

STATE BOARD OF EQUALIZATION

June 21, 2021

10:00 AM

Governor's Large Conference Room
Second Floor – State Capitol Building

MINUTES

The State Board of Equalization met on June 15, 2020 at 10:00 a.m. in the Governor's Conference Room on the second floor of the State Capitol Building and by Zoom videoconference. The members were notified by e-mail.

Members present:

Governor Stitt
Cindy Byrd, State Auditor and Inspector
Joy Hofmeister, Superintendent of Public Instruction
Dawn Cash, Interim Attorney General
Randy McDaniel, State Treasurer

Member absent:

Lt. Governor Matt Pinnell
Blayne Arthur, Chairman of the Board of Agriculture

Guests who took part in discussion:

John Gilbert, Budget and Revenue Analyst, OMES
Joe Hapgood, Director – Ad Valorem Division, Oklahoma Tax Commission

Agenda Item #1 – Call to Order

Governor Stitt called the meeting to order

Agenda Item #2 – Roll Call

Roll call was taken, and a quorum was established.

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 minutes of the February 16, 2021 meeting

MR. MCDANIEL MOVED TO ACCEPT THE MINUTES AS PRESENTED. Ms. Hofmeister seconded the motion. Roll call was taken, 4 “aye” and one abstention by Ms. Cash. Motion carried.

Agenda Item #5 – Discussion and possible action to re-certify, modify or reject funds available for appropriations by the legislature for fiscal year ending June 30, 2022.

MR. MCDANIEL MADE A MOTION TO CERTIFY THE FY 2022 REVENUE ESTIMATE OF ALL CERTIFIED FUNDS OF \$6,915,732,053 AND APPROPRIATIONS AUTHORITY OF \$6,569,945,451. Ms. Hoffmeister seconded the motion. Roll call was taken, and all members present voted “aye”.

Agenda Item #6 – Report from the Board of Equalization subcommittee

Auditor Byrd, Board of Equalization subcommittee chairman reported that on May 22, 2020 the subcommittee met virtually and discussed the affect that COVID 19 would have on the County Assessor’s visual inspection process and to get a progress report from OTC on the performance audit. The CAMA conversion process to date – 26 counties have successfully converted to the new LandMark system. Beginning July 6, 2020, 30 additional counties will be converted and by June 30, 2021, a total of 56 counties will be converted. At that time, 74 of 77 Counties will be on the new system. Discussion on the ability of the County Assessor’s performance of visual inspection due to COVID 19. A survey was sent to County Assessor’s by OSU/CLGT to see how the pandemic would affect their ability to perform the VI process. The results determined that 65% of County Assessors felt like they could complete their work on time. OTC reported on the status of the performance audit – data collections were delayed by 2 months due to COVID restrictions, but plan to catch up and report to the State Board in December as normal. Joe Hapgood, OTC, assured the subcommittee he and his staff would work with the County Assessor’s in any audit issues related to the COVID shut down.

Agenda Item #7 – Discussion and possible action on findings and recommendation of the State Board of Equalization Subcommittee tasked with reviewing county compliance data under Title 68 § 2830(b) and 2864(b)

LT. GOVERNOR PINNELL MOVED TO CONTINUE BLAINE COUNTY AT CATEGORY 1 NON-COMPLIANCE ON THE PERFORMANCE AUDIT, PENDING RESULTS OF THIS YEAR’S PERFORMANCE AUDIT WHICH WILL BE PRESENTED AT THE DECEMBER 1 MEETING. Ms. Arthur seconded the motion. Roll call was taken, and all members present voted “aye

Agenda Item #8 – Discussion and possible action to certify County Abstracts of Valuation and Assessment for the several counties of the state for fiscal year beginning July 1, 2020

Mr. Hapgood explained this is the meeting when the State Board reviews all the county abstracts. If the abstracts are in order the counties may proceed with their budgetary process. Mr. Hapgood reported that 73 counties have filed the abstracts and are in order and to be forwarded to the State Auditor and Inspector and further

authorize the Oklahoma Tax Commission to review any abstracts filed after the date of this meeting and forward those that are properly filed to the State Auditor and Inspector.

MS. BYRD MADE A MOTION TO ACCEPT THOSE COUNTY ABSTRACTS THAT HAVE BEEN TIMELY AND PROPERLY FILED UNDER 68 O.S. 2011 § 2867 AND DIRECT THE OKLAHOMA TAX COMMISSION TO FORWARD THESE ABSTRACTS TO THE STATE AUDITOR AND INSPECTOR AND FURTHER AUTHORIZE THE OKLAHOMA TAX COMMISSION TO REVIEW ANY ABSTRACTS FILED AFTER THE DATE OF THIS MEETING AND FORWARD THOSE THAT ARE PROPERLY FILED TO THE STATE AUDITOR AND INSPECTOR. Ms. Arthur seconded the motion. Roll call was taken, and all members present voted “aye”.

Agenda Item #9– Discussion and possible action on findings and recommendation of the Oklahoma Tax Commission for certification of fair cash values of Oklahoma taxable property of railroads, air carriers and public service corporations 68 O.S. 2011, Sections 2858 & 2859.

Mr. Hapgood reported approximately 280 public service companies were valued this year and we are requesting the board accept these values at this time

MS. BYRD MADE A MOTION TO ACCEPT AND CERTIFY THE FINDINGS OF THE OKLAHOMA TAX COMMISSION AS TO THE FAIR CASH VALUES OF OKLAHOMA TAXABLE PROPERTY OF RAILROADS, AIR CARRIERS AND PUBLIC SERVICE CORPORATIONS UNDER 68 O.S. SECTIONS 2858 AND 2859. Mr. McDaniel seconded the motion. Roll call was taken, and all members present voted “aye”.

Agenda Item #10 – Discussion and possible action on findings of the Oklahoma Tax Commission as to late filing penalties to be assessed on railroads, air carriers and public service corporations under 68 O.S. 2011, Section 2857(B)

Mr. Hapgood stated under the statues it is the obligation of the board to assess penalties for public service, railroad and airlines that file late with the Tax Commission. He also stated that 22 companies did not meet the filing deadline resulting in a penalty amount of \$61,094.

Nikki Batt, Board of Equalization legal counsel, recommends that a motion be made as presented by Mr. Hapgood from the Oklahoma Tax Commission

MS. HOFMEISTER MADE A MOTION TO ASSESS THE LATE FILING PENALTIES AS RECOMMENDED BY THE OKLAHOMA TAX COMMISSION AS PRESENTED UNDER 68 O.S. § 2857 (B) AS AMENDED, AND TO WAIVE THE ASSESSMENT OF PENALTIES FOR THOSE COMPANIES WITH A LATE FILING PENALTY OF \$30 OR LESS. Ms. Byrd seconded the motion. Roll call was taken, and all members present voted “aye”.

Agenda Item #11 – Discussion and possible action to establish an assessment ratio for railroads, air carriers, public service corporations and video service providers.

Mr. Hapgood explained the constitution requires the board to establish values for railroads, air carriers, and public service corporations. The assessment ratios are now frozen at the 1996 level; 11.84% for railroads and air carriers, 22.85% for public service corporations, and 12% for video service providers.

Nikki Batt recommends the Board reaffirm ratio assessment for public service companies as stated by Mr. Hapgood, Oklahoma Tax Commission.

MS. ARTHUR MADE A MOTION TO ESTABLISH AN ASSESSMENT RATIO OF 11.84% FOR RAILROADS AND AIR CARRIERS, 22.85% FOR PUBLIC SERVICE CORPORATIONS, AND 12% FOR VIDEO PROVIDERS, UNDER 68 O.S. § 2847. Lt. Governor Pinnell seconded the motion. Roll call was taken, and all members present voted “aye”.

Agenda Item #12 – New Business – No new business

Agenda Item #13– Adjournment

LT. GOVERNOR PINNELL MADE A MOTION TO ADJOURN. Ms. Arthur seconded the motion. 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