpayers have a direct control over bond issues and many millage elections. Through their elected officials, citizens can directly exercise local autonomy, and they can also make an informed decision about the style, quality, and level of local service for which they are willing to tax themselves. This direct linkage is a perfect example of the accountability test of the NCSL policy paper.

### Accountability of System

Many of the practitioners in the property tax field can attest to the powerful element of accountability that the ad valorem system gives to its taxpayers. School bond issues can easily be defeated, and school boards or municipal council members have often been called to task over the funding of unpopular or poorly conceived local projects.

Unfortunately, this linkage has been assaulted dramatically in the last few decades. Court cases such as Serrano have the potential to disconnect or sever the linkage between the property tax and local government. Court cases in support of something as laudable as equal funding for education also sow the seeds to weaken the property tax. If taxpayers in a community do not perceive a connection between voting a property tax on themselves and a direct local benefit, the ad valorem system is undermined.

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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@oktax.state.ok.us](mailto:cheath@oktax.state.ok.us).



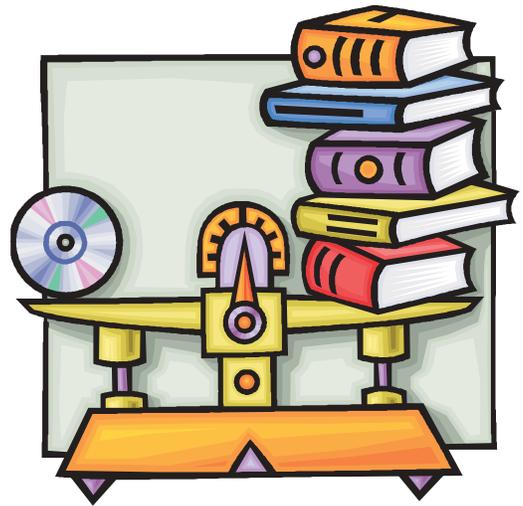


# Educational Conference Plans Finalized

◇ Diamond Edition  60th Anniversary ◇

The 60<sup>th</sup> Annual Educational Conference for Assessing Officers will be held at the Marriott Southern Hills in Tulsa, August 10-13. The theme for the “Diamond Anniversary Edition” of the Conference is “How To”.

## “ How To: ”



# and more...

### Conference Highlights

The Ad Valorem Division has worked with the County Assessor’s Association, Center for Local Government Technology, and the State Auditor and Inspector to put together another outstanding educational offering for everyone in your office. Following is a brief overview of class topics by general area.

#### “Administrative”

A wide range of relevant topics will be covered in the Administrative area, including such subjects as “The Importance of Market Value” with Jewette Farley, CAE, “Deeds and Trusts,” “Housing Trends,” Tax Roll Correction Paper Trail,” “Manufactured Home Update,” “Legislative and Legal Update,” among many others.

#### “Appraiser”

Varied subjects including “Valuation Appeals,” “Case Study Valuation of Convenience Stores,” and “Valuation of Billboards” will be presented this year in the Appraisal area. Practical information on “How To” will be covered, in keeping with the Conference theme. This should be a useful and informative week for Assessors and deputies performing appraisal functions in the counties.

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## “Personal Property”

There will be the usual update on “Five Year Exempt Manufacturing,” instruction on “Business Personal Property Renditions,” and detailed instruction on the use of the “Business Personal Property Square Foot Guide,” presented by Steve Sutterfield, PPS. Those involved in valuation of personal property will find these sessions to be educational and helpful.

## “Mapping”

Both general mapping topics as well as software specific training will be provided in the mapping sessions at the Conference. General topics include such subjects as “Importance of GIS,” “Training Opportunities,” “Data Interchange With The Fed’s,” and “Rural E-911.”

Software specific training will cover “MIMS for Beginners,” “MIMS for More Advanced Users,” and “ArcView 8.3 Editing.” Friday’s session in the mapping area will provide an opportunity for “Questions and Answers About Mapping.”

## “Computer Support”

“Hands-On” computer sessions include training in the State Assessment Administration Software, State CAMA system, Microsoft Excel spreadsheet program, and Microsoft PowerPoint presentation software.

Additionally, in the Friday Computer sessions, user meetings will take place for the State CAMA and AA programs, TerraScan, and Colorado Customware, giving software users an opportunity to come together to discuss issues of importance.

## “Assessment Overview”

These sessions have become a popular part of the Annual Educational Conference. Both new employees and longtime Assessors or deputies who are wanting a refresher on various topics will find something of interest here.

Topics are numerous, and include “Introduction to the County Assessors Office,” “Assessment Appraisal,” “Administration,” “Public Service,” “Mobile Homes, Tax Laws and Statutes,” “Five-Year Manufacturing Exemption,” and various CAMA and valuation subjects.

The Assessment Overview students will join with the appraiser students on Thursday for the “Case Study Valuation of Convenience Stores,” presented by Doug Warr, AAS and Gary Snyder of CLGT.

◇ Diamond Edition  60th Anniversary ◇

## Registration

Conference registration fee for participants will be \$55 for the full conference, \$22 per day, or \$11 for just the Friday morning session. Registration and hotel information is being sent as of publication of this newsletter, so look for your registration information and complete the pre-registration process as soon as possible. This will allow the Ad Valorem Division staff to configure classrooms according to enrollment size.

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### Room Reservations

The room rate will be \$64.00 for either single or double occupancy. Two rooms have been preassigned to each county, one single and one double. After you receive your registration information, you may contact the hotel to modify these arrangements, or to add rooms.

If you are turning back any rooms, please contact our office so that we can retain the rooms in our block for use by other conference attendees.

### Assessor's Association Agenda

The County Assessor's Association has planned several exciting, evening social events. The Association will charge a separate registration fee to participate in these activities. The Assessors Association will be sending out information on these events and activities.

## ◇ Diamond Edition 60th Anniversary ◇

### See You In August!

The Ad Valorem Division is excited about the "60<sup>th</sup> Edition Diamond Anniversary" of the Educational Conference. Only one thing is lacking from making it a complete success, and that's YOU! We look forward to seeing everyone in Tulsa August 10-13 to learn "How To."

If you've got questions about course offerings, after receiving your registration information, please call the Ad Valorem Division and we'll assist you in selecting sessions that are useful and appropriate for each of your employees.

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## Public Service Update With Mike Isbell

What if we called a meeting and nobody came? Well, that happened recently, as the State Board of Equalization was unable to gain a quorum for the June 7<sup>th</sup> meeting, to discuss the findings of their subcommittee regarding public service company valuation guidelines. As of newsletter publication deadline, the recommendations of the subcommittee will be added as an agenda item for the June 16<sup>th</sup> State Board meeting.

In the Public Service Section we are busying ourselves finalizing numbers for the June 21<sup>st</sup> State Board meeting. When the "I's" are dotted and the "T's" crossed, we will have worked approximately 320 files in about an 8-week period. Not all of those files will be presented for certification but each must be reviewed and a decision made regarding their valuation, their jurisdictional basis, or some other matter. It's all fun.

As is always the case, we will observe the protest period before sending the assessed values to the counties. That gives us time to minimize any errors that may occur as that time is utilized by giving the reporting companies one last chance to review and verify those apportioned numbers.

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