



Oklahoma Ad Valorem

FORUM

Director's Notes:

We're into March madness, and I'm not talking about the NCCAA basketball tournament despite the OSU Cowboys. March is always a busy time of year with personal property renditions, homesteads, five-year exemptions, and work on the assessment rolls. You never know what's out there. I think that even after several years in the business, we all learn something new each day about ad valorem. There's always something coming along that you haven't seen before.

Speaking of new stuff, it's all in the attitude of how you handle it. Tom Peters, who is a management expert and writer, points out that in the Middle Ages map makers put together their best guess as to what the world and the oceans looked like. They didn't have GPS or sophisticated maps so whenever they had an area that they weren't sure of, they either guessed at it or marked it "uncharted." Many of the earliest maps had huge continent size blank spaces, but the medieval flat earth mapmakers weren't exactly optimists, so they always marked the uncharted areas with the notation: "Here Be the Dragons." They hadn't seen any dragons or had any reports of dragon sightings, but they felt it was a good practice to always assume the worst. From our perspective in ad valorem and taxpayer service, I think that there are probably some dragons out there, but we don't necessarily need to assume the worst. Change is good for us and learning new things is part of the process.

The Ad Valorem Division has been working with the 4-C Committee and the Tax Commission MIS on a project to make mobile home information available on the web. Debbie Gentry, 4-C Chair, says we making progress. We hope to complete by the end of the month, with information about using this new process to be available shortly thereafter. Rosie Edwards is working on the taxpayer confidentiality forms.

On the five-year program, the claims for payment are about \$48 million and with \$6.2 already paid out of this year's funds, a rough shortfall projection for this year would be about \$31 million, not including the additional homestead exemption. The loss for additional homestead exemption will be about \$5.2 million statewide. The Legislature has under consideration some supplemental funding for common education.

The State Board of Equalization (SBOE) subcommittee has worked extremely hard over the last month or so reviewing all public service guidelines. Our public service staff has spent a lot of time assisting in this review process.

For the Ad Valorem Division this is also a busy time of year. We've had several Rules hearings, the public service staff is busy with the 2003 public service renditions, and we're answering lots of requests for Legislative data.

A Look Ahead...

- April 7 – April 8, Land Records, Enid
- April 26 – April 29, Unit IV (Income Approach), Tulsa

Continued on page 2...



Continued from page1 "Director's Notes"...

Mark your calendars. We have a complete schedule now of the 2003 District meeting dates:

- Northwest: May 7 (Adair County)
- Southeast: May 14 (Garfield County)
- Northeast May 21 (Hughes County)
- Southwest: May 28 (Beckham County)

We appreciate the hard work and conscientious effort of all county assessors and deputies out there working to improve the Oklahoma ad valorem system and make it better than it was given to us for taxpayers everywhere. Like Tom Cusack says, "keep in mind, we should be the guardian of fairness." And watch out for the Dragons in the uncharted waters!

Jeff Spelman, CAE
Director, Ad Valorem Division

P.S.: "A dragon is just a lizard with an attitude, a big reputation, and the ability to hiss and puff out some steam."
- Anwar Caddo.

Thoughts on Technology

We've just reached the first year's anniversary of our electronic newsletter. The Ad Valorem Forum has been produced for a full year now on the web or by e-mail. It's made our life easier, saved lots of postage and envelope stuffing. Joe Haggood has even improved the graphics. We feel the changes have been good and we hope the content has been strong. Many folks, even those with e-mail, still read it in hard copy format, and we still get lots of compliments on the Forum.

What are your thoughts? Are you reading the Forum more or less? Are you printing out and then reading it? Are lots of folks in the office reading it as well. Anything else we need to cover in the Forum?

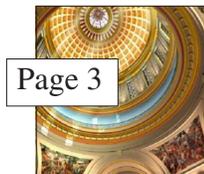
Let me know by email, fax, telephone or comment. We're always interested in ways to keep communications going as well as possible.

Thanks.



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.



Frequently Asked Trailer And Manufactured Home Questions

QUESTION:

What equipment does the Special Mobilized Tag cover? Truck Chassis only?

ANSWER:

Any equipment permanently attached to the truck or trailer that is registered as special mobilized machinery.

QUESTION:

How do you surrender a manufactured home title?

ANSWER:

See the Quick Reference Guide, page 25. If you can't locate your copy of the County Assessor Manufactured Home Quick Reference Guide, just give the Ad Valorem Division a call, and we'll mail a copy of this valuable resource to you.

QUESTION:

If you have a current year registration and decal, do you need another 936 to transfer the title to another person?

ANSWER:

Current 936 is not required if a current year registration and decals are issued.

QUESTION:

Are Frac. Tank trailers subject to ad valorem tax? Are they assessed like any other personal property asset?

ANSWER:

Yes. The Oklahoma Tax Commission has determined Frac. Tank trailers are taxable as ad valorem.

QUESTION:

How do you know if trailers are subject to registration or ad valorem tax?

ANSWER:

Unless motor vehicle taxes are paid on a trailer and tagged, ad valorem taxes are due. Motor vehicle taxes are collected on commercial trailers, travel trailers, trailer mounted special mobilized machinery and first year taxes on manufactured homes.

QUESTION:

Will any other form work for "affixing" a manufactured home to the land other than the notice of title surrender form from the Oklahoma Tax Commission, Motor Vehicle Division?

ANSWER:

Title cancellation procedures are explained in a letter dated February 11, 2003. Copies of the appropriate forms for the Motor Vehicle Division are in the letter. There are no other approved forms. See the Manufactured Home Quick Reference Guide, page 25.





“Mapping Minute” with Troy Frazier

County Visits

Last year, I was able to visit 26 counties for a total of 48 separate visits. We conducted four 3-day regional training sessions in different parts of the state dealing with ArcView 8.3, ArcEditor 8.3, and AVParcel. We have helped with software installation. We have provided training in MIMS, the MIMS plot program, ArcView 3.2, ArcView 8.3, ArcEditor 8.3, AVParcel, and AutoCAD Map. We have helped in creating plat books and large maps.

Since mid-2002, I have only been visiting counties that specifically request my help. This was done to help control the Ad Valorem Division’s overall travel budget in response to the state budget crisis. During the last two years of this curtailed travel period, I have responded to visitation requests from 38 counties.

I hope that the reason the other 39 counties have not asked for help is because they are blissfully mapping away. I hope that all of them are finished with their parcel mapping and are in a maintenance mode. I hope that they have mapped their agricultural land use and are uploading those values into CAMA every time that there is a parcel split or combination. I hope that they are producing maps and exporting data when asked to do so as a service to their taxpayers. If not, and you need assistance in doing any of these things, please ask for help. We will gladly work with you to accomplish these important tasks.

Remember: Since rubber belts and seals can rot, ink cartridges and pens and bottles of ammonia can dry up, plotters and digitizer boards can be made obsolete by their own manufacturers not providing Windows drivers for the last two Windows operating systems (XP and ME), and mapping software can become unstable, what are you saving that mapping equipment for? Even unused equipment becomes worn out or unusable at some point.





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.

Administration of the Property Tax

It is important to remember that local government, county government in particular, is well suited to administer the property tax system. Land records, abstracts, court and county records, and deed recordation are all filed locally, not at the state and certainly not at the national level. The land records in support of the county assessor's office are often right next door.

Gary Cornia (2003), a visiting scholar at the Lincoln Institute of Land Policy, points out, "It is now common to find large and small jurisdictions using statistically driven valuation processes to estimate property values based on carefully designed hedonic models. The technical advantages of statistically driven appraisal systems in terms of efficiency and effectiveness are substantial (p. 2).

In addition to the work of the IAAO, the oversight function of state agencies is enormously helpful. Every state, except Maryland (which administers its property tax at the state level), plays an important role in assisting local governments with statewide equalization policies, common forms, training, technical assistance, and computer support.

Many larger jurisdictions have highly trained staff members using sophisticated approaches in their work, but smaller offices are often challenged by complex appraisal problems. It is significant to remember that smaller rural jurisdictions do not necessarily have only simple appraisals of homes, farms, or small businesses. Many complicated industrial facilities—merchant power plants, timber processing plants, and others—are often located in rural areas. State assistance to smaller jurisdictions can help them cope with these complications.

Criticisms of the Property Tax

The sharpest criticism of the impact of politics on assessment administration is generally directed toward preferential or undervalued assessment for political reasons. Richard Almy, writing in the IAAO text on "Property Appraisal and Assessment Administration," sums up this feeling: "Part-time assessors please their neighbors and are always aware that the assessor in the next county or jurisdiction is also undervaluing property which leads to 'competitive' undervaluation (Eckert 1990)."

Gary Cornia (2003) makes a similar point concerning the political peril that a county assessor must face in conducting a property reappraisal project. Property appraisals must be accurate and up to date for the system to be fair and equitable, but if the tax rate is not decreased, the county assessor is blamed for increased taxes. "It is not surprising, then, that in such situations the assessor and the assessor's office are quickly identified as the villains of the tax increase.

More importantly, these circumstances are powerful incentives not to reassess property regularly and thus avoid the angry backlash of property owners and voters...the assessor may act in self-interest, understandably being more concerned about re-election or re-appointment than ensuring that property is revalued properly (p.2)."

Politics is not limited simply to elected officials. The IAAO State and Provincial Council, which includes many of the state oversight agencies, has periodically debated the issue of "elected versus appointed" county assessors. Most of the discussions conclude that both groups are subject to politics, and there doesn't seem to be any evidence that an elected or appointed post makes much difference.

