

BOARD OF EQUALIZATION SUBCOMMITTEE MEETING
NOVEMBER 17, 2022
STATE DEPARTMENT OF AGRICULTURE BOARD ROOM

Ms. Byrd called the meeting to order.

Roll call was taken. Board of Equalization subcommittee members Blayne Arthur, Gary Snyder and Ms. Byrd were present.

A quorum was established

Ms. Byrd – First item on the agenda today - Performance Audit. First speaker is Mr. Matt Mehmuller, President of the County Assessor’s Association.

Mr. Wehmuller: I want to briefly discuss three things that I feel are impacting our audit results. And I would go so far say any one of which of these happening in any given year that we're having an audit would have been significant when you're dealing with three of them. I think that makes it even more significant. Number one, we've got a new audit. And there are a lot of different opinions on the audit, or performance audit committee performance audit committee met about a month ago, and we tried to work through some of those issues, some of the opinions, you know, I've received where we should abandon the audit, go back to what we were doing to, you know, we think we can salvage this and make it work with these changes. So there were a lot of different opinions, and not everybody was on the same page. But from that meeting, I didn't see us, and I think that was a consensus, I didn't see us taking a step backwards moving away from this audit. So really, we tried to focus on how we can make it better. So the audit is one large thing that's impacting the fact that it's new. Number two is CAMA; we've got a new CAMA system in most counties in the state of Oklahoma. And I think I will be honest and saying the conversion hasn't gone as well in some counties as they would have liked based on what I heard, as feedback from assessors, there are a lot of counties that haven't been able to work through the entire visual inspection cycle. So because of that, there's data out there that still hasn't been touched yet. And it was brought to my attention recently that the costing tables with respect to that CAMA system weren't updated in all counties throughout the state. And that caused a lot of counties to also undervalue properties based on the fact that we're using costing tables from January 2021 versus January 2022. So there was some inconsistency there. And then lastly, I would bring up COVID. And the fact that we've got unusually unprecedented high home sale prices 20 to 30%. And in my county alone, and I think that's what a lot of companies are seeing throughout the state, they've got these unprecedented sales that I think we have to recognize. So any one of these, like I said before in a given year would be a significant impact on audit, all three of them, I think, really have a precedent impact on it. So I just would respectfully request that the subcommittee committee, consider the recommendations that Johnson Beck is going to present with respect to a number of issues we think could make this audit better, but also suspending..... Or it's basically we're asking the subcommittee, not hold in state subcommittee not hold certain counties, or all counties out of compliance for the foreseeable future till we work these issues out. Thank you.

Mr. Beck: Hello, I'm Jonathan Beck, the assessor for Beckham County, also the chair of the performance audit committee for the County Assessor Association of Oklahoma. As past President Wehmueller mentioned, we did meet and make some recommendations at the fall conference. Our association during the business meeting and those recommendations were approved by the association to be presented to the SBOE subcommittee, as some recommendations for some changes on the performance audit. The committee would like to recommend continuing as planned with the implementation of the revised audit as the only audit going forward. So completely doing away with the old audit from here forward with the following revisions. The ratio study portion of the audit, which now accounts for about half the points that can be deducted. Instead of using the qualifications of the data coming in with the new audit, go back to the sample that matches the equalization study that the previous audit used. So it'd be looking at multiple years of input rather than just unlimited years of the new audit that the new updated scoring system for those multiple years. That would also allow the tax commission to not have to run two separate complete ratio study and equalization study. They could kind of combine those in the previous audit. And this would allow them to kind of go back to combine those and not do two completely separate mail outs, two completely separate field processes, and things like that to kind of ease some of the burden on them. The association will actually recommend removal of QP3 which is the status of the visual inspection data entry question. The discussion during the committee meetings was we just feel that's kind of redundant because we are already asking about the inspection itself. And then this would be asking about the data entry of that inspection. And so, discussion just said that they felt that that was redundant. To look at both. We recommend that QP 15, which is looking at the location and verifying that the taxing jurisdiction is correct for real property and personal property be amended to five single site business personal property accounts, using the standard OTC 901. This will help kind of eliminate anything that might be looked at, such as like original equipment or oil rigs or movable size that is actually taxed in a jurisdiction at their home site. So rental equipment may be taxed at the store, the headquarters in that county, even though it's in a different school district, while it's being rented as of January 1. So just to kind of eliminate some of that confusion, then the next recommendation will be QP 20, which is sold versus unsold properties. We'd ask that be temporarily removed from the selection pool until we can find a different report. The report from the state CAMA system that we were basing that question off of doesn't seem to be giving us the information that we were really hoping for with that question. We feel the question itself is good to look at making sure that we are not only changing the sold property values, but also the unsold and keeping up with fair market value. We just don't have the report to properly look at that question. So with like the, to kind of suspend that from being selected until the committee can make a recommendation for a better way to look at that question. And then finally, to kind of go along with what the past president said, because of the continued volatility in the marketplace. Continuing as usual conversion of the software, and even some newly discovered issues with data transfer between different entities with just as that for 2023 no counties be out of compliance with the new test audit. That's all I have. Thank you, guys.

Ms. Snyder: Hello, friends. First of all, kudos to you for putting something called public comments on the agenda because you never know where that's gonna lead, especially when I'm in the room. But really thank you. I'd like to also say thank you to have state officials that are... as I don't say involved that are aware of ad valorem, especially you two. You probably know more about ad valorem than you ever care to. So thank you for paying attention and understanding. So I'm going to just kind of echo a lot of what Matt said, it's been a crazy year, the only constant is change, right? Since 2019 we have done nothing, but

experience change in the assessor's office. New software, new ways of doing work because of COVID, losing staff because they need to stay home, courthouses being closed. I mean, it's just crazy. And now we're expected to be prepared for the marijuana farm that moved in next door and paid an outrageous amount for land, or to be prepared for the house that we had on last year sold for \$150,000 sold for \$350,000 this year. And it's just very difficult. And as Matt said, we are still going through a conversion. There are some counties that are in year one. We started converting and Noble County was number one, we started converting in October of 2019, I believe, and we still aren't there yet. We had a conversion, then we have new tables, then we have new tables, then we had tweaks to those tables. And then as Matt said last week, we got an email saying that we may or may not have had the correct tables last year, so it's been very difficult year. I would like to say that at no time do I think anybody that was around 15 years ago where assessors are in our knowledge and in our professionalism and in how we run our offices is night and day. And I'm so proud of the strides that we have made at same time we have 22 new assessors coming in either in the last few months or that are starting in January. Can you imagine if I'm overwhelmed after 24 years, what these poor new assessors are walking into. And so as Matt said, it's a perfect storm and for us to take that, and then decide to do a new audit. And thank you, kudos to the audit committee, because this is not easy stuff to look at. And thank you to the tax commission for running two audits. And thank you to you all for being as interested in trying to fix problems. But I guess my request right now is, I certainly don't want us to stop holding our feet to the fire. I want us to continue being audited, I want you all to make sure you all as a state board, that we are doing our jobs and doing it right and doing it the way we should be doing it. That those of you that know me know, I have some real personality traits that some will say that some might not. But I want things done right and right now. That's always been my... I have no patients. I'm a fixer, somethings wrong, let's fix it and I want it fixed yesterday. When it came to the conversion, I was screaming, slow down, slow down, slow down, we want positive change, we don't just want change, we want positive change, slow down, slow down. And we just kept adding problems on problems and on problems. And here we are a few years later and we don't know if we have the right tables, we don't know still on commercial stuff of what's happening for sure. And now we're going to try to quickly add, and poor Jonathan he has changed and tried to redo and move things. And just the fact that all the changes that he just said to you all right now that needs changed, the words "implement now" just terrifies me. Keep auditing us, keep our feet held to the fire with the audit that we have currently. And I'm not asking you to get rid of the new audit, they've worked too hard on it and come too far on. But I am asking that me, Mandy, crazily are saying, let's hit the brakes. I want to hit the gas all the time. But I am asking that we look at maybe just hitting the brakes on this. Let's do a side-by-side comparison for a year, let's look at not only the questions, but how they're measured. And let's look at how they affect not just 1,2, or 3 counties how they affect 77 counties, because we want to make good change, not just change. I think you'll look side by side; it'll look like there's not a lot of difference, I think 13 failed the old audit, maybe 14 failed the new audit, but they are 14 different counties. So we need to figure out what in the old audit did these 14 counties do that they're not doing in the new audits. And what did those 13 that failed the old audit overnight do right? Because nobody's looked at that very closely. I don't think. So I'm just asking you to pause, take a year, look at it, figure out what we've got what and I'm not even saying run two audits, if that's what they think if that's what this committee believes is best. I'm just saying let's we've done two audits, let's spend a year really analyzing it. And at the end of the year, if it's the committee's belief that the new audit is right. And that's why we need to go, then let's do that. Let's wait till we know, and not just change for the sake of change. So that's all I have. And I just want to say again, thank you, thanks for letting me speak.

Ms. Byrd: Is there anyone else who would like to share?

Mr. Dean: Thank you very much for taking the time to get involved in this and to try to find solutions to problems that we all are having. We are all trying to get to the same place and that's property valuation of every property in all of our counties across the state. And we're trying to do it in a uniform way. And I think that the idea behind the CAMA system was a great idea. It will bring more uniformity and will bring... we will all be using the same information that we'll be able to share with each other down the road, I can see where we can get there in and I preach this daily to my staff because one of the biggest jobs that I took on since we started the conversion is cheerleader and encouraged my staff that gets frustrated on a daily basis. Because their job that was already difficult has gotten so much more difficult and they are inundated by paper and by data entry. This year, back before we converted, we had three people that were doing all of those visual inspections, working permits, is working all of our re-checks and one person doing data entry. Now we have five people that are doing that and we're using two others to supplement and CLGT has helped us with our data entry. We are basically re-entering every residential property and all the data because it did not convert properly in our system. We were on a different system, not the state system. On the commercial side, we are having to re sketch every single commercial property, from Georgia Pacific to Broadway glass to Acme engineering to Daltile. We're re-sketching every single one of those properties and every bit of data is going in. On a manufacturer like that, it will take a couple three days just to get that data input in correctly and get a sketch. On the convenience store, it may take you 30 to 45 minutes to get it all put in and get it sketched and get it done. On a residential piece of property that you're looking at for the first time and entering the data into LandMark is taking us about 10 to 15 minutes. And that's what the guys that are a little bit more proficient than, than others to get it done. So it took us five and a half months to do the 13,000 parcels that were initially in this year's VI cycle. We finished that a few weeks back. Now we've got 6,500 tasks and re-checks that we got to have done by the end of the year. And that's before we started our data entry. We have done the field work but have not done the data entry on it. And we got to have all that done, hopefully by the middle of March so I can send out notices. So the idea of checks and balances and oversight to point out some areas where we need to get better where we need to improve where we're doing things great. We can keep doing that and replicate it. I welcome that oversight. And I think that the tax commission does a great job working for doing that and looking over all of that data and information. But I'm asking for a pause right now not on looking at it and telling us but on repercussions when we haven't been right because we're scrambling just to get the data entered. So that's what I'm asking for. I echo everything that we've heard. Since we came off a different system, we got right under 50,000 parcels. So not one of the biggest counties but we're not a small County. And that's what we're up against. We have added staff and we are farther behind than we have ever been even with added staff and with CLGT help as well. Thank you all very much.

Ms. Ross: Carrie Ross, Carter County, I want to actually elaborate on a few things that they said. It's strange, because on the front of mine, it says so many locked gates, so many details to collect and enter. And I think that's a lot of what we are encountering. I actually I made it, I made how many clicks it takes to get one building entered. I'm working. We're currently in the northern half of Carter County, which is the whole entire path, which is a lot of rural property. I can hear from my office, when someone opens an account and it has 15 outbuildings, they're like oh my gosh, because it's going to take eternity. It's going

to be great. I really do believe that when we get it all in. But it is a huge challenge not only for our data collection teams, but also for our teams that enter the information. It's incredibly time consuming not to mention all the other things we've encountered a table change or commercial not having our commercial tables much later in the process. That that is a locked gates in the real properties. We are encountering more and more of those because of the growth in the marijuana industry. And people not wanting to leave their properties open. We're still a little concerned with going on properties that have lock gates that it's back in the back, we are going to have more aerial options. But again, it takes time. But the time-consuming part of every click to even enter a small outbuilding is very, very time consuming and not only collecting it, but entering it. That's something that's not going to change in a year. It's not going to change until we're all completely through our four-year cycle. I've mentioned that to several other assessors. It's our second conversion. We went through conversion from RealWare to the state system many years ago. And a four-year conversion really doesn't take four years. A four-year conversion really takes five, because in year five, you're going back and reworking everything you didn't know to do in year one. And we are I mean, we already talked about things we know we're going to have to fix because we didn't know how to do it. We didn't have our commercial tables that full first year. So we have, and it was our heaviest commercial area. So there are things that I do want to stress that I know that it's important for this year. But I also want to preface being cautious even in the future years that we're going to be re addressing these same issues because, as Ron says, hiring more people and stuff, I'm really hesitant about doing that, because it increases my school's budgets. And I don't really know that I'll have that need for them. In years, six and seven, if I can just make it to that point. Without, you know, drowning, that's the biggest thing. So that's just my additional information.

Ms. Byrd: Thank you all very much for that information. Next the performance audit. At this time director Hapgood, this might be nice to present that information.

Mr. Hapgood: Good morning to everyone. It was definitely a hectic year for all of us. With the two-performance audits and our statutory equalization study as well. We did manage to successfully get through it all. And actually to stay on schedule with only a couple of slight deviations in the whole process. And, you know, that's really to the credit of the field staff of our division, as well as our county assessors and deputies around the state. And we're grateful to each of them for making that happen. We share with our subcommittee members, the current performance audits, the new test audit, you had that in advance of the meeting, we've got a hardcopy here for you today to look at or reference, I thought what I do is to give a brief overview of the audit results for both of the audits and share a few points with you observations with you about those two audits, and then respond to any questions that you might have of us after we kind of complete that process. So first, for the current performance audits. That's the one you'll recall that has those 285 possible points is the points total, with the minimum threshold of 199 to achieve the minimum level of compliance. So under that set, current performance audit is indicated in some of the previous discussions from our assessor colleagues, we had 64 counties that achieved the minimum required points under that and just as a comparative measure, comparing that to the prior year performance audit, there were 71. So a few less that were in that full compliance category. This year as compared to last. The challenges have been mentioned, there are several strong headwinds working against the assessor's struggles that they're going through. We recognize those are actually mentioned in that executive summary of the reports. They echo I think what you've already heard relating to the lagging behind on visual inspections, the impact that COVID had on that process, and then trying to play catch up

on that as well as juggling the various challenges to get to the benefits of the new CAMA program, in the counties is it becomes fully implemented, as well. And then, you know, finally, we've heard mentioned is well by our assessors, the rapidly increasing real estate market was another huge component you know, with the other struggles, that alone would be a significant challenge but with that additional thing in the mix definitely has some headwinds working against our assessors and trying to meet all the compliance criteria with the audits. I will say this, we did have two counties that need to be recognized for their efforts through this process under the current performance audit, for achieving perfect scores, which is a remarkable accomplishment given the difficulties that everybody's facing. And those were Carter and Stephens County. So we want to commend them for their efforts and recognize them for that accomplishment. That's a huge deal. So that is just kind of a broad overview of the current performance audit. And I'll shift now to kind of talk a little bit about the test performance audit. And of course, that was designed last year by the subcommittee with input from our Assessors Association and the tax commission in the process. And the new one, by contrast to the old has just the 200 points, and 100 of those are from those ratio measures relating to the assessment levels, so for the different types of property, and then 100 points from that what will be 10 questions, pool questions as a part of that audit. And so the new minimum score in under the test audit for full compliance is 140 points. So by its nature, the way it's structured, which was the intent of the group, there's an additional emphasis by that scoring that's placed on the ratio components. So those assessment levels, you know, as far as the audit results go. So the intention of the subcommittee as a part of that development process for the new test audit was to have a question pool of a total of 30 questions from which, each year there would randomly be selected 10 questions to be utilized for that year's audit. But for this year, you'll recall, we were instructed to gather data on all 21 current questions that are contained in that question pool for the performance audit currently, there will I'm assuming at some point, if this process continues, that will build that question pool to the 30 that had initially been desired. As far as reflecting any kind of scoring on it, we wanted to give some indications to you as to performance measures with a new audit, that it's a challenge because we hit introduced and collected all 21 of the questions, right. So the way we went about it is looking at what was minimally required from our ratio components with the passing of all of the other components to achieve that minimum 140-point threshold. And so that's the method by which, you know, we indicated the counties that would have fallen out of compliance. In other words, if you didn't make at least 40 points on the ratio components and get all of the other questions correct, then you're not going to comply with the requirements of the new audit. So those are the ones that for sure, would have not met the criteria. And so that's what you see listed, as indicated previously, by some of the others who have spoken, that number was 14. So another thing that I would mention there is that yes, there are differences between the two audits in which counties are out. If I'm correct about it, I think there will be five counties that fall outside the compliance parameters on both of those audits, but a mix of other folks either falling out or falling in, depending on which audit you're looking at. And, you know, as far as a matter of explanation to that, you know, you've got a slight difference in emphasis in the or scoring or the way things are calculated. And of course, there's all kinds of external factors involved in that as well. It's, it's, it's a constant thing. You've got new samples being selected; you've got nothing stay static in the counties. And, you know, every year you're in a county, there are new circumstances with the data that you encounter. So you have all of those things at play, as well as, you know, the modified emphasis with the retool of the audit that playing into that. So I don't know that that's something to necessarily be alarmed about. I think it was to be expected to some degree, because of the changes that we're looking at implementing. And I don't think that is that shouldn't be used as any kind of an excuse necessarily to

say that, well, we may have a fairness issue here or something like that, it's I think it's just a different way of looking at it. So you might expect some slightly different results. Just a couple of other observations and comments, and then I'll see what kind of questions you might have. But I did want to express that, once again, my appreciation to all of our assessors and deputies, as well as our field staff for working through all of this in a very professional way. And, you know, for the kindness, I think that we experienced out there in the field as we work through the process that everybody was, I think, a little bit overwhelmed by some of it, and at times frustrated by it, but everybody was so good at working through it. The other thing is just that assessor audit committee meeting that we had back on October 20. I had a couple of things about yet. It was a great opportunity, I thought for us to come together to talk about to and have a preliminary discussion about what worked well, you know, what difficulties that we encountered in that process with it? What if anything needed to be addressed or retooled in that process? And what needed to be finetuned if anything before we put it into full active service. You've heard some of the thoughts represented from the association in that audit committee of the Assessors Association. And I think that was a good effort to that's a good group. And I will say this, it was a professional and respectful way that everybody dealt with each other in that process, and not everybody had the same viewpoints. We appreciate it being active participants and thought it was a good process and a thoughtful way that process unfolded. So kudos to that group for conducting the meeting in that manner. At this point, I think that's really all I've got as far as a broad overview, in that perspective on the audits, and we'd be happy to try to take any questions if you have any.

Ms. Byrd: I do want to say thank you, Joe. First for the information as you presented it, but I heard many compliments from assessors across the state for the way you and Troy have worked with them on different issues. And we appreciate the tax commission undertaking this task of performing two audits at the same time. So thank you very much for those efforts. I guess I do have, I do have something that I'm struggling with just a little bit, and you touched on it. But we have results from both of these audits, different counties passing different ones. And I'm struggling to understand, I know the first audit has really good points. And we believe the second audit has really good points and objectives. Why is such a vast difference in who passed and who failed? And where do we go from here, which is the better measure of how the assessors are performing mass appraisals. These are very interesting results. You do this audit, with these pass, these failed. It's very confusing.

Mr. Haggood: We may have another handout, which compares the two audits side by side, which Troy can distribute to the subcommittee members for reference, and, you know, I think these comparisons will address at least a partial response to that question that you pose. You know, you've got to, like I say, it's a different emphasis in scoring, with more significant emphasis placed on the ratio components. In some other issues as far as the way that the audit was conducted, Troy may have some other thoughts that we would want to share about differences between the two that could enlighten you.

Mr. Frazier: For the test audit, the only thing that we're really looking at for compliance action, or just a reference, no compliance section, of course, is just the ratio. Because again, we're asking for all 21 questions. And some counties miss some questions in some counties didn't. But on a regular year, we're running with this new audit with 10 questions. So the counties that are highlighted in yellow in the new audit report, are just those that missed the 60 points or more on the ratios. Whereas the full audit or the

current audit we're looking at every question. So we're looking at different criteria for who's passing and who's failing.

Mr. Hapgood: So the point there, I think that Troy probably would make is that it's probably unfair to actually, side by side, compare the two and say that they ought to match up because, you know, the way we data collected that with all the questions to look in, it was right, that we did that to look for any issues or problems with the way the questions were worded, with the way the data was collected or gathered, or, you know, the various components of that process. But by doing that, then it really didn't give us the full ability to calculate it in exactly the way that we would deal with we were presenting it for compliance actions to the state board.

Mr. Frazier: The other thing keep in mind is with the old audit 65% of the score comes from the non ratio questions. And so there's non ratio questions played a heavier hand. And those particular counties not up to reaching compliance standards with 199 points on the current audit whereas the new one, again, the questions are only 50%. So.....

Mr. Hapgood: As we've indicated before, the ever-moving target is just you've got a different sample in the same county each year. And by luck of that draw things happen in different situations enter into it. And that's part of that process, too. It's a dynamic thing.

Mr. Frazier: If the sales samples of the emphasis on the new audit, which use just use current year, we got some _____ to use previous year that would help like COD's and such. But again, the emphasis with us doing the new audit was to try and hold no county and in harm when possible. And with the desire to look at the quarterly implementation process. Those counties that we had the VI-year assignments for, we went back through and cleared out all those non-VI year two sales for those 38 or so counties that had rolled or had got system a couple of years ago,

Mr. Hapgood: that was phased in process that the subcommittee had offered.

Mr. Frazier: And as a result, we had nine counties in the new audit with less than 10 residential samples. Since we were below the 10 residential sample thresholds, those nine counties got all 60 of their ratio points for the residential side and the new audit. For the commercial sales we had 33 counties with less than 10 sales samples. So by the rules of the new audit, they got all 40 points of those commercial sales ratios. If any county got less than 10 samples then with this new performance audit report that you have, they will not be colored yellow because even just the commercial would give them those 40 points.

Ms. Byrd: What should we have made changes?

Mr. Frazier: that's something for the assessor and for you guys Yeah.

Mr. Hapgood: It gets out of our purview to be making recommendations about that. But it is, I think, rightfully something that you would think about and consider.

Mr. Frazier: Another thing to keep in mind is, as Joe had stated earlier, and we've got these side by sides of the residential and commercial scorings and ranges on the sheet as well, with the old audit, in every case, but the commercial median you have more leniency for partial points with the old audit than with the new audit, the commercial median, for full credit was expanded. But the rest of the ratios are actually allowed for less partial credit. So that figures into it as well. So even though even if you had a County that had exactly the same ratios, in both audits, it's going to be radically different just because of the different ranges.

Mr. Hapgood: So more statistical weight on the ratio component, as well as a tightening of the parameters on those various ratio components for partial credit as Troy pointed out.

Mr. Frazier: And then the final point on this was during the edit process, we mailed out the two sets of sales for the equalization study and old audit, and a separate set for the new audit because we were constrained by the number of sales we're using for the years and such as some Counties chose not to submit it, submit any edits on the new audit, because this was a test year. So this particular county might have submitted some edits in a real year, with the new audit, the results could have been quite a bit different.

Mr. Hapgood: Which could have rocked potentially, a few of them, actually into meeting compliance criteria. So there is that component as well.

Mr. Byrd: What do you mean by edit? Please just explain that.

Mr. Frazier: Well, within the process, and this goes back to the equalization study, before the performance audit was introduced in 2012. We mail out the sales samples that we're using to the county we do the first mail out towards the last part of August, first part of September, and each individual sale and the ratios resulting from those sales. And ask the Assessors to look through those and give us valid reasons to toss out bad sales. We do. We've tried to do a lot of filtering ourselves. But there's stuff that gets through. One of the things we ran in with the LandMark is we weren't getting sales notes. CLGT is addressing that for us. So next year, the sales data file should be much better, as you'll recall that was brought up at the last subcommittee meeting. And so we do at first mail out, it's almost a month, we give the assessors to look through those and get those changes back to us. After we get those and have some time to rework the ratios, we do a second mailout. With the second mailout we will include the provision for the equalization study rules to do an informal protest on the ratio on the sale samples we use for the ratio. So the assessors have a second chance to go back through it and pick out any sales that need to be removed. This year, we had one county with an informal on equalization study, it was a very good reason to remove the sale, we removed it in that particular assessor was asked about the results. With the old audit, we are also doing those non ratio findings with question seven, caps and freezes, that kind of helps catch those sales that weren't fully uncapped, for one reason or another. Several times just good reasons that those should not be used in the audit. And so we've used the results of the non ratio findings to go back through those sales again and have cleared them out and then advise the assessor accordingly on our response to their comments, those on ratio findings. So there's a multi-step process to try to help make sure those sales should be used for the audit.

Mr. Hapgood: Yeah, ultimately, that's the goal. And that's part of that process of the back and forth with the edits is to make sure that the sales that are utilized to produce the results upon which compliance is based, are in fact representative, that they don't have issues so with them that would improperly influence the outcome or results.

Ms. Arthur: Thank you, Madam Chair. I don't know that I have a question or just more of a comment, if that's appropriate and okay. And to Mandy's comment earlier, the more I learned about this, the less I understand. After several years I would just say as I was very surprised by the results. And to your point, Auditor Byrd of these different counties, and I'm like, okay, how do I make sense of this in my head? And I guess my comment would be that my goal was, we have equitable and accurate assessment of property across the state of Oklahoma. And obviously, there's, and I think that's what all of you all want to do. And we've heard all of these challenges and trying to kind of get there. And then to the comparison of the two audits, I think my hope was, in this new audit that we were fixing some of the hiccups that it sounded like we've had this old one that now you look at it, and you're like, oh, maybe that's not what we do need to do. So I would just hope that we can continue to work on the process, to figure out what is the best way to maybe assess isn't a good work, what is the best way to measure and make sure that we're getting that done? And do it in a reasonable fashion, but I just feel like we're not maybe there yet with this new audit. And so just having, and mind you, I work in a regulatory agency, so I understand the Tax Commission's function, what you all do, but I just think there's too many unanswered questions at the moment about why this is kind of sorting out the way it is. And I would like for us to just work with the assessor's and certainly with the tax commission to analyze this a little bit more so that we can get a tool that is the best measurement of the assessors and getting the property done the right way. So not really a question, and I apologize Auditor Byrd, but I'm just trying to articulate all the things that I've been trying to process as we look at the data as they provide itself. Thank you.

Mr. Hapgood: Related to Secretary Arthur's comments, would just be the thought that if you're looking at just one of those audits, being the measure by which you're basing compliance, you have an equity in the sense that everybody's being judged by that criteria for compliance each year going forward. And the expectations are clear as to what those are. So that may not completely address your concerns. But I think it does touch on them a little bit to see you have that aspect of it, as well. But it's correct to have a thought process about are we are we looking at the elements? Are we waiting the elements in the best way possible to truly measure? And in a fair way, the good work that our assessors are doing?

Ms. Byrd: Questions, comments?

Mr. Snyder: I have a question on the sales that you used to analyze warranty deeds qualified, verified. Are you limiting to the 1% of the parcel count?

Mr. Frazier: For the data that we're using. We try to be as consistent as we can with each of the counties. This this this current year, we had two counties with the sales extracts out of LandMark that did not have a single qualified sale. Now I'm speaking with one of the two assessors of the database, had qualified sales for some reason during the extract process, the _____ built into LandMark of each one of the sales listed was unqualified. We also have a history of qualified sales from the counties that are saying

that transfers, sales, no sales price..... things like that. So even though they're listed as qualified, we will not use that or a residential _____ transfer institution as either the grantor, the grantee, for residential we will not use no matter how.....

Mr. Hapgood: Some of those do show up is qualified in our extracts, Correct?

Mr. Frazier: Right. Also sales that evolved from one property sales at resale prices in the same year. As an assessor makes us aware that it sold the previous year, really quickly. So it was a flip or something. That last sale price may be a good sale price to the final purchase or property. But that assessor value status report sales, what we're using as a measurement for these audits, doesn't reflect that good sales price because there's a flip involved or a remodel or something like that. There are many reasons why there could be a qualified sales in the Assessor's database that we can't use. And like I said, consistency from county to county, there's some sales that are unqualified that we have a question on. But in any case, with through the audit process, if we're using itself, the assessor feels is actually unqualified, just a quick explanation or documentation, we'll strike it out in heartbeat.

Mr. Hapgood: And that's part of the data process that Troy described as a courtesy each year.

Ms. Byrd: This agenda item, I think we have some questions, we're gonna have to answer here and part, you're going to be counties held out of compliance based on the old audit going forward? What are the requests to the Tax Commission and audit?

Ms. Byrd: Is there a motion?

Ms. Arthur: Well, I would make a motion. And that's always dangerous because I don't know how you will feel about this. But I will toss it out there. Personally I to a specific motion would move those counties not being held out of compliance with the results of this new audit. Now, I don't know if we want to be inclusive of the old audit and the new audit, but certainly the new audits, my preference would be for them not to be held out of compliance. But then I also, because of things like COVID staffing, medical marijuana facilities are mentioned, I would lean not to hold them out of compliance with the previous audit or old audit. Just because I think those are too many moving pieces. And as I've heard from a lot of you about the CAMA system. So to summarize my motion, I would move that we do not hold any counties out of compliance with the old audit or the new audit with this review that's been presented by the tax commission.

Mr. Snyder: I'll second but there is some discussion. First, the intent for the test audit was to not hold any counties out of compliance. So compliance issues would only be dealt with the current old audit.

Ms. Byrd: So the motion is to not put counties out of compliance this year on the old audit. Nancy, do you want to call the roll?

Ms. Grantham: Ms. Arthur - Aye, Mr. Snyder- Aye, Ms. Byrd - Aye. Three ayes, zero nays

Ms. Byrd: Okay. We still need to talk about going forward, I still think that this audit is very important. Even if we're not holding anyone out of compliance, it is still a great measure of where we are, that we need to figure out how we're going to go forward next year. Joe and Troy, we need to talk about as to how we go forward next year. We know that the Assessors Association has the voiced some recommendations to change the new audit. And are we going to try to work through those things and evaluate those recommendations? Honestly, I feel like I need, about a two-hour meeting with the tax commission. And, you know, maybe you or someone from your group, and maybe a couple of assessors, I need to get my head really wrapped around these results and understand what happened here. We had obviously we all had good intentions. And you nothing ventured, nothing gained. So it's always good to be working on how to improve things that you think that assessors have given a lot over the last few years, just like I said in the previous meeting, or conference that you had, I don't know why you're not running from the room screaming with everything you say. So we appreciate that. And I appreciate the motion to pause, I think that's good to sort of figure out how we're going to go forward and what we're going to ask the tax commission.

Mr. Snyder: I would move that we suspend the new test audit, at least for the next coming year. Not have the tax commission perform it and let us digest the results, figure out what's wrong. Take the recommendations into consideration from the Association.

Ms. Byrd: Okay

Ms. Arthur: I'll second that. But then with some discussion and that I don't want it to just get left off the table, I would like some real due diligence and working on it into your point auditor or to getting those groups together to figure out where the challenges are and how we can resolve those because I hate to push it back, and then we're three years down the road, and it hasn't taken care of so just with the intent of, and I know that's a lot of time and work on everyone's behalf, but just with the, you know, kind of definite deadline of addressing that in hopes of then the next year, having addressed those challenges. So it can be utilized again.

Ms. Byrd: Can we commit to a meeting in January at some point, between now and the end of January? I could have time to do a little research, we need to break it into bite sized pieces. This audit is so big for those of us who look at it randomly throughout the year. And I feel like we're gonna have to dissect this and figure out what's really important, make sure that's what we're going to use going forward take into account the recommendations that have been made with some healthy discussions in the tax commission on how that's going to impact. Now, we always have this timeline issue, Joe, that we talked about. But if we suspend the new audit for next year, that gives us working time. Am I correct?

Ms. Haggood: Auditor Byrd, it does. The question that I would ask is, is our directive from the subcommittee and the board than to-- - if that word to be the decision of the subcommittee, we can conduct the current or existing performance audit next year, and report that to you. Is that what would be the directive? And under that scenario. Is that what you would envision?

Ms. Byrd: What's the severity? Let's back up to the motion you made about suspending is that just the results or to suspend the entire audit?

Mr. Snyder: I'll amend my motion to have the tax commission conduct the existing current audit, suspend the new one for at least a year until we can digest the results and make some changes if necessary.

Ms. Byrd: So clarify they would only perform the old audit next year, while we work on the new audit.

Ms. Arthur: I will second that to the amended motion.

Ms. Grantham: Ms. Arthur - aye, Mr. Snyder - aye, Ms. Byrd - aye. Three "ayes" - zero "nay"

Ms. Byrd: Did we answer every question that we need to answer for the tax commission?

Mr. Hapgood: We are good Auditor Byrd.

Ms. Byrd: Okay, agenda item number three CAMA update.

Mr. Snyder: Well, from the comments from the audience, it looks like we still have some work to do. We knew that. I'll start with the excise report. We're going to meet with LandMark staff, Nancy, OSU/CLGTstaff, the morning of the Chili Fest which by the way is December 9, to discuss the Excise Board Report so we can start working on and make changes that Nancy would like to see.

In addition to working towards correcting the Excise Board Report, our CAMA staff is going to stress the importance of utilizing the appeals module within the LandMark system to help with requirements. So new legislation on reporting of appeals and protests and tax withheld in protest and so on. We have formed a LandMark user's group. There are about 16 County Assessors divided in regions. We have met 3 or 4 different times to discuss issues about the system. Enhancements that Assessors would like to see in the system and how to make things better. It is a difficult process, conversions are complete, but conversions are not easy. The old CAMA Radiant system was around for about 26 years and there were still issues and changes that were made every year in that system. We understand the issues and consequences and the difficulties. There have been a lot of external factors outside of a system to generate values and they have all been discussed. The real estate craziness in the real estate market, the COVID issues and everything considered, we are working to make things better. We have 22 new Assessors coming in. Actually there are 27 Assessors that have been appointed or elected since mid-term of the cycle, so CLGT has their work cut out for us. It's a process and I will answer any questions if anybody has any.

Ms. Byrd: I want to thank you. I know we are going through conversions in our office, and I know this is nothing compared to what you as Assessors have dealt with.

Ms. Byrd: Is there any new business? If not, I will entertain a motion to adjourn.

Ms. Arthur: I move to adjourn.

Mr. Snyder: Second

Ms. Grantham: Ms. Arthur – aye, Mr. Snyder – aye, Ms. Byrd – aye. Three “aye”- zero “nays”

Ms. Byrd: Motion carries – Thank you all for coming.