

April 27, 2006

The scheduled meeting of the Cleveland County Equalization Board was called to order this 27th day of April, 2006, 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
Charles Thompson, Vice-Chairman
Pat Ross, Member
Dorinda Harvey, Secretary

Others present were: Christine Brannon, Denise Heavner, Billijo Ragland, Danny Hales, and Jae Lee.

After the reading of the minutes of the meeting of January 23, 2006, 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; Charles Thompson, yes; Pat Ross, yes.
Motion carried.

Chairman Blanton called for discussion, consideration, and/or action on the following Letters of Protest and called for item "b": Matthew C. and Monica A. Stanley, 1205 Stoneridge Dr., Moore, OK 73160-6741 for Lot 18, Block 3, Madison Place 2.

Pat Ross moved, seconded by Charles Thompson, to table this item as Mr. Stanley is in the Air Force and had Military obligations on this date.

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

Chairman Blanton called for item "c": Danny Hales, 3513 Glisten Street, Norman, Oklahoma, 73072 for Lot 18, Block 1, Cascade Estates Sec. 2.

Mr. Hales told the Board he lives in Cascade Estates Sec. 2, his neighborhood consist of homes built in the 80's and 90's. There are homes built in the 90's sitting right next to homes built in the 80's. It is all like properties in a lower middle class neighborhood. Mr. Hales told the Board that the Assessor's web site defines neighborhood as the environment of a subject property that has a direct and immediate affect on value, with this in mind Mr. Hales believes his appraised value should not be any higher per square foot than any other home in his neighborhood, regardless if it were built in the 80's or 90's. He feels he provided ample evidence in his informal protest that his home was appraised unfairly and in equably high compared to other homes. Despite this he was invited to file a formal appeal with the Board of Equalization. Homes in his neighborhood that were built in the 80's are worth just as much as homes built in the 90's as evidence of recent sales. The appraised values of homes built in the 80's are considerably lower than those built in the 90's. This is not an equable assessment. Mr. Hales stated he provided examples of recent sales of homes built in the 80's in his neighborhood and the examples range anywhere from \$84.36 per square foot to \$86.69 per square foot. He also provided current appraised values of homes

built in the same time period and those appraised values range anywhere from \$60.25 per square foot to \$68.05 per square foot.

Mr. Hales' current appraised value is \$76.44 per square foot and stated if fairness in assessment practices and a respectful and courteous attitude toward a taxpayer are still the Assessor's most important goals, (this is a quote that Mr. Hales got off of the Assessor's web site) than why is there such inaccuracy, unfairness, and inequality in the appraised values of homes in his neighborhood. Sales ratios studies are conducted by neighborhood to insure uniformity of values. Every example that Mr. Hales has given from his informal protest until now has been from homes in his neighborhood, and he feels that these values need to be analyzed to determine how accurate and equable they are.

Charles Thompson asked Mr. Hales about the appraisals and whom they were appraised by and Mr. Hales stated they were directly from the Assessor's web site.

Mr. Hales also has recent sales of homes that were built in the 90's as his home was, which he also got from the Assessor's web site and they range from \$80.76 per square foot to \$87.37 per square foot. Which are within the same range as the homes that were built in the 80's are selling for. But the homes that were built in the 80's are valued at much less per square foot than the homes that were built in the 90's, even though both are selling for the same kind of money per square foot.

Charles Thompson asked Mr. Hales if the homes that actually sold for \$80.00 plus are they better houses than his or feels he has?

Mr. Hales stated his home is typical of any home in his neighborhood that was built in the 90's. The homes that were built in the 80's the sales evidence shows that those homes are selling for just as much as homes like his though there value according to the Assessor is much less than the homes that were built in the 90's.

Waldo Blanton stated that a house built in the 80's that was the absolute top, had a lot of fancy stuff in it, and it was built back then would make it worth more today than the average home and asked Mr. Hales if he understood what he was trying to say.

Mr. Hales stated that the homes he has been in built in the 80's are similar both interior and exterior to his that was built in the 90's.

Billijo Ragland, Deputy County Assessor, stated when the Assessor's Office is comparing Cascade Sec. 2, those homes being built from 1997 to 1999, and Cascade Sec. 1, those homes were built from 1984 to 1990, they are comparing homes in Cascade Sec. 2 to the other like homes in Cascade Sec. 2 and comparing Cascade Sec. 1 to like homes in Cascade Sec. 1. Based on the sales in each of those additions, the Assessor's Office is under what the properties are selling for and she thinks the Assessor's Office is valuing the properties equally per Sec. 1 and 2. Depreciation is applied to the homes in Cascade Sec. 1 because of the age of the homes.

Denise Heavner, County Assessor, said it is also compared to the sales and they do see some difference in sales in the homes that were built earlier and the homes that were built in the 90's.

Ms. Ragland stated she had a sales sheet and had pictures of what she compared.

Charles Thompson stated he doesn't recall the Board getting into ages of homes, because you can take a house that was built in the 70's and it is maintained and landscaped, it can be worth more than one built yesterday.

Denise Heavner stated her office has noticed in Cascade that they did build the houses in increments of time and it does seem to make a difference. The new homes that are built in the 2000's are also showing a difference in selling price.

Charles Thompson stated at that time you started with the high ceilings and different kitchens and it makes it worth more in general.

Ms. Heavner stated from the sales she has gotten there seems to be a three-tiered level in that addition.

Ms. Ragland said in the Cascade Sec. 5 the homes are selling in the nineties and Ms. Heavner said the new homes are selling in the hundreds.

Charles Thompson stated just looking at this on the surface he told Mr. Hales that the \$76.44 puts him in between the low and the high and asked Mr. Hales if he feels he needs to be at the lower end of the market.

Mr. Hales feels there is a distinction between Cascade Sec. 1 and Cascade Sec. 2, but they are all in the same neighborhood. There are homes that are termed Cascade Sec. 1 sitting next to homes termed Cascade Sec. 2 and he feels they are all like properties.

Charles Thompson stated then you are saying they should be in the \$80.00's a foot range if they are all the same and these are going by the actual sales. Mr. Thompson stated the way he is listing to Mr. Hales it should be up in the \$80.00's and the Assessor might have theirs too low.

Mr. Hales repeated himself as to what he had previously stated.

Mr. Thompson said what Mr. Hales is telling him is that the Assessor is putting them too low and she should be putting them at market value so she is giving people a break and she could be raising them.

Waldo Blanton asked Ms. Heavner if there was a limit on how much a piece of property can be raised?

Ms. Heavner stated Mr. Blanton was talking about the taxable value and there is a limit on that. Here we are comparing market values. Ms. Heavner stated that this addition is different because the builder ended one addition in the middle of the street and then came back and began another one. Ms. Heavner and Mr. Thompson talked about how some of these additions are built.

Ms. Heavner stated she could understand how Mr. Hales sees this as the same neighborhood but when people look at those homes to buy, if the home is ten years older there is usually a slight difference in the selling price.

Mr. Hales again repeated what he had explained to the Board prior and said there shouldn't be a \$20.00 different in the valuation.

Charles Thompson stated that in his mind they are not, they are selling for \$80.00 a square foot so in his mind that is what a house is worth. Mr. Thompson told Mr. Hales that he wouldn't take \$60.00 a foot for his house, \$70.00 or probably even \$80.00.

Mr. Hales is saying that if his neighbor is selling his home for \$86.00 per square foot but he is only paying \$60.00 a square foot it is not fair.

Charles Thompson asked if Mr. Hales is here to ask for a raise?

Mr. Hales stated that if his home is selling for the same price as his neighbor's home but his neighbor is paying taxes on \$60.00 a foot and Mr. Hales is paying taxes on \$77.00 a foot, he thinks that is an inequality or inequity.

Ms. Ragland pointed out to the Board that you are looking at comparing 1500 and 1600 hundred square foot homes for square foot price to a 2000 square foot price.

Waldo Blanton stated two different size homes are being compared here and a value of square footage. The small homes bring more per square foot.

Ms. Heavner stated the Assessor's Office comparisons are for similar size homes because this particular addition has a range of sizes.

Mr. Hales stated there was a home on Glisten that has 2,120 square feet the house was built in 1985 and it sold this year for \$70.75 per square foot.

The Board looked at several of the comps presented by the Assessor.

Mr. Hales repeated again his complaint.

Charles Thompson explained to Mr. Hales the purpose of the Equalization was to make sure property was equal.

Mr. Hales spoke about the taxable market value and Ms. Heavner stated that shouldn't even be gotten into because there are too many things that affect that, that are out of the Assessor's control. The 5% cap was discussed and Ms. Heavner said that her contention is there a difference in the selling price depending on the age of the home. Ms. Heavner explained about the comps and how her office compares a 2000 square foot house to a 2000 square foot house and not a 1500 square foot house.

Waldo Blanton moved, seconded by Pat Ross, that there be no change in Danny Hales property value/assessment.

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

Motion carried.

Chairman Blanton stated that item "d" General Mills Restaurants, Inc., represented by Mark Vandagriff/Burr Wolff, 1420 W. Mockingbird, #575, Dallas, TX 75247 for Lot 2A, Block 1, MXD #1 had withdrawn their protest.

Chairman Blanton called for item "e" Jae Lee, 124 S. E. 27th St., Moore, OK 73160 for property in Sec. 35, Township 10 North, Range 2West, 10.04 acres Tracts 19 & 20 Silver Chase Survey, GEO Number SD16 10-2W 35 031.

Mr. Lee is requesting that the taxing of his property be postponed on his unfinished house. He is building the house himself and started the project 1997. He started from raw land. He and a friend started with the barn and then in 2001 the main house. He and his friend have built the house other than electrical, plumbing, heating and air. The house is still under construction. Mr. Lee doesn't mind the land being taxed, and the barn is finished, but the house is about 70% finished. No one lives in the house and no certificate of occupancy.

Denise Heavner stated that the house was not on the assessment rolls until 2005. Ms. Heavner stated Mr. Lee received a notice last year and the house was put at 60% and it is still at 60%. Ms. Heavner stated that part of the discussion that she had with Mr. Lee is that he realizes that builders get a break and that builders don't basically pay any taxes until the house is finished. There has been some discussion this year as to whether or not that applies to everyone else.

Charles Thompson asked if there was time involved, as a builder will be finished within four to five months.

Ms. Heavner agreed and stated that it depends upon when the house is started, because January 1st, is the Assessor's date. So if a house is started in April and in three months it is finished and sold, it is not put on the books until the next year. If builders have a house that is partially completed at the end of the year it is still not put on the books until the next year. It

is left alone until it is finished. Ms. Heavner stated that the statute she is talking about has been a builder statute forever. To her it was always a builder's statute because the theory was that a builder has an inventory of a house. It is considered an inventory to be sold. Ms. Heavner has never heard this statute being applied to an individual building their own home. Charles Thompson stated mostly because of the time, three, four, five to six years.

Ms. Heavner stated it has always been her policy if someone is constructing their own home, each year her office will determine (and sometimes it does take several years) how far along the home is and try to determine what is fair. Ms. Heavner stated Mr. Lee's home is around 7,000 square feet.

Charles Thompson inquired of Ms. Heavner if she has Mr. Lee's home assessed at 60% and she replied yes. Mr. Thompson stated and that is \$300,000.00.

Ms. Heavner stated that up through 2003 Mr. Lee was assessed for the shop and land only and she is thinking that was almost \$70,000.00 and in 2005 her office started assessing for the actual house at 60%.

Chairman Blanton stated Mr. Lee's point (even with comparisons, which Mr. Lee is not disputing or is anyone else) is, if he is not using the house and not living in the house, as that is not the intended purpose yet because it is not finished, Mr. Lee is paying a lot of money....

Ms. Heavner stated she also has to look, because she is pushed to look at a sale, if Mr. Lee were to sell the property tomorrow would Mr. Lee expect to get some compensation for what is there.

Charles Thompson asked Mr. Lee if he was more than 60% complete.

Mr. Lee stated the inside was left to do, he had finished all of the sheetrock, texturing and the cabinets are being built now for the downstairs. The second floor the way Mr. Lee talked has nothing but the sheetrock. Mr. Lee told the Board about his house and how he works in his spare time to build it and the reason he doesn't think he should be taxed until he can file for homestead exemption and has an occupancy certificate. Mr. Lee stated it took him and his wife eight months just to do the wood floor.

Ms. Heavner stated there were probably less than one hundred homes in a similar situation in all of Cleveland County where someone is slowly building their own home and they have all been treated the same way. It is just that Mr. Lee's home is very large so his value even at 60% is pretty high. Ms. Heavner asked Mr. Lee if he planned on finishing out the second floor and he replied that he did plan on finishing it out.

Charles Thompson stated that Mr. Lee is just getting ready to do the high dollar things on his home, like the trim, carpet, and appliances, but the Assessor needs to put some kind of value on it. Just figuring \$30.00 a foot would be \$210,000.00 and Mr. Thompson thinks Mr. Lee could sell it today for that according to the pictures that the Assessor's Office had provided to the Board.

Mr. Lee thinks his property would sell for \$1 million when it was completed, but only when he finishes it. Mr. Lee told the Board what all he had built.

Mr. Thompson stated Mr. Lee had \$90,000.00 on his Formal Protest and wants it lower but not as low if there wasn't a house there and what it sounds like is that Mr. Lee doesn't want any tax until he moves in and uses the house for its purpose.

Mr. Lee stated that was right on the house portion. Land and barn taxing is all right as that is finished. Mr. Lee explained his plans on moving in next year that this was a ten year plan and he started in March, 1997.

Mr. Thompson doesn't feel like the Board can do what Mr. Lee wants as there are around 100 people in Cleveland County building their own home.

Ms. Heavner said they are assessed by the amount of work done on the house.

Ms. Ragland stated right now the total value is \$310,000.00.

Ms. Heavner said before the house was put on the assessment rolls it was 70, 80, or 90 thousand in that range for the land and the barn.

Chairman Blanton thinks it was \$90,000.00 as that is what Mr. Lee has on his formal protest.

Mr. Lee stated he just put the \$90,000.00 because when he built his barn he spent \$16,000.00 and then asked a builder the worth and was told \$30,000.00. This is a 40' x 60' barn. The land was \$45,000.00 when Mr. Lee purchased it, but his neighbor stated it was worth \$6,000.00 per acre now. And that is why he figured it that way for ten acres.

Chairman Blanton thinks the value of the house has got to be looked at the way Ms. Heavner has, as a percentage of money, because otherwise the other eighty-five or ninety people in the county could say well we are going to do all of this work and now don't tax me for these five years.

Ms. Heavner sympathizes with Mr. Lee but her office couldn't change his without changing all of the others. With everything she has been trained in, information that she has received in the past, there are certain reason that builders/developers got a certain then what do you do with people that are not developers. The only way Ms. Heavner knew to do it fairly is to determine some sort of percentage factor and that is what has been done.

Ms. Heavner stated that as of January 1st, she had it at 60% and asked Mr. Lee what percentage he thought it was complete as of January 1st.

Mr. Lee stated there was not much difference, but he doesn't know how much money wise or building wise.

Chairman Blanton stated both as Mr. Lee's labor is worth "x" amount of value.

Mr. Lee thinks 60% may be right.

Ms. Heavner stated that it still sound like 60% to her, but the Board can do whatever it feels it needs to do.

Charles Thompson moved, seconded by Pat Ross, to lower Mr. Lee's Assessed Value on his property to \$210,000.00.

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

Motion carried.

Waldo Blanton moved, seconded by Pat Ross, to strike from the agenda item "a" Roy E. Garland, 1348 S. W. 149th, Oklahoma City, OK 73170 for Lot 15, Block 1, Thunderbird Hills as no one appeared for this protest.

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

Motion carried.

Charles Thompson moved, seconded by Pat Ross, to approve the Homestead Exemption Applications as presented. This also includes the double homesteads, which are based on income and the freezes. The veteran's exemptions are also included and it is 100% because of being disabled.

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

Motion carried.

Waldo Blanton moved, seconded by Pat Ross, to approve the Applications for Five Year Ad Valorem Tax Exemption the companies are Astellas Pharmatechnologies fka Yamanouchi, C & C Trailers, Inc., Circor Energy Products, (K & F Machine), and Sysco Food Services of Oklahoma, L.L.C.

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

After a brief discussion about the Board's next meeting, unless Dorinda Harvey, County Clerk, receives more protest the Board will have it next meeting at 8:45 a.m. on May 25, 2006, right after the Excise Board Meeting.

Denise Heavner will be asking the Budget Board for an extension in order that the Equalization Board can meet after May 31, because we are concerned about the move back to the County Office Building and she does have a few oil and gas people that she is doing informals on now.

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

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