

STATE BOARD OF EQUALIZATION

February 18, 2020

10:00 AM

Governor's Conference Room

Second Floor – State Capitol Building

MINUTES

The State Board of Equalization met on February 18, 2020 at 10:00 a.m. in the Governor's Conference Room on the second floor of the State Capitol building. The members were notified by e-mail.

Members present were:

Governor J. Kevin Stitt

Lt. Governor Matt Pinnell

Cindy Byrd, State Auditor and Inspector

Joy Hofmeister, Superintendent of Public Instruction

Mike Hunter, Attorney General

Randy McDaniel, State Treasurer

Blayne Arthur, Chairman of the Board of Agriculture

Guests who took part in discussion:

Shelley Paulk, Deputy Director of Budget for Revenue, Office of Management and Enterprise Services

Jay Doyle – Executive Director, Oklahoma Tax Commission

Agenda Item #1 – Call to Order

Governor Stitt called the meeting to order.

Agenda Item #2 – Roll Call and announcement of quorum

The roll was called to establish a quorum.

Agenda Item #3 – Announcement of filing of regular meeting notice and posting of the agenda in accordance with the Open Meeting Act

Agenda Item #4 – Disposition of December 20, 2019 minutes

MR. HUNTER MOVED TO ACCEPT THE MINUTES AS PRESENTED. Ms. Hofmeister seconded the motion. Roll call was taken and all members present voted "aye". Motion carried

Agenda Item #5 - Determination and certification of limit on growth of appropriations for fiscal year ending June 30, 2021

Shelly Paulk made a presentation regarding certification. The Constitution requires a certification of maximum appropriations for the fiscal year 2021.

MR. MCDANIEL MOVED THAT THE LIMIT ON APPROPRIATIONS FOR THE FISCAL YEAR ENDING JUNE 30, 2021 BE SET AT \$8,143,615,680. Lt. Governor Pinnell seconded the motion. Roll call was taken and all members present voted “aye”. Motion carried.

Agenda Item #6 – Determination as to whether expenditures from the ROADS Fund are used to "enhance or supplant" state funding for the Department of Transportation as required by 69 O.S. § 1521.

MR. MCDANIEL MOVED THE BOARD FINDS THE ROADS FUND WAS USED TO ENHANCE TRANSPORTATION FUNDING FOR FY2020. Lt. Governor Pinnell seconded the motion. Roll call was taken and all members present voted “aye”. Motion carried

Agenda Item # 7 – Report from the Office of Management and Enterprise Services and possible action regarding appropriations from the Oklahoma Education Lottery Trust Fund as required by Article X § 41 of the Oklahoma Constitution and Title 3A O.S., § 713.

MS. HOFMEISTER MOVED THE BOARD FINDS THAT APPROPRIATIONS FROM THE OKLAHOMA EDUCATION LOTTERY TRUST FUND ENHANCED EDUCATION FUNDING IN FY2020. Mr. Hunter seconded the motion. Roll call was taken and all members present voted “aye”. Motion carried

Agenda Item #8 - Report from the Office of Management and Enterprise Services and possible action regarding certification of the following, pursuant to 62 O.S. 2016 § 34.103:

A.1. For the revenue derived from the tax levies on oil pursuant to Section 1001 of Title 68...the average annual amount of actual revenue apportioned to the General Revenue Fund for the immediately preceding five (5) complete fiscal years.

MR. HUNTER MOVED TO CERTIFY THE 5-YEAR AVERAGE OF ACTUAL ANNUAL REVENUE APPORTIONED TO THE GENERAL REVENUE FUND FROM THE TAX ON OIL PURSUANT TO § 1001 OF TITLE 68 IS \$125,226,740. Mr. McDaniel seconded the motion. Roll call was taken and all members present voted “aye”. Motion carried

A.2. For the revenue derived from the tax levied on natural gas pursuant to Section 1001 of Title 68...the average annual amount of actual revenue apportioned to the General Revenue Fund for the previous five (5) years.

LT. GOVERNOR PINNELL MOVED TO CERTIFY THE 5-YEAR AVERAGE OF ACTUAL ANNUAL REVENUE APPORTIONED TO THE GENERAL REVENUE FUND FROM THE TAX ON NATURAL GAS PURSUANT TO § 1001 OF TITLE 68 IS \$183,787,125. Ms. Byrd seconded the motion. Roll call was taken and all members present voted “aye”. Motion carried

A.3. For the revenue derived from the corporate income tax levied pursuant to Section 2355 of Title 68...the average annual amount of actual revenue apportioned to the General Revenue Fund for the previous five (5) fiscal years.

MS. BYRD MOVED TO CERTIFY THE 5-YEAR AVERAGE OF ACTUAL ANNUAL REVENUE APPORTIONED TO THE GENERAL REVENUE FUND FROM THE TAX ON CORPORATE INCOME TAX PURSUANT TO § 2355 OF TITLE 68 IS \$225,739,693. Mr. McDaniel seconded the motion. Roll call was taken and all members present voted “aye”. Motion carried

Agenda Item #9 –Report from the Office of Management and Enterprise Services and possible action pursuant to O.S. 68 §2355.1B, regarding determination of a new baseline of apportionments to the Oklahoma Teachers Retirement System from the taxes levied pursuant to Sections 1353, 1403 and 2352 of O.S. 68 if it differs from the original baseline determination; and, if a new baseline is determined, five-year average apportionment amounts attributable to each revenue source.

A.1) Ms. HOFMEISTER MOVED THAT SINCE THE NEW 5-YEAR AVERAGE APPORTIONMENTS TO THE OKLAHOMA TEACHERS’ RETIREMENT SYSTEM REVOLVING FUND FROM INCOME TAXES, SALES TAXES AND USE TAXES IS GREATER THAN THE PREVIOUSLY DETERMINED ORIGINAL BASELINE, THE NEW BASELINE FOR SUCH APPORTIONMENTS IN FISCAL YEAR 2021 SHALL BE \$303,659,410. Mr. Hunter seconded the motion. Roll call was taken and all members present voted “aye”. Motion carried

A.2) MR. HUNTER MOVED THAT THE INDIVIDUAL, 5-YEAR AVERAGE APPORTIONMENT AMOUNTS FOR EACH REVENUE SOURCE BE SET AT \$155,070,372 FOR PERSONAL INCOME TAX COLLECTIONS; \$14,563,851 FOR CORPORATE INCOME TAX COLLECTIONS; \$120,870,733 FOR SALES TAX COLLECTIONS AND \$13,154,454 FOR USE TAX COLLECTIONS FOR FISCAL YEAR 2021. Mr. McDaniel seconded the motion. Roll call was taken and all members present voted “aye”. Motion carried

Agenda Item #10 – Discussion and possible action to certify the estimate of funds available for appropriation by the legislature for fiscal year ending June 30, 2021.

MR. MCDANIEL MADE A MOTION TO CERTIFY THE FISCAL YEAR 2021 ESTIMATE SUMMATION OF REVENUES FROM CERTIFIED FUNDS OF \$7,004,328,151 AND REVENUES AVAILABLE FOR APPROPRIATION IN THE AMOUNT OF \$6,654,111,744. Lt. Governor Pinnell seconded the motion. Roll call was taken and all members present voted “aye”. Motion carried

Agenda Item #11 – New Business – No new business

Agenda Item #12 – Adjournment

MR. MCDANIEL MADE A MOTION TO ADJOURN. Ms. Hoffmeister seconded the motion. Roll call was taken and all members present voted “aye”. Governor Stitt declared the meeting adjourned.