

May 6,2004

The scheduled meeting of the Cleveland County Equalization Board was called to order this 6th day of May, 2004, in the conference room of the Cleveland County Fairgrounds, 605 E. Robinson, Norman, Oklahoma, by Chairman Waldo Blanton. Roll was called by Dorinda Harvey, County Clerk/Secretary and those present were:

Waldo Blanton, Chairman
Pat Ross, Vice-Chairman
Charles Thompson, Member
Dorinda Harvey, Secretary

Others present were: Denise Heavner, David Tinsley, and Mr. & Mrs. Rick Horner.

After the reading of the minutes of the meeting of April 1, 2004, and there being no additions or corrections, Pat Ross moved that the minutes be approved. Charles Thompson seconded the motion.

The vote was: Waldo Blanton, yes; Pat Ross, yes; Charles Thompson, yes.
Motion carried.

Chairman Blanton called for discussion, consideration, and/or action on the following Letters of Protest and stated that Milford L. & Thelma J. Holt, 972 N. W. 6th, Moore, OK 73160 for Lots 19, 20, Block 41, Southgate, had called, and he is getting an extension.
(Mr. Holt is out of the State.)

Chairman Blanton called for Rick Horner, 15039 S.E. 136th, Newalla, OK 74857 for Lot 4, Block 1, Laketree Estates.

Mr. Horner has owned his house for twenty (20) years and he is the original owner and it is three bedrooms not two as the Assessor has it. The Assessor's Office didn't even have it as an underground house and Mr. Horner thinks that is very important if you are going to appraise or assess value to know what you are looking at. The Assessor's Office re-evaluated it and this year it went up \$1,000.00. Most of his neighbor's houses are less then his according to the computers in the Assessor's Office. Mr. Horner feels that his neighbor's houses are worth more than his because his is an underground house. An underground house is hard to sell. He had it appraised a few years ago to refinance and it was appraised at \$66,000.00. Mr. Horner has \$150,000.00 in the house but that doesn't mean that it is worth half that. Mr. Horner explained about the underground house four miles from him, which is 4800 square feet, indoor pool, and it sold for \$97,000.00 at one time then sold again for \$160,000.00 or \$170,000.00 and Mr. Horner thinks that the Assessor would have probably appraised it at four or five hundred thousand dollars. Mr. Horner doesn't think the Assessor's Office knows what they are doing when assessing or appraising an underground house and that is one point he would like to make.

He hasn't made any improvements. Mr. Horner also complained about his "Notice of Change in Assessed Value of Real Property" and Mr. Horner stated that the way the notice reads, is that the market value is not suppose to go up more than 5% by law a year. Not the taxable market value, not anything else, it says plan and simple the market value and Mr. Horner

read more of the notice. Mr. Horner went over the form and the figures that were on it and stated that market value is plan and simple last year it was \$74,777.00 and this year \$80,025.00 and that is \$5,248.00 that it went up. Five percent of \$80,025.00 is \$4,125.00 or five percent of last years value which is the way it should be figured is \$3,738.85 and that should be the most it could have gone up. Mr. Horner continued about the form and that the biggest problem he has is that no one can explain to him where he can understand it. Most of his neighbors are about the same square footage and the same builder built most of the houses. Some of the assessments went up this year and some didn't and no one made improvements that Mr. Horner knows of. Of the houses that have sold recently most have been distressed sales.

Mr. Horner complained more about the form.

Chairman Blanton stated that if it is a question directed at him about the form he is a little bit slanted from where Mr. Horner is because Chairman Blanton has always understood the form, its how the Assessor's Office has assessed as the taxable market value. Chairman Blanton agrees with Mr. Horner as to how he is reading it, but Chairman Blanton probably doesn't look at it to read it that way because that is just not the way he has always understood the form.

Denise Heavner, County Assessor, stated that she had talked to Mr. Horner and that she told him that he was the first one who had ever brought it up the way he did. Ms. Heavner explained the form to the Board. Ms. Heavner stated that Assessor's has always been required to try to find out what the true market value is of the property and used to that is what you were taxed on. So if the market value went up your taxes went up, but in '96 when the 5% cap law was voted on, what it did was restrict that value for property that has been owned by someone for more than a year. So if you have owned your property for at least a year and the Assessor decides it worth more because the market says it is then it cannot go up more than 5%. So the Assessor has dual values on most properties, the value that it is really worth and even that is usually lower than what it is truly worth, then the next line is the taxable value. The reason the form says, "used to compute the gross assessed value", is that the assessed value is what actually calculates your taxes.

More discussion took place about the form.

Chairman Blanton stated that the taxes only went up 5% of last year's taxable market and Mr. Horner agreed saying that the Assessor made sure of that and Chairman Blanton stated that he just did the math.

Mr. Horner stated that his neighbor across the street is the only one that went up \$1,000.00.

Chairman Blanton explained to Mr. Horner about the 5% increase and how it could go up.

Mr. Horner continued to complain about the form and Chairman Blanton stated that he doesn't think Mr. Horner's concern of the market value this year and next year has a thing to do with Mr. Horner's taxes ever getting up over 5% because that's the law and Mr. Horner agreed with Chairman Blanton. Mr. Horner doesn't like the wording on the form.

Chairman Blanton stated that when the market value is being talked about it is the value on the left of the form that is taxable. Other then the fact the Mr. Horner thinks his house is not worth as much.

Mr. Horner stated that was a big issue also. Mr. Horner doesn't think that the Assessor's Office even knew it was an underground house.

Ms. Heavner stated that the old records showed it was underground and when the office converted to the new computer system the appraiser had a new card that did not recognize

that feature. So when the appraiser went out they did not know it was an underground house immediately until they saw it and now underground houses are called earth sheltered. The Assessor only looks at square footage no the number of bedrooms.

Mr. Horner stated that this was new information to him that he was told prior to last year it was never rated as an underground home.

Chairman Blanton asked the Assessor about two equally square foot houses, well built, one underground the other a standard house, what is the difference in taxes when they are assessed per square foot?

David Tinsley, with the Assessor's Office, stated it depends on the value. Mr. Tinsley stated that if you have a house that is wood frame and you have a house that is masonry with this system it gives the cost approach.

Mr. Horner spoke about his appraiser (not with the Assessor's Office) and how he would only get comps way east of the Horner's. Mr. Horner stated that when he talked to these people that the underground house issues shouldn't be a factor, but in his opinion it should be because he can't sell his house for the same square footage as the house next door, but its appraised the same.

Chairman Blanton stated that he is interest in how the Assessor looks at the underground house compared to the masonry house or frame house as far as the value per square foot. Mr. Tinsley stated that when their value is an issue then the Assessor would go and see if they could find an underground house that sold, which Mr. Tinsley has done within the last few days. Mr. Tinsley stated that Mr. Horner called him the first time and questioned the value, Mr. Tinsley first indication was that it is an underground house so personally he doesn't think it would be worth as much as a conventional. Mr. Tinsley sent the appraiser out and he look at the house and made sure the square footage was correct and the basics. The appraiser pulled a flyer that the house was for sale for \$149,000.00 and the Assessor's Office has it for \$80,000.00, so Mr. Tinsley that there was something wrong. Mr. Tinsley explained his procedure.

Mr. Horner stated that he has \$150,000.00 in the house.

When Mr. Tinsley found out that there was an underground house that sold Mr. Tinsley called Oklahoma County to see if there was and it was the one that Mr. Horner was talking about. It is on South Choctaw and the square footage of the living area is 1872 square feet with an enclosed pool area. It has ten acres and the land and all of the extras were broken out the pool enclosure, the barn, the carport, everything that is on the property and what was left was at \$110,000.00 with the 1872 square feet with comes out to \$58.00 (\$58.76) a square foot. Mr. Tinsley took the square footage times the \$58.76 a square foot. (This came from Oklahoma County Assessor.) Mr. Tinsley stated that on the house it would be \$91,000.00 plus the land, which would be in comparison \$100,352.00 and it sold for \$200,000.00.

Mr. Horner stated that his house is made of concrete with steel rebar inside. It ought it be worth twice what the one next door is, but the point is what you can sell it for. Mr. Horner said he told his realtor that he was not going to take less than what he had in it.

Charles Thompson asked Mr. Horner if he was saying that the house was not worth \$80,000.00.

Mr. Horner told Mr. Thompson if he gave him \$80,000.00 today he might take it.

Denise Heavner asked Mr. Horner how much he paid for the house.

Mr. Horner stated that he financed \$80,000.00 and traded two trailer houses that were worth \$20,000.00 to \$25,000.00 a piece that were clear, \$10,000.00 cash, and then paid it out and

Mr. Horner think \$8,000.00. Mr. Horner stated that it is very easy to figure out that he has \$150,000.00 in it and that is a conservative figure. Mr. Horner stated that the house is 2166 square feet including the garage and the living area is pretty close to 1564 square feet. Charles Thompson thinks it ought to be assessed more. Mr. Thompson asked Mr. Horner what he wanted the number to be?

Mr. Horner stated that in his opinion what is being said that was done with the house on Choctaw Road is value the house what it is worth on the market. Mr. Horner thinks it is worth \$150,000.00 to \$200,000.00. The fair way in Mr. Horner's opinion is to look at what underground homes are selling for and he thinks Mr. Tinsley said \$58.00 a square foot. David Tinsley stated that if you take 1564 times \$58.76 a square foot that is \$91,901.00 plus the land, because Mr. Tinsley took out the land and stated that the Assessor's Office has \$8,482.00 on the land.

Chairman Blanton stated that if Mr. Horner's house and land is worth more, even by the figures of the lesser amount and \$8000.00 of land is worth more than the appraised value and they only move the taxes up from last year taxes other than that and the wording on the form he does not know where Mr. Horner is trying to get.

Mr. Heavner explained the four-year visual inspection cycle and how she tries to follow the market as best she can.

Mr. Horner repeated some of the statements he had already made.

David Tinsley stated that the re-valuation cycle that was started this year that this is the first year that it is on this system. This system is a Marshall-Swift cost approach and every house when re-valuated it uses the cost approach. There are three approaches the cost, market, and income. If you don't have any of those three you are going to have to use another one. Income doesn't apply, so the only two approaches you have would be cost per market. If you don't have market the Assessor's Office starts with cost. The notice is sent out and if the individual feels it is incorrect then the Assessor's Office goes from there. There were no sales of underground houses and the Assessor's Office never got to what the value was. The bottom line is if the property is not worth \$80,000.00 based on the cost approach what is it worth going to the market approach. The only sale was the one in Oklahoma County. If you don't have the market then you use the cost and if you don't want to use the cost then it's the Board's job if Mr. Horner feels its worth something different then what is that?

Mr. Horner was asked several questions and he replied that he had that information at home.

Charles Thompson asked Mr. Horner if he would sell his house for \$80,000.00?

Mr. Horner stated that he doubted it.

Charles Thompson moved to do what can be done to get the wording on the form where it is more understandable and that the Assessor try to get some underground comps and whatever Mr. Horner has to give the Assessor and let that be a bearing on what his is and if it's more it will be more to be fair.

Chairman Blanton stated that he was going to seconded the motion to have the wording look at and he doesn't know if the Assessor can and if not come back and tell the Board.

Dorinda Harvey, County Clerk, stated that Charles Thompson had more in his motion.

Charles Thompson stated that he said the Board would do what it could do on the wording and that the Assessor's Office, get the other comps that Mr. Horner talked about and be fair. Denise Heavner asked if the Board was talking about the other sales that Mr. Horner talked about.

Mr. Thompson stated yes and use all of the other undergrounds that the Assessor can find to compare and use them to be as fair as she possibly be can and that is all she can do and that is part of the motion.

The time frame was spoken about as to when this would be.

Mr. Thompson stated that there is nothing that the Board can do other than look at it, because the Board is not postponing his motion to do whatever the Board can do which is try to fix the wording in the form and to use all of the underground comps that the Assessor can find to be as fair as she can and if she does that then the Board is done.

Chairman Blanton stated that then they will have to come back to the Board and vote on it at that point.

Mr. Thompson stated that the Board is going to vote now.

Denise Heavner stated that the Board is not actually setting a value now.

Mr. Thompson stated that the Board is going to leave it alone, no change, Mr. Horner had it lowered and he would not take that for it. So it is worth \$80,000.00 there is no doubt and that is the motion.

Waldo Blanton seconded that motion.

The vote was: Waldo Blanton, yes; Pat Ross, yes; Charles Thompson, yes.

Motion carried.

Mr. Horner started going over the same information again and more discussion took place.

There being no further business to come before the Board, Pat Ross moved that the meeting be adjourned. Waldo Blanton seconded the motion.

The vote was: Waldo Blanton, yes; Pat Ross, yes; Charles Thompson, yes.

Motion carried.