

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 21, 2021 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:

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 – Discussion and possible action regarding the current County Assessor Performance Audit conducted by the Oklahoma Tax Commission

AUDITOR BYRD REPORTED THE BOE SUBCOMMITTEE HAS MET SEVERAL TIMES AND WOULD LIKE TO RECOMMEND CONTINUATION WITH THE ASSESSOR’S PERFORMANCE AUDIT BUT THE OTC FINDINGS WILL NOT FORCE A COUNTY OUT OF COMPLIANCE DUE TO COVID. SOME ASSESSORS WERE NOT ABLE TO GO OUT AND INSPECT PROPERTY AND PERFORM THEIR STATUTORY RESPONSIBILITIES. Ms. Hoffmeister made a motion to accept the report given by Auditor Byrd. Mr. McDaniel seconded the motion. Roll call was taken, and all members present voted “aye”.

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)

AUDITOR BYRD REPORTED AFTER SEVERAL MEETINGS WITH BOE SUBCOMMITTEE COAL COUNTY WILL REMAIN AT CATEGORY 1 NON-COMPLIANCE ON THE PERFORMANCE AUDIT PENDING RESULTS OF THIS YEAR’S PERFORMANCE AUDIT WHICH WILL BE PRESENTED TO THE BOARD OF EQUALIZATION SUBCOMMITTEE BY THE OKLAHOMA TAX COMMISSION. THIS WILL BE AN AGENDA ITEM FOR THE DECEMBER 1, 2021 MEETING. Ms. Hoffmeister made a motion to accept the report given by Auditor Byrd. Mr. McDaniel 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, 2021

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 74 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. Cash 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 regarding the compliance status of Bryan, Coal and Nowata Counties with the Equalization Study.

MS. BYRD MADE A MOTION TO ACCEPT THE REPORT AND RECOMMENDATIONS OF THE OKLAHOMA TAX COMMISSION, AD VALOREM DIVISION REGARDING COUNTY COMPLIANCE FINDINGS FOR THE EQUALIZATION STUDY AND FIND BRYAN, COAL, AND NOWATA COUNTIES IN FULL COMPLIANCE. Ms. Cash seconded the motion. Roll call was taken, and all members present voted “aye

Agenda Item #10– 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 307 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 #11 – 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 20 companies did not meet the filing deadline resulting in a penalty amount of \$50,360.

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 #12 – 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.

MS. BYRD 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. Mr. McDaniel seconded the motion. Roll call was taken, and all members present voted “aye”.

Agenda Item #13 – Discussion and possible action to ratify and approve of settlement of the following protest and certification: DCP Southern Hills Pipeline, LLC (EQ-2020-05) on the basis of fair cash value appraisals.

MR. MCDANIEL MADE A MOTION TO CONVENE INTO EXECUTIVE SESSION. Ms. Hoffmeister seconded the motion. Roll call was taken and all members present voted “aye”.

EXECUTIVE SESSION

MS. HOFFMEISTER MADE A MOTION TO RECONVENE BACK INTO OPEN SESSION. Mr. McDaniel seconded the motion. Roll call was taken and all members present voted “aye”.

Only item in agenda item #13 were discussed in executive session and no votes were taken.

OPEN SESSION

MR. MCDANIEL MADE A MOTION TO CERTIFY AND APPROVE THE SETTLEMENT FOR DCP SOUTHERN HILLS PIPELINE, LLC (EQ-2020-05) AS CONTAINED IN THE REPORT TO THE STATE BOARD. Ms. Hoffmeister seconded the motion. Roll call was taken and all members present voted “aye”.

Agenda Item #14 – New Business – No new business

Agenda Item #15– Adjournment

MR. MCDANIEL MADE A MOTION TO ADJOURN. Ms. Byrd 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