

June 22, 2006

The scheduled meeting of the Cleveland County Equalization Board was called to order this 22nd day of June, 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, Matthew Stanley, and J. D. Younger.

After the reading of the minutes of the meeting of May 25, 2006, and there being no additions or corrections, Pat Ross moved that the minutes be approved. Waldo Blanton seconded the motion.

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

Chairman Blanton called for old business, discussion, consideration, and/or action on the following Letters of Protest:

Matthew C. and Monica A. Stanley, 1205 Stoneridge Dr., Moore, OK 73160-6741 for Lot 18, Block 3, Madison Place 2.

Mr. Stanley thanked the Board for its flexibility allowing him to reschedule because of his military duty. Mr. Stanley and his wife purchase the house in April 12, 2005, and for 2005 on the Assessor's Records the market value is \$1725.00 at the 12% assessment ratio for a gross assessed value of \$207.00. When Mr. Stanley received the notice of change in assessed value for his property for the 2006 tax year he noticed it had changed drastically and that was obviously due to the addition of the structure. In doing the research on the tax code he found a few facts, the tax year as defined in the code is a standard year January 1st to the end of December, and during this year the 2006 taxable year the property has not been transferred and there has been no taxable improvements made to the property. So the property should fall under article 10, section 8b of the Oklahoma Ad Valorem Tax Laws for 2001 and revised in 2004, which would mean that the tax value could not increase by more than 5% in any given year since nothing has changed during the current year. Based on that Mr. Stanley thinks the market value should be less then or equal to \$1811.00 and that would be subject to the assessment ratio of 12%.

Charles Thompson asked what the reason was for the value to be so low, he assumes it has a house on it?

Mr. Stanley stated it did when he purchased it in April 2005 it was new construction so it was previously assessed as just the land and probably should have been reassessed in 2005 with the full value of the house and the taxes in 2005 probably should have been higher. He couldn't find any provision that allow under current law to increase in a different calendar

year that wasn't done so in the previous year because there were no improvement made to the property in 2006.

Chairman Blanton asked what the \$1725.00 was and Denise Heavner, County Assessor, stated it was the developer's rate.

Ms. Heavner, stated she understood Mr. Stanley's concern and she sees what he is saying however the only thing Ms. Heavner can say about section 8b is that it does say when speaking about the 5% cap in any taxable year. The problem with that is there is a statute that says her data has to be determined by January 1st. So in a way the next taxable year starts January 2nd. Ms. Heavner has an Attorney General's Opinion that was given to her about another part 8.c. In the Attorney's General's Opinion it goes into great depth about the process for the year for taxes. The statutes have always determined that January 1st is the date to appraise taxes so by January 1st she has to have an amount ready so she can send out notices to people to allow for protesting or appeal periods and then you go on to the budgeting part for the schools, libraries etc. It is a whole process that goes on all year and that is what the Attorney General talks about in the opinion about how this process has to go and has to have deadlines in order to set the budgets up for everyone who is going to receive tax money. The Attorney General Opinion on 8.c of the constitution was that this amendment would be applied prospectively to the fair cash value of homestead property, on January 1, 2005, in this particular case and thereafter. So the AG is instructing the Assessor that anything that happens after January 1st when you determine the value for that taxable year has to go to the next taxable year and there are other statutes that say that same thing. The statute that talks about January 1st says when a building is constructed on land after January 1st the value of the building shall be added to the assessed value of the land for the ensuing year. So the previous statutes that the Assessor had gone by for years has always instructed her to have a value January 1st to begin the process for the taxable value for that year and then anything that occurs after that goes to the next ensuing year. Like in Mr. Stanley's case, his property was purchased early enough in the year where the Assessor's Office could have changed it, his sale was in April but her office didn't pick the house up until June. But that would be unfair to him because of the people who buy in November, they could have had the same house being completed in November but they would not be taxed because it would be past the tax roll. The tax roll would already be out for the year. There is a process for all of this and the reason for the process is all the other things that really don't directly affect her but indirectly do because of the deadlines that she has to meet so other deadlines can be met. Ms. Heavner stated what Mr. Stanley is saying is that his house should have been put on that year and in his case she could have, it would be very difficult because Mr. Stanley's house is not the only house she has, she has 100,000 properties to take care of. It wouldn't be fair to put his house on in 2005 just because that is when his deed occurred. There is another statute that tells her that if it wasn't done by January 1st she is to ignore it. Also on homestead he can't file homestead until the deed is filed by a certain date. It basically gives Mr. Stanley another year to not have to pay taxes on his house.

Ms. Heavner and Mr. Stanley talked more about the tax laws and about the conflicting statutes.

Chairman Blanton wanted to know what the taxes were on Mr. Stanley's property for this year and Ms. Heavner stated about \$1600.00. So Mr. Stanley got about a \$1400.00 free ride and the increase Mr. Stanley is discussing, the 5%, is how much?

Ms. Heavner stated his taxes were only \$22.00 on a \$1700.00 value so it would probably be about \$25.00.

Mr. Stanley stated the appraised value in 2005 was \$1725.00 so the gross assessed value was \$207.00 because that is the 12% so the taxes based on the millage rate came out to be \$22.18. So if you increase the value by not more than 5% it would have gone from \$1725.00 to \$1811.00 and the taxes would be about \$25.00. Mr. Stanley stated he is asserting that his taxes should not increase more than 5%.

Charles Thompson stated what this is doing though the years it is saving people a lot of money because a newly constructed house is not put on the tax rolls until January 1st of the next year. Mr. Thompson continued trying to explain to Mr. Stanley by saying if there is a section of land that is taxed for \$500.00 to \$600.00 a year, a developer buys it and develops it, spends his money and sometimes he sells a lot and sometimes he doesn't but the Assessor's Office tries to leave it on the tax rolls as long as they can at the cost it cost the developer. Another break that the people get like you speaking to Mr. Stanley is to get his house in April and get the rest of that year free. Mr. Thompson stated what Mr. Stanley wants to do is start back up here (in April) and have to pay that and then not pay the next year too.

Chairman Blanton stated that Mr. Stanley is also saying that once this is done and with the 5% cap Mr. Stanley would always be at the \$25.00 to \$30.00 year by year and Mr. Stanley answered that was correct. Chairman Blanton stated he disagreed with Mr. Stanley's analysis and Chairman Blanton recommended personally that the Board would give Mr. Stanley the opportunity to take this to court and see if they can change the law.

Chairman Blanton moved to deny, seconded by Charles Thompson.

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

Motion carried.

Additional discussion took place as far as the statutes, builder's rates, etc.

Charles Thompson moved, seconded by Waldo Blanton, to strike from the agenda (as no one appeared for these protest) under old business items:

- b. Dora' Axsom or Nancy Saladino, 806 E. Hays, Norman, Oklahoma, 73071 for Lot 9, Block 2, Carpenter.
- c. Dora' Axsom or Nancy Saladino, 806 E. Hays, Norman, Oklahoma, 73071 for Lot 12, Block 4, Colley's Second.

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

Motion carried.

Chairman Blanton called for new business discussion, Consideration, and/or Action on the following Letters of Protest:

J. D. & Stephanie Younger, P. O. Box 1533, Norman, OK 73070 for Lot 13, Block 2, Brookhaven 37th.

Mr. Younger stated the reason he submitted a protest on his property at 628 Greystone Lane is he believes there has been an unfair inequitable assessment applied to his property. Mr.

Younger gave the Board a comparable sales sheet of all properties in Brookhaven #37 that closed or sold during the year of 2005 as per the Assessor's web site. Mr. Younger listed the physical address, the purchase price as per the Assessor's web site, market value as per the Assessor's web site, square footage, value per foot, and the purchase date. Mr. Younger then added a column to the right that was amenities that would justify maybe a variation in assessed value. Such as pools and if the house is located on a cul-de-sac or a cutout that would increase the property value itself without a house on the property. Mr. Younger stated the value of his property per foot is \$118.47. The thing that is striking to Mr. Younger is if you look at all of the other houses that closed in 2005 there are only four that have a higher value. Three of those four have amenities such as cul-de-sac, pool or both that would naturally increase the value besides the extra square footage, extra bathrooms, etc. So basically his house is the highest valued house with the average positioning in his neighborhood. Normal size lot, no cul-de-sac, no pool, no outdoor amenities. The next thing Mr. Younger would have the Board look at is the trending. The trending for sales in 2005 was downward as far as value per foot. Mr. Younger continued saying that especially concerning to him was the last two on the list that sold and three of the last four. Mr. Younger stated the last one that closed was in August 2005 at 4504 Greystone Lane and it has a market value of \$447,805.00 for \$118.22 per foot which is \$.25 a foot less than his. This house is mostly all stone construction with an outdoor pool, outdoor stone and brick fireplace attached to the home, a seconded story outdoor balcony, surrounded by a brick column fence and indicated by the Assessor's own web site the quality of the home (Mr. Younger's is a good plus) and all of the other that he has submitted is above good or very good. The houses are all larger than his especially that one (4504 Greystone Lane) with extra amenities and extra cost in construction, yet his house is valued more than that one. Mr. Younger complimented the Assessor's Office and stated the initial protest to the Assessor's Office came when the Assessor's web site showed the value of his house was \$327,000.00 and their mailing to Mr. Younger showed \$375,000.00 so he was confused about the \$50,000.00 disparity from the web site and what was mailed. Mr. Younger stated he doesn't think it is fairly applied, even if it is a fair value its not fairly applied because it is not applied to the other homes in that section. The value which Mr. Younger has listed for his that should be maximum he based off of what he see as the last house that closed in his neighborhood it is a larger home, five bedrooms, listed in better conditions than his, or better quality than his. For fair an equitable he thinks there is a base line and to raise or lower from that base line is some articular fact. The second thing he would like to present to the Board supporting his position is three assessments from the tax year 2005 not 2006. His house was constructed and closed on in March in 2005. When he received his assessment for 2005 it was for \$196,000.00 on a home that on January 1st was under construction. This concerned Mr. Younger as other homes in Brookhaven #37 in the same stage of construction received no assessment for partial construction. So he went to the Assessor's Office and was told that his house was so far along under construction that it has been assessed at a 70% completion value. Mr. Younger stated that others in his neighborhood didn't even receive an assessment on the purchase price of the land or just received an assessment on the purchase price. This year when his house went to 100% assessment it was more than 30% increase from the previous year based on that 70% completion. While technically legal he thinks it is borderline unethical and definitely inequitable to take one property and not only one year but

two years in a row apply a taxation that is obviously disparate with other homes in his section.

Mr. Younger stated that he paid less than \$375,000.00 for his home and he would have brought in his settlement statement but that would have been misleading to the Board because on his settlement statement it shows that he paid \$275,000.00 because he was the holder of the property when the home was constructed. Mr. Younger's home construction was probably somewhere around \$347,000.00. Mr. Younger showed the Board some more comparisons and restated some of his prior comments.

Billijo Ragland, Deputy County Assessor, stated that Brookhaven #37 is all custom homes. There are sales anywhere from \$291,000.00 all the way up to \$619,000.00. The square footage range from 2329 up to 4276 and for 2007 there are even larger homes being built. With the difference sizes and values of homes you are going to have different square foot prices. Ms. Ragland submitted to the Board the subject home and a comparable sales sheet and she feels that the home most comparable was at 617 Greystone. Ms. Ragland gave the Board all of the comps she had used to come up with the value, along with pictures, what the homes sold for, and the square foot price.

Ms. Heavner asked Mr. Younger if he subcontracted the house and Mr. Younger stated the note was in his name, he did have a builder assist him, but he did write the checks and paid the bills.

Ms. Ragland stated this addition is still in progress and it will be looked at again in 2007. Charles Thompson asked Mr. Younger if he thinks his value should be \$113.00 per square foot and Mr. Younger stated that value came from in his layman understanding of how you would be fair applicable as far as taxation and Mr. Younger told the Board how he figured it. Mr. Thompson asked Mr. Younger what he thought his home was worth per foot and Mr. Younger stated he thought \$113.00 to \$115.00 and Mr. Thompson stated that is what he was thinking.

Denise Heavner stated she was just looking at the \$115.00 per square foot that would come up to \$364,550.00.

Charles Thompson moved, seconded by Waldo Blanton, to reduce the square footage price to \$113.00 per square foot from \$118.00.

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

Waldo Blanton moved, seconded by Charles Thompson, to strike under new business item b. Unit Drilling Co., Represented by K. E. Andrews & Company, P. O. Box 870849, Mesquite, TX 75187-0849 for GEO Number MCZ as no one appeared to protest.

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

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

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