



THE ASSESSMENT FILES

COUNTY ASSESSORS ASSOCIATION OF OKLAHOMA

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News From the President

Well, the Annual Fall Conference is fast approaching. I hope everyone enjoys getting together with their fellow assessors as much as I do. I always come away with new ideas to help my office run smoother and more efficiently. We have a wealth of knowledge in our group. The first day we will hear from Jeff McMahan, State Auditor & Inspector, and Scott Meacham, State Treasurer. Then some of the usual suspects: Wade Patterson will discuss IAAO, Karen Perkins will present the Nominating Committee Report, Gary Snyder and Doug Warr will talk about CLGT, and Scott Warren will update everyone on the SA&I Computer Support Division. On Thursday morning, our guest speakers will be First Lady Kim Henry, Deborah Gibson from OATR, and Carey Rouse from the Stephens County Drug Task Force to talk about meth labs. That afternoon, we will have the opportunity to get some CEUs when Jeff Spelman presents his program. Jim Kelley will present a Legislative Committee Report. Friday, we will have our yearly business meeting and elect new officers.

Remember, too, that Cathy Hokit is collecting information and photos for our new assessor book. She will have someone available at the conference to take pictures if you don't have a current one.

For after-hours activities, we will have bingo Wednesday at 7 PM and a dance at the hotel at 9 PM Thursday. Other than those activities, I hope you all enjoy Oklahoma City's shopping and dining!

We have done our best to organize a great conference. All we ask is that everyone joins us and has a good, fun and productive time. See you soon!

Denise Heavner

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Ad Valorem Update

Greetings from the Ad Valorem Division:

I have a new hero. I'm sure everyone has seen the famous Iditarod sled race on Extreme TV and I heard last week a motivational talk by Martin Buser, a four-time winner of the grueling 1900 mile sled race from Anchorage to Nome, Alaska. It's not for the faint heart, just like the assessment process. Buser told us that the race used to take 21 days, now with intensity, special diet, and modern insanity the race takes 9 days. (The best thing about the short time schedule, he said, is it cuts down the time for racer hallucinations when they get tired.) The race goes on day and night, 24 hours a day with only a few required rest periods for the dogs. The racers don't get much sleep during the time the dogs rest since they are feeding them and acting as veterinarians.

He ran the race several times before he broke into the winner's circle. His transition into the top ranks came when one night the temperature reached 63 degrees below zero. Then it really got cold as the wind whipped up to fierce blizzard conditions. All of the other racers halted for shelter but he pushed on through the storm for twenty-six hours straight without rest, leading his lead dog, Blondie, by hand and feeling his way in the blinding snow for the race course markers on the trail. That moved him from sixth place to second, but more importantly, it showed him what he could really do and what it took to win. The next year he won in 8 days, 22 hours, and 2 minutes.

Martin was a great speaker. I'd love to have him at Tulsa next year, (we can't afford that one especially if he brought his dogs) but my real new hero is Blondie. (Female dogs, like assessors, are just tougher. Many of his lead dogs are female.) This female athlete runs up to twelve hours at high speed in terrible conditions and burns 11,000 calories a day! During one tough race, Buser's sled hit a hidden tree stump; he was thrown over the top of the sled, tangled in the lead reins, and knocked unconscious on a frozen river. If the dogs had gone on and left him, he is sure he would have frozen to death, but Blondie stopped the team and when he regained consciousness and cut himself out of the tangle of leather reins, the dogs were waiting impatiently for him. That Blondie is something!

We're proud of the Veterans Administration's recognition of one of our own. Kenny Chuculate was recognized by Phillip Driskill and Norman Lamb of the Oklahoma Veteran's Administration for his help in the implementation of the Veterans Exemption for 100% disabled veterans of their homestead property. It has been a complicated program, but working together I think that it will be a success.

I'd also like to refer you to our new Oklahoma Tax Commission web site. It has been totally redesigned and updated. It features "Quick Click" a reference area to taxpayer topics as well as "Quick Tax" which contains news going on in the tax area. This web site reflects some research on getting taxpayers to the site that they need as quickly as possible. The Oklahoma Tax Commission worked on the site for over a year, trying to improve ease of navigation. We're updating some of the ad valorem areas right now.

We're looking forward to the County Assessors Association convention next week. It is always a good event and I'm sure we'll have plenty to discuss.

Sincerely,

Jeff Spelman, CAE

P.S. "The traffic on the second mile is not too crowded." Anwar Cimarron, famous Ad Valorem philosopher."

Reporter's Notes

Wow! It's hard to believe that another year has come and gone so quickly! In some cases, the more things change the more they stay the same. In other instances, the more things change the more change they bring about. Last year, we were discussing the 5% cap, the oil and gas production issue (which turned into HB 1715), and the 100% disabled veteran's exemption. Twelve months later, we turn our thoughts to...the cap, gross production, and the impending disabled veteran's exemption. Also weighing heavily on everyone's minds is the loss of revenue each county has experienced over the past few years due to the double homestead and five-year manufacturing exemption.

With each of these issues at hand, it is important that we as assessors discuss the pros and cons of each matter, both amongst ourselves and with others (local media, your state legislators, other elected officials within your county, etc.). The wrongs won't be righted on their own. We have to have a plan and a clear vision in order to have our voices heard in our courthouses, in our communities, and in our legislature.

Pittsburg County Assessor Jim Kelley during his Legislative Committee report will be presenting some facts that we will need to digest and discuss in order to come up with a game plan to 1) start receiving the reimbursements for revenue lost due to double homesteads, exempt manufacturing, and filter strips (didn't want Wade to feel left out), 2) create the working definition needed to settle the issue of gross production taxation, and 3) get the word out about the 100% disabled veteran's exemption before January 1st rolls around.

The assessor's draft of a bill to amend Section 1001.1 of Title 68 will be printed on the last two pages of this newsletter for your review.

Remember, the 2005 Fall Assessors Conference begins on Wednesday, October 26th, with registration in the lobby of the hotel at 10 a.m. followed by the opening general session at 1:30 p.m. The conference runs thru Friday, October 28th. Hope to see you all there!

Your Reporter,
Todd Mathes



November Birthdays

J. C. Brooks (Jackson)	November 2
Loretta Hall (Beckham)	November 9
Phyllis Ray (Grady)	November 25

The following proposed amendment to OS 68, Section 1001.1 has been drafted by the Assessors Association's Legislative Committee and clarifies terms of definition involving gross production as well as sets up a new 9-member oversight committee to set a maximum value on the equipment used in the production of oil and gas:

STATE OF OKLAHOMA

By:

AS INTRODUCED

An Act relating to revenue and taxation; amending 68 O.S. 2001, Section 1001.1, which relates to gross production taxes; clarifying references; specifying property exempt from ad valorem taxation pursuant to certain provisions; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 68 O.S. 2001, Section 1001.1, is amended to read as follows:

Section 1001.1 The Oklahoma Tax Commission shall adopt rules and regulations which establish guidelines for the determination of property exempt from ad valorem taxation pursuant to the provisions of subsections (p) and (q) of Section 1001 of this title. Said guidelines shall include, but are not limited to, the following:

1. "Producing leases" means wells or leases or production units which have had production during any of the previous three (3) calendar years which is subject to the gross production tax levied by Section 1001 of this title and which have not been abandoned or required to be plugged

as required by law on or before January 1 of the year for which the assessment or valuation is made;

2. "Payment of gross production tax" means payment of the tax levied by Section 1001 of this title on production during any of the three (3) calendar years immediately prior to January 1 of the year for which the assessment or valuation is made; and

3. Property exempt from ad valorem tax pursuant to the provisions of subsections (p) and (q) of Section 1001 of this title shall include **all equipment necessary for the production of oil or gas located prior to the point the product is capable of being measured for quantity and quality and is owned by the producer of the oil or gas**, ~~but is not limited to, lease production tanks, lease production meters, and disposal systems which are not for commercial purposes.~~ Such exempt property shall remain exempt as long as the property is essential to the production of oil and gas in commercial quantities. The county assessor shall be notified when such property becomes nonexempt.

4. The rules adopted by the Oklahoma Tax Commission pursuant to subsection 1001.1 of this section governing the valuation of personal property described in subsection 1001.1 paragraph 3 that may be subject to ad valorem tax shall provide a maximum fair cash value that may be used by county assessors in determining the fair cash value for all such property. The said maximum fair cash value shall be determined by a committee consisting of nine members; one member from OIPA, one member from MOGA, one member from OATR, three members from the county assessor's association, two members from the Oklahoma Tax Commission (one from tax policy and one from the ad valorem division), and the chairman of the said committee shall be the State Auditor and Inspector in his or her capacity as secretary of the State Board of Equalization. The committee shall establish the values for all assets described under this section by January 1, 2007 and every four (4) years thereafter. The values may be adjusted annually by a factor determined by the ad valorem division of the Oklahoma Tax Commission in the manner they establish the factors for all other classes of tangible personal property.