November 10, 2016

Mr. Rick Peters
Superintendent
Caney Valley Schools
620 Wyandotte Ave.
Ramona, OK 74061

RE: Public service value’s impact on the millage rate

To the Caney Valley Board of Education:

I hope to be able to shed a little light on the circumstances surrounding the valuation discrepancies between the 2015 and 2016 tax years for Caney Valley Schools, which caused property taxes to increase. The local county assessor’s office has the statutory duty of assessing all real and personal property located within the county, while the Oklahoma Tax Commission (OTC) has the duty of assessing all public service companies (utilities, railroads, airlines, pipeline companies, etc.) on a state-wide level. Following the OTC’s state-wide assessment, the public service values are then allocated proportionately to each county, based on each public service company that has assets located in the various taxing districts within the counties.

In August of 2015, the Washington County Assessor’s Office recorded its annual Report to the Excise Board, a list of all county-wide ad valorem property values that were enumerated for taxation at that time. The excise report breaks down Washington County’s various real estate, personal property and public service values according to taxing district: county, city/municipality, school district, and vo-tech jurisdiction. Each taxing district then uses the projected valuations from the excise report to calculate their annual budgets and to estimate the millage levies necessary to support that year’s budget.

After all millage rates are calculated, the property valuations are multiplied by the appropriate millage levies to generate a tax roll for Washington County. This rolling of the taxes from the office of the County Assessor to the County Treasurer occurs in late October or early November every tax year. However, in 2015 errors were discovered in the public service values reported for two school districts in Washington County, one of which was Caney Valley in the amount of $4.2 million. That error was not brought to the attention of the assessor’s office until late October, when the tax roll was being delivered to the treasurer for collection.
The correction of the error in public service values was compounded for Caney Valley Schools, as voters in that school district approved a bond issue on October 13th of 2015. The original projection was that the overall millage rate would see little to no change with the passage of the new bond issue, as old bond debt was being concurrently paid off. However, with the re-calculation using the corrected valuation amounts, the school district needs an additional 7 to 9 mills to pay off their bond indebtedness for 2016-17. This increase was unforeseeable at the time of the bond issues’ passage and was due to no fault of the Caney Valley Schools’ administration or bond oversight committee.

Sincerely,

Todd Mathes
Washington County Assessor