

STATE BOARD OF EQUALIZATION

December 1, 2021

10:00 AM

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

MINUTES

The State Board of Equalization met on December 1, 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 were:

Governor J. Kevin Stitt

Lt. Governor Matt Pinnell

Cindy Byrd, State Auditor

Joy Hofmeister, Superintendent of Public Instruction

John O'Conner, Attorney General

Randy McDaniel, State Treasurer

Blayne Arthur, Chairman of the Board of Agriculture

Guest who took part in discussion:

Joe Hapgood – Director, Ad Valorem Division of Oklahoma Tax Commission

Agenda Item #1 – Call to order

Governor Stitt called the meeting to order

Agenda Item #2 – Roll Call

Roll was called to establish a quorum.

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

Jon Dutton, Assistant Attorney General, announced that the State Board of Equalization had complied with filing regular meeting notice and posting of agenda in accordance with the Open Meeting Act.

Agenda Item #4 – Disposition of June 21, 2021 minutes

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

Agenda Item #5 – Presentation and possible action regarding the 2021 Equalization Study submitted by the Oklahoma Tax Commission, Ad Valorem Division to the State Board of Equalization as required by 68 O.S. 2011, § 2864.

Mr. Hapgood presented the board with the annual equalization study on which the Ad Valorem Division of the Oklahoma Tax Commission reviewed constitutional and statutory provisions regarding value of real and personal property.

MS. BYRD MADE A MOTION TO ACCEPT THE 2021 EQUALIZATION STUDY AS PRESENTED BY MR. HAPGOOD AND FIND MCCURTAIN, MCINTOSH, PAYNE AND ROGERS COUNTIES IN CATEGORY ONE NON-COMPLIANCE BASED UPON DATA CONTAINED IN THE REPORT. Mr. McDaniel seconded the motion. Roll call was taken and all members present voted “aye”.

Agenda Item #6 – Presentation, discussion and possible action to accept the 2021 Performance Audit Report from Subcommittee Chairman, Cindy Byrd.

MS. BYRD, SUBCOMMITTEE CHAIRMAN, REPORTED THE OKLAHOMA TAX COMMISSION PRESENTED THE RESULTS OF THE 2021 PERFORMANCE AUDIT TO THE BOE SUBCOMMITTEE ON NOVEMBER 22, 2021. PLEASE REMEMBER THAT ON JUNE 21, 2021, THIS BOARD VOTED TO CONTINUE THE AUDIT FOR THIS YEAR AS A MEASURE OF HOW THE COUNTY ASSESSORS WERE PERFORMING – BUT WE WERE NOT GOING TO FIND ANY COUNTY ASSESSOR OUT OF COMPLIANCE DUE TO THE CURRENT ENVIRONMENT. COUNTY ASSESSORS HAVE DEALT WITH A LOT OF COVID-19, SHUTDOWNS, LIMITED STAFF DUE TO QUARANTINING, ISSUES WITH THE NEW CAMA SOFTWARE CONVERSION PROCESS, AS WELL AS AN ABNORMAL MARKET FOR REAL ESTATE. AS A RESULT OF THE AUDIT PROCEDURES APPLIED, THE TAX COMMISSION DID NOTE THAT 6 COUNTIES DID NOT OBTAIN THE MINIMUM POINTS REQUIRED FOR PASSING THE PERFORMANCE AUDIT. HOWEVER, PER OUR APPROVED MOTION IN JUNE, WE WILL NOT BE TAKING ACTION TO FIND ANY COUNTY OUT OF COMPLIANCE.

THE TAX COMMISSION RESULTS FOR THE PREVIOUS YEAR DID REFLECT THAT COAL COUNTY, WHICH WAS PLACED AT LEVEL 1 NONCOMPLIANCE IN DECEMBER 2020, HAS MADE ENOUGH PROGRESS TO BE UPGRADED TO PASSING FOR THE 2021 PERFORMANCE AUDIT.

I MOVE THAT THE BOARD ACCEPT THE 2021 PERFORMANCE AUDIT AS PRESENTED BY THE OKLAHOMA TAX COMMISSION AND FIND COAL COUNTY IN FULL COMPLIANCE FOR THE PERFORMANCE AUDIT REQUIREMENTS. Ms. Arthur seconded the motion. Roll call was taken and all members present voted “aye”.

Agenda Item #7 – Discussion and possible action on revisions to Equalization Performance Audit for future years.

MS. BYRD, SUBCOMMITTEE CHAIRMAN, REPORTED OVER THE PAST YEAR THE SUBCOMMITTEE, WITH THE HELP OF OTC AND COUNTY ASSESSOR’S ASSOCIATION, HAVE BEEN WORKING ON MODIFICATIONS TO THE PROCEDURES OF THE PERFORMANCE AUDIT. THE NEW AUDIT WOULD INCLUDE THE FIRST THREE QUESTIONS CURRENTLY IN THE AUDIT, THAT ARE THE MOST IMPORTANT, BUT IT WILL ALSO INCLUDE A POOL OF QUESTIONS WHICH THE BOARD OF EQUALIZATION SUBCOMMITTEE WOULD SELECT EACH YEAR TO BE INCLUDED. THIS WOULD PROVIDE A RANDOMNESS TO THE AUDIT THAT WOULD COVER OVER A PERIOD OF YEARS ALL ISSUES THAT THE ASSESSOR’S

SHOULD BE ADDRESSING. ALL QUESTIONS ARE BACKED BY THE CONSTITUTION, STATE STATUTES AND OTC ADMINISTRATIVE RULES. BECAUSE THIS IS A SIGNIFICANT CHANGE, THE SUBCOMMITTEE VOTED TO RECOMMEND – ONLY UPON AN AFFIRMATIVE VOTE BY THIS BOARD, TO REQUEST THE TAX COMMISSION TO RUN BOTH THE CURRENT PROCEDURES AS WELL AS THE NEW PROCEDURES SIMULTANEOUSLY FOR THE 2022 PERFORMANCE AUDIT.

AUDITOR BYRD MADE A MOTION THE BOARD APPROVE THE MODIFICATIONS TO THE PERFORMANCE AUDIT AS DETAILED BY THE REPORT FROM THE SUBCOMMITTEE. Lt. Governor seconded the motion. Roll call was taken and all members present voted “aye”.

Agenda Item #8 – Discussion and possible action to change Assessor fee schedule per 68 O.S. 2011 § 2864(f)

MS. BYRD, SUBCOMMITTEE CHAIRMAN, STATED THE STATUTES REQUIRE THE BOARD TO REVIEW THE ASSESSOR FEE SCHEDULE EACH YEAR. AT THIS TIME NO DOCUMENTATION HAS BEEN SUBMITTED FOR ASSESSOR FEE SCHEDULE CHANGES. NO ACTION TAKEN

Agenda Item #9 – Discussion and possible action to certify fair cash value for Oklahoma Natural Gas (D391) in the amount of \$4,909,400.

MR. MCDANIEL MADE A MOTION TO CERTIFY FAIR CASH VALUE OF OKLAHOMA NATURAL GAS (D391) IN THE AMOUNT OF \$4,909,400. Ms. Hofmeister seconded the motion. Roll call was taken and all members present voted “aye”.

Agenda Item #10 – New Business – None

Agenda Item #11 – Adjournment

LT. GOVERNOR PINNELL MADE A MOTION TO ADJOURN. Ms. Arthur seconded the motion. Governor Stitt declared the meeting adjourned.

**Governor J. Kevin Stitt
State Board of Equalization**

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