

Kingfisher Times & Free Press
July 13, 2005

County, Exxon reach ad val settlement

County Assessor Eloise McCully announced this week that one energy company has agreed to an omitted ad valorem tax settlement in the amount of \$591,624.87 for the tax years of 2002 through 2005.

The omitted property belonging to Exxon Mobil consisted of compressors, meters and gas gathering lines across the county.

It was located in six different school districts.

District I-16 (Hennessey) will receive \$275,103.23; Dover school (I-2) will receive \$230,493.80. They were the largest beneficiaries.

Other were Lomega \$46,498.97, Crescent \$22,599.51, Okeene \$2,275.30 and Marshall-Covington \$14,654.06.

The settlement is credited to the work of Visual Lease Services of Holdenville, which was retained by Kingfisher County commissioners and assessor's office on July 12, 2004, to discover and list all oil and gas properties within the county.

"Exxon Mobil staff worked very diligently with my office and VLS to correct the omissions of their oil and gas properties," McCully said.

VLS is still identifying and mapping other oil and gas properties within the county and will persist to search out further omissions from all other companies as well as valuing and rendered properties, McCully said.

The service contract cost the county \$199,500. To date the county has received a three to one return on its investment, she said.

McCully held an informal hearing with Exxon Mobil last week.

The settlement announced Monday was the result of that hearing. Kingfisher County will receive the proceeds of the Countywide 10.27 mill levy on the omitted tax settlement and other county schools districts will receive the proceeds produced by the 4.11 county school levy.

McCully said the county fund will receive \$58,970.34 for the three years 2002, 2003 and 2004, and another \$24,097.24 in 2005. The 2005 tax will not be collected until tax rolls open this fall but is still considered "omitted" property for this year.

The omitted tax is not “chargeable” against the state aid formula for schools, meaning that the amount they receive from the settlement will not have to be subtracted from the funding they receive from state government.

School receiving” gross production tax” must subtract the amount of tax” they receive from that source against the state aid they receive.