

The Assessment Files

Volume 3

February 2007



Patriotism is not short, frenzied outbursts of emotion, but the tranquil and steady dedication of a lifetime.

Adlai Stevenson

From the President's Desk...

Hello to Everyone,

I can't believe it's already the first of March. Like most of you we are finishing up our fieldwork in order to get our increase notices out. It seems as though this rolls around awfully quickly. To me this is the hardest part of our jobs, especially now with the market prices so high.

It was good to see everyone at the CODA Conference, the County Assessors always have a big turnout, and they need to start giving us a bigger room for our breakout session. I was really glad that Teresa Tallon could make it. It warms my heart to see her doing so well. God does answer prayers. Doug and Gary's slide show went over really well, I hope William enjoyed it as much as we did.

The legislative committee has been doing a good job; they have been busy trying to keep up with all the new bills that have been filed. Keeping up with the committee meetings is a job in itself. Thank you guys so much.

I attended the new assessor orientation last week, I enjoyed being there. Jeff Spellman had each one to stand up and tell a little bit about themselves, I enjoyed that. We see each other a lot, but sometimes we don't take time to learn about each of our families and personal lives.

Cathy Hokit
Stephens County Assessor
President, County Assessors' Association
chokit@texhoma.net

Vice-President's News

Two weeks left for homestead filing period! Then, we can all take a break in our respective assessor's offices (NOT!)

It was great seeing those of you who could make it to CODA a couple of weeks ago. After a cold, hard winter it was nice to get out of the office even if we did get some additional light snow in OKC. We then followed that up with the OTC's new assessor orientation last week in the state's capitol. It was fun seeing and meeting all of the 24 new assessors who have bravely chosen to become public officials. I know it seems quite "cliché" but if you are ever in need of anything, simply pick up the phone and ask any of us who have "been there...done that." We want you to know that that's what we're here for, just like your big, extended family.

There are some major legislative changes on the horizon...some that we as county elected officials should stay on top of daily, or weekly at the very least. The oil and gas powers-that-be are still trying to gain a foot in the door that could turn a small "wording clarification" into a monumental tax break if we allow the change to take place. I urge each of you to stay in touch with your local legislators and keep them apprised of the Assessors Association's stance on the controversial issue of oil and gas production. With so many new legislators sprinkled around the state, it is each of our duties to educate the public -- and those new legislators -- about the dangers of cutting into ad valorem revenue on a yearly basis.

I hope to see as many of you as I can during the upcoming district meetings in May. As of right now, I plan to make it to three of the four sessions. Remember, if there is an issue that you are dealing with at your county courthouse that you need help in resolving, please don't hesitate to ask one of your executive board members. I promise to do my best to find a sensible resolution. Until next time...take care.

Your vice-president,

Todd Mathes
tmathes@countycourthouse.org

It requires less character to discover the faults of others than it does to tolerate them. J. Petit Senn

The Ad Valorem Division

So this is what a real winter is like, and it is my hope that by the time you read this newsletter, we will be in the midst of or have completed the New Assessor Orientation set for February 22 and 23 without having to battle another round of brutal winter weather. We have twenty-four new assessors, and we're looking forward to helping them get off to a great start in their service as county assessors.

Despite the low temperatures, we still enjoyed seeing lots of county assessors and deputies at the CODA meeting this week. I especially appreciated seeing Teresa Tallon and her great comments to the group about her progress with some of her health issues. It was great to see her, and I think it's been terrific how the county assessors have always been supportive of fellow assessors no matter what they're facing. We also had William Mack's second or third retirement party, and I think that Doug Warr is developing a talent for comedy in his presentations.

Last week, I drove up to Fairview for the Commission on County Government Personnel Education & Training to see King Ralph Wilson in his natural habitat. (He acts the same in Fairview as he does in Oklahoma City and Tulsa except when he's bowling.) Oklahoma State University has done a good job on getting the county training program's changes made. (Both Cooperative Extension and Center for Local Government Technology have been tremendous assets for our Annual Conference.) In the county assessor area, the work of Gary Snyder and Doug Warr has been really excellent. We need to keep the quality of the program at its present high level and keep a good working relationship with all the Departments at Oklahoma State University.

Here's what's going on this month:

Legislature Convenes: The 2007 Oklahoma Legislature has convened. We've seen a large number of ad valorem bills already under consideration. We have several bills on the five-year exemption, changes to the cap, and other exemptions. The biggest challenge by a long shot is estimating the revenue impact for the veterans' exemption. That has been a rapidly changing set of numbers.

For those of you who missed the CODA meeting, we appreciated everyone's help on the survey on Senior Valuation Freezes and Tax Incremental Financing Districts (TIFs). Thanks in advance for your help in getting good estimates to the Legislature.

Geographic Information Council Day at the Capitol: GIS Day at the Capitol is scheduled for March 14. If any county is interested in showing off their mapping program at the Capitol, be sure and sign up. Call Troy Frazier or Wade Patterson, the new GIS representative, if you have any questions.

Class on Data Collection: As you know, the job of the field appraiser starts the process. Good data collection is the basis of good, accurate values for the taxpayer. We're working with Center for Local Government Technology on reviving the Data Collection class. As many of you remember, we used to have a class on data collection for field appraisers who are beginners, new employees, or field appraisers who need a refresher on good practices in the field, accuracy, and safety. Since Warren Stubbs retired, we have not been holding this class on a regular basis, so we are working with Center for Local Government Technology to revive this practice.

District Meetings: Mark your calendars. We have a complete schedule now of the 2006 District meeting dates:

OATR: May 3rd (Oklahoma City)
Southwest: May 4th (Comanche County)
Northeast: May 11 (Rogers County)
Northwest: May 18 (Kay County)
Southeast: May 25 (Latimer County)

We appreciate the hard work and conscientious effort of all county assessors and deputies working to improve the Oklahoma ad valorem system and make it better than it was given to us for taxpayers everywhere.

Jeff Spelman, CAE
Director, Ad Valorem Division
jspelman@tax.ok.gov

P.S. "One of the problems of being a prophet is the fact that the better you see the future, the less people believe you." Anwar Caddo, famous Ad Valorem Philosopher, borrowed from Tiresias, the ancient prophet in T.S. Eliot's "The Waste Land."

***Nearly all men can stand adversity, but if you
want to test a man's character, give him power.***
Anonymous

March Birthdays

Birthstone: aquamarine Meaning: courage

Flower: jonquil, daffodil

Troyee King (Pottawatomie)	March 5
Dan Ashwood (Muskogee)	March 6

ATAP (Assessor Training and Accreditation Program)

Dear County Assessors and Deputies:

We hope everybody is enjoying the spring weather, its sure beats the snow and cold we had at CODA early this month. It was great to see our old friends at CODA and to meet the new assessors and deputies from across the state. We also had a very special prayer answered when Teresa Tallon rejoined her assessor family at the break-out session at CODA. Teresa said hello to the assessors and said “the only joke I know is Randy Wintz”, she still knows how to put Randy in his place.

The ATAP classes are filling up fast with new assessors and deputies. Several classes are full, but still send in your registration form because we do have people cancel. If you are enrolled in a class and cannot attend please notify us so the vacancy can be filled.

2007 Spring Class Schedule		
Unit 2 (Real Property Appraisal)	March 6-9	Tulsa
Board of Equalization Training	March 21	Tulsa
Unit 3 (Mass Appraisal)	March 27-30	Tulsa
Unit 5 (Business Personal Property)	April 11-13	McAlester
Oil and Gas I (Valuation)	April 25-27	Robber's Cave
Unit 4 (Income Approach)	April 30-May 3	Tulsa
Unit 7 (Ag Land Valuation)	May 23-24	Western Hills
Unit 6 (Cadastral Mapping)	June 11-14	Tulsa
Mini-Storage Valuation	June 27-28	Stillwater

You may enroll at: clgt.okstate.edu or fax in your registration at 405-744-7268. If you have any questions you can call us at 405-744-6049 or e-mail us at doug.warr@okstate.edu or gary.snyder@okstate.edu.

Sincerely,

Doug & Gary

Treasurer's Bulletin

Wade handed out the following article at CODA. We wanted to print it here for those who did not get a copy. (Reprinted with permission from the Tulsa World.)

Sooners rank low on property tax

RANDY KREHBIEL World Staff Writer

12/10/2006

Tulsa World (Final Home Edition), Page A22 of News

Despite Oklahoma's favorable rate, payout is still a sore point for many

Oklahomans don't like to hear it, but they pay less in property taxes than just about anyone in the country.

Two recent reports by the nonpartisan Tax Foundation of Washington, D.C., reinforce what tax policy analysts have been saying for years.

By just about any measure, Oklahoma's property taxes rank among the lowest in the nation.

One report ranked Oklahoma 47th among the 50 states for both property taxes per capita and as a percentage of income in 2004.

The other report, using 2005 Census Bureau figures, rated the state's median property tax for owner-occupied housing 45th and 42nd in property taxes as a percentage of median household income.

Only when property taxes were calculated as a share of median home value did Oklahoma rise to near the middle of the pack, at 31st.

"I've never figured out why Oklahomans hate property taxes so much," said economist Larkin Warner. "Truth to tell, that property tax is a pretty darn good tax. It's voted on locally, it's collected in the district and it's spent in the district."

Property tax rankings

2004 collections per capita (all property taxes)
Top 10

1. New Jersey	\$2,104.36
2. New Hampshire	\$1,948.16
3. Connecticut	\$1,947.55
4. New York	\$1,679.28
5. Rhode Island	\$1,632.12
6. Maine	\$1,600.62
7. Vermont	\$1,532.59
8. Massachusetts	\$1,530.50
9. Illinois	\$1,410.68
10. Wyoming	\$1,357.34
13. Texas	\$1,264.34
14. Kansas	\$1,189.69
23. Colorado	\$1,032.21
37. Missouri	\$750.01
46. Louisiana	\$503.10
47. OKLAHOMA	\$465.95
48. New Mexico	\$444.22
49. Arkansas	\$402.08
50. Alabama	\$368.19

Source: Tax Foundation

Tulsa World

Oklahoma began weaning itself off ad valorem taxes in the 1930s, when it eliminated the state property tax and began shifting the revenue burden to income and sales taxes. Municipal governments last received property tax revenues for general operations in the 1960s.

In both respects, Oklahoma is different from most states. Voters can increase the local tax rate to include such entities as libraries and health departments and to pay for general obligation bonds, but only schools and county governments are guaranteed access to property taxes for operating budgets. Even then, revenues are limited by unusually restrictive limits on tax rates.

"In many states, budgets are set and then the millages are adjusted accordingly," said Jeff Spelman, director of the Oklahoma Tax Commission's ad valorem division. "We've pretty much locked millages in."

So, budgets are set by projected revenues instead of budgets determining what the revenues will be.

Spelman said caps and freezes on appraised values, approved a decade ago, have also limited the increase in property taxes.

"A lot of counties have done studies showing those have had a pretty significant impact," Spelman said.

According to the Tax Foundation, Oklahoma per capita property tax collections were \$465.95 in 2004, or 1.72 percent of personal income. That compares to \$2,104.36 per capita in New Jersey, and 5.5 percent of income in New Hampshire. Both figures are the highest in the nation.

When only owner-occupied housing is considered, Oklahomans paid 1.37 percent of household income for property taxes in 2005, or \$635 a year. Those calculations are based on a median home value of \$89,100 and a median household income of \$46,215.

New Jersey had the highest median property tax payment, \$5,352 a year. Alabama was lowest, at \$302. Californians arguably get the best deal, though. They have the highest property values in the country but pay less than 0.5 percent a year in taxes.

Low property taxes do have a cost. In Oklahoma's case, it means a greater reliance on sales and income taxes and gross energy receipts.

Wellhead taxes have proved unreliable and, as Warner said, "nobody is pumping oil back in the ground. Nobody is pumping natural gas back in the ground. At some point, we're going to run out."

Sales taxes are increasingly problematic, too. Besides contributing to what some see as unhealthy urban development trends, the explosion of tax-free Internet and mail-order sales is beginning to sap revenue growth.

"In the long haul, the sales tax is not going to be a very good source of revenue growth," said Warner. "The mix is changing. Our economy is producing fewer goods and is more dependent on services, which for the most part we don't tax.

"The second factor is the growth of Internet sales. Congress just isn't coming to grips with that."

Municipalities are particularly vulnerable. They once commonly shared in property tax revenues, but that ended in the 1960s with the advent of local sales taxes.

All of this leads Warner to a conclusion Oklahoma home-owners won't like.

"Over the next 10 or 20 years," he said, "Oklahoma will see property taxes grow."

Reporter's Corner

It was great getting to meet some of the new County Assessors at the OTC Orientation at the end of February. There was some good information passed on from each department as they presented their briefings. One of the recurring messages I heard was, "Call if you have questions or need any help." That is one of the many things I appreciate about anyone involved in the Ad Valorem process. Anytime I have asked for help, I either got an answer or was told who to call to get an answer. **Get involved.** It takes a little time but it will save you time in the long run. **Ask Questions.** There is a wealth of experience and information available through the OK Tax Commission, CLGT, and the Assessor's Group. Don't hesitate to ask for assistance. **Stay Informed.** Jerry Stone does a great job keeping up with all the latest from the State Capitol. When you see the words "Action Alert" in front of bill, it usually means something is taking place or about to take place, and Dave Herbert needs us to call our Representatives or make a trip to the State Capitol to help him "cover the bases" on a bill.

In closing, "Is this a great state, or what!"

Ronnie Funck

Reporter

funckr@canadiancounty.org

And as we let our own light shine, we unconsciously give other people permission to do the same. As we are liberated from our fear, our presence automatically liberates others.

Marianne Williamson

Some folks from Canadian County won a free lunch from Oklahoma City's radio station 101.9 The Twister. Ronnie Funck and field appraisers Bob Mallum, Joe



Farley, Wayne Schwab, Chris Morrison, and Darrin Bailey were some of the lucky winners! Other county employees shown are Jamie Steinbruck, Theresa Ramsey, Sheila Preno, and Jerry Smith.

Please send your comments, suggestions, and submissions including photos from your office or event to Amy Brandley, brandleya@canadiancounty.org, 405.262.1070 x260