

STATE BOARD OF EQUALIZATION

April 20, 2020

3:00 PM

Governor's Conference Room

Zoom videoconference

MINUTES

The State Board of Equalization met on April 20, 2020 at 3:00 PM by Zoom videoconference. 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.

Announcement of filing of regular meeting notice and posting of the agenda in accordance with the Open Meeting Act

Nikki Batt, Legal Counsel, declared the Board of Equalization had met the requirements of the Open Meeting Act.

Agenda Item #3 – Disposition of February 18, 2020 minutes

MR. MCDANIEL MOVED TO ACCEPT THE MINUTES AS PRESENTED. Lt. Governor Pinnell seconded the motion. Roll call was taken and all members present voted “aye”. Motion carried

Agenda Item #4 - Report from the Office of Management and Enterprise Services, Oklahoma Tax Commission and possible action regarding procedures and determination of revenue failure for fiscal year 2020, according to Article X, Section 23 of the Oklahoma Constitution and O.S. 62, §34.49.

Shelly Paulk made a presentation regarding the current revenue failure declared by Director Steven Harpe, of the Office of Management and Enterprise Services. At any point during a fiscal year in which the director of OMES becomes aware that circumstances exist, which will result in insufficient revenues to pay all appropriations in full for the year, he is authorized and obligated to declare a revenue failure, whether or not the 5% cushion has been exhausted at that time. Up to 3/8 of the balance of the rainy-day fund may be appropriated for current year revenue failure if the State Board of Equalization determines that a revenue failure has occurred with respect to the general revenue fund. This provision further states that the amount of the appropriation shall not exceed the amount of the projected revenue failure for the entire fiscal year as computed by the board.

MR. MCDANIEL MOVED TO DECLARE REVENUE FAILURE FOR FISCAL YEAR 2020 IN THE AMOUNT OF \$416,883,273. Ms. Hoffmeister seconded the motion. Roll call was taken and all members present voted “aye”. Motion carried.

Agenda Item #5 – Receipt of report from the Director of the Oklahoma Tax Commission regarding change in estimates of FY21 revenues since February 2020 certification, discussion of the same, and discussion and possible action of sending a letter to the legislature from the Board advising the legislature of the substance of the Director’s report.

Mr. Jay Doyle, Director, Oklahoma Tax Commission gave a presentation concerning the sharp decline in oil/gas prices and the economic results from the current pandemic that will affect the FY21 numbers.

Governor Stitt explained that he has prepared a letter to the Legislature explaining that the certified numbers from the February 18, 2020 Board of Equalization meeting are no longer reliable.

MS. ARTHUR MADE A MOTION THAT GOVERNOR STITT ON BEHALF OF THE BOARD SEND A LETTER TO RESPECTFULLY ADVISE THE LEGISLATURE OF THE REVISED ESTIMATES PRESENTED IN THIS MEETING TODAY AND TO REQUEST THAT THEY PROPERLY ADJUST EXPECTATIONS OF ESTIMATED REVENUE FOR PLANNING PURPOSES AND CRAFTING A BUDGET FOR FY 2021. Lt. Governor Pinnell seconded the motion. Roll call was taken with 6 members voting “aye” and an abstained vote by Mr. Hunter. Motion carried

Agenda Item #6 – Adjournment

LT. GOVERNOR PINNELL MADE A MOTION TO ADJOURN. Mr. McDaniel seconded the motion. Roll call was taken and all members present voted “aye”. Governor Stitt declared the meeting adjourned.

J. Kevin Stitt, Governor
State Board of Equalization

Cindy Byrd
State Auditor and Inspector
Secretary, State Board of Equalization