

A Cross-Sectional Look at the Oklahoma Ad Valorem Mill Levies, Fiscal Year 2014
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The “Oklahoma Ad Valorem Mill Levies, Fiscal Year 2014” report is a detailed listing of the ad valorem mill levies across Oklahoma. It also includes some state and county summary statistics. This cross-sectional look provides some additional summary statistics that may be of interest.

In an effort to analyze the magnitude and prevalence of mill levies for different segments of the population, we sorted and grouped the levies by tax area.² For purposes of this report, a tax area is defined as a geographic area in which all properties have the same tax rate. For example, all properties within the rural portion of a particular school district within a given county will have the same total levy. The urban area (area within a municipality’s boundaries) of the same school district within the same county will be considered a separate tax area if the city or town has a sinking fund levy. By differentiating tax areas by school district, it is possible to examine almost every possible total mill rate experienced by the citizens of the state.

In this report, the tax areas of the state are stratified using three criteria. The first is county population. The next is classification as urban or rural. Lastly, tax areas of the state are divided into four quadrants defined as the four Oklahoma Cooperative Extension Service districts. The results show some interesting contrasts in tax rates.

First, tax areas were grouped by county population. The three population groups are: Group 1, counties under 21,000; Group 2, 21,001 to 80,000; and Group 3, over 80,000.

Total Property Tax Levies by County Population

	No. of Counties	No. of Tax Areas	Median Mills	Average Mills	Minimum Mills	Maximum Mills
Group 1 - Less than 21,000	37	391	78.94	79.36	55.68	113.52
Group 2 - 21,001 to 80,000	34	732	86.27	86.23	55.60	129.13
Group 3 - over 80,000	6	267	105.81	102.99	67.03	138.34

People living in population Group 3, paid a higher average levy than did those in the other two Groups. There are a couple of reasons that this occurs. First, there were 67 tax areas that reported having a junior college tax levy (general fund or sinking fund or both) in Group 3, whereas in Group 1 and Group 2 there were no junior college tax levies reported.

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² A tax area is essentially a geographic area subject to a given total ad valorem levy within each school district. A school district may have one or more of these tax areas within its boundaries. Urban and rural parts of a school district most commonly differentiate tax areas; the most common difference between the two is the assessment of a city sinking fund levy.

Another reason that Group 3 had a higher average levy is due largely to the greater concentration of metropolitan areas. In these areas, city sinking fund levies tend to be more prevalent and have a higher mill levy than do their counterparts in Groups 1 and 2. There were 267 different tax areas listed under Group 3 and 82 (30.7%) of them reported having a city sinking fund levy. In Group 2, 3.9% of the tax areas reported having a city sinking fund and Group 1 reported only 0.7% of the tax areas as having a city sinking fund levy. In summary, less populous counties have fewer cities that incur debt and levy a sinking fund.

When there is a general fund levy that is over the standard 10 mills, it indicates the exemption of household personal property and livestock. In Group 1, 371 tax areas (35 of 37 counties) had exempted personal property tax, contrasted with 685 tax areas (21 of 24 counties) in Group 2. In Group 3, 267 tax areas (all 6 counties) had exempted personal property tax. Counties in Group 3 also had the highest average county general fund levy at 10.32 mills, with Groups 1 and 2 bracketing it, with similar averages of 10.39 and 10.28 mills each.

Urban versus rural tax areas is another way to dissect the data. However, this analysis is complicated by the fact that not all counties in the data set have urban and rural clearly defined. An urban area is defined as a tax area within a municipality (incorporated city or town). Rural is defined as all tax areas outside municipalities. (The data set is that found in the report, Oklahoma Ad Valorem Mill Levies, Fiscal Year 2014.) There were a total of 497 urban tax areas and 406 rural, leaving 487 tax areas that were labeled as neither urban or rural. Because unlabeled areas are excluded, the results are subject to question. The average total levy in the urban areas was 2.2% higher than its rural counter parts. The average urban levy was 91.23 mills. The average rural levy was 89.08 mills. The average of unlabeled areas was 82.44 mills.

Total Tax Levy: Urban vs. Rural Tax Areas

	Count	Median	Average	Minimum	Maximum
Rural	406	87.83	89.08	55.68	129.13
Urban	497	89.34	91.23	56.00	138.34

The four Extension districts divide the state into geographic quadrants: Northeast, Northwest, Southeast and Southwest Districts.

Total Tax Mill Levy by Extension Districts

Extension District	Areas	Median	Average	Minimum	Maximum
Northeast	445	88.72	89.96	58.21	138.34
Northwest	240	80.47	79.77	55.60	109.70
Southeast	284	83.73	84.50	61.97	113.52
Southwest	421	89.34	91.39	61.06	132.20

As can be seen in the table, the Southwest district had a slightly larger average tax levy than the other three. This is due, in part, to the fact that in the Southwest district, 359 tax areas reported having some kind of Career Tech School. It is notable that Tulsa is in the Northeast district and Oklahoma City is in the Southwest district. Each of these cities and surrounding urban areas account for many of the higher levy areas within Oklahoma. Junior college levies and the two large cities have the potential to make a sizable difference. When comparing the Northeast and Southwest to the Northwest and Southeast, there is a spread of 4 to 10 mills on average. The difference between the typical Northwest and Southeast levy appears to be the number and size of city sinking and career-technology center levies. In the Southeast, there were only 4 tax areas that had city sinking fund levies and the Northwest had only 3.

In summary, those citizens residing in counties that have a total population of over 80,000 can expect to pay a higher average tax levy than those individuals that do not, largely due to sinking fund levies. Urban school tax areas have a higher millage levy, due largely to the city sinking funds. Tax areas that fall within the boundaries of the Southwest Extension District assess a higher average tax than the other three districts, with the Northwest District assessing the smallest average levy.