

STATE BOARD OF EQUALIZATION

June 16, 2022

2:00 PM

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

MINUTES

The State Board of Equalization met on June 16, 2022, at 2 p.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

Lt. Governor Matt Pinnell

Cindy Byrd, State Auditor and Inspector

Joy Hofmeister, Superintendent of Public Instruction

John O'Connor, Attorney General

Randy McDaniel, State Treasurer

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 22, 2022, meeting

MR. MCDANIEL MOVED TO ACCEPT THE MINUTES AS PRESENTED. Mr. O'Connor seconded the motion. Roll call was taken, and all members voted "aye". 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, 2023.

MR. MCDANIEL MADE A MOTION TO CERTIFY THE FY 2022 REVENUE ESTIMATE OF ALL CERTIFIED FUNDS OF \$8,639,390,803 AND APPROPRIATIONS AUTHORITY OF \$8,253,931,578. Lt Governor Pinnell seconded the motion. Roll call was taken, and all members present voted “aye”. Motion carried

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. AS PREVIOUSLY RECOMMENDED THE OTC FINDINGS FOR THE 2021 AUDIT DID NOT FORCE A COUNTY OUT OF COMPLIANCE DUE TO COVID. THE PERFORMANCE AUDIT FOR 2022 WILL BE CONDUCTED AS USUAL. No action required – reporting only.

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)

THIS YEAR AD VALOREM WILL BE CONDUCTING A TEST AUDIT ALONG WITH THE CURRENT PERFORMANCE AUDIT WITH THE BOARD-APPROVED REVISIONS TO THE OLD PERFORMANCE AUDIT. THERE WILL BE A NEW APPEALS PROCESS ADDED FOR COUNTIES INTO THE PROCEDURES OF THE PERFORMANCE AUDIT AND WILL ALLOW AD VALOREM TO BE COMPLETED WITH THE AUDIT GATHERING SOONER THAN IN PREVIOUS YEARS. AD VALOREM WILL SUBMIT BOTH TEST AND CURRENT AUDIT PERFORMANCE REPORTS TO THE BOE SUBCOMMITTEE IN MID-NOVEMBER. No action required – reporting only.

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, 2022

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 75 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. Mr. McDaniel 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 McCurtain, McIntosh, Payne, and Rogers County with the Equalization Study.

MS. HOFMEISTER 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 MCCURTAIN, MCINTOSH, PAYNE, AND ROGERS COUNTIES IN FULL COMPLIANCE. Mr. McDaniel 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 300 public service companies were valued this year and we are requesting the board accept these values at this time

LT. GOVERNOR PINNELL 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. Ms. Arthur 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 15 companies did not meet the filing deadline resulting in a penalty amount of \$74,618.

MR. O’CONNOR 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.

MR. MCDANIEL 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. Ms. Hofmeister 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: Grand Mesa Pipeline, LLC (EQ-2021-02); Valero Partners Wynnewood, LLC (EQ-2021-02); Panhandle Eastern Pipe Line Company, LP (EQ-2021-03); Cimarron River Pipeline (EQ-2021-04); Cimarron River Pipeline (EQ-2020-07) on the basis of fair cash value appraisals.

MS. BYRD MADE A MOTION TO CERTIFY AND APPROVE THE SETTLEMENT Grand Mesa Pipeline, LLC (EQ-2021-01); Valero Partners Wynnewood, LLC (EQ-2021-02); Panhandle Eastern Pipe Line Company, LP (EQ-2021-03); Cimarron River Pipeline (EQ-2021-04); Cimarron River Pipeline (EQ-2020-07) AS CONTAINED IN THE REPORT TO THE STATE BOARD. Lt. Governor Pinnell seconded the motion. Roll call was taken, six members voted “aye” with Mr. O’Connor recusing himself regarding the Valero Partners Wynnewood settlement.

Agenda Item #14– Adjournment

MR. MCDANIEL MADE A MOTION TO ADJOURN. Ms. Hofmeister seconded the motion. Governor Stitt declared the meeting adjourned.