

STATE BOARD OF EQUALIZATION

December 1, 2023

10:00 AM

Governor's Conference Room

Second Floor – State Capitol Building

MINUTES

The State Board of Equalization met on December 1, 2023, 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

Gentner Drummond, Attorney General

Ryan Walters, Superintendent of Public Instruction

Blayne Arthur, Chairman of the Board of Agriculture

Members absent:

Todd Russ, State Treasurer

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 19, 2023, minutes

LT. GOVERNOR PINNELL MOVED TO ACCEPT THE MINUTES AS PRESENTED. Mr. Walters seconded the motion. Roll call was taken, six “aye” and Ms. Arthur abstained. Motion carried.

Agenda Item #5 – Presentation and possible action regarding the 2023 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 requirements regarding value of real and personal property.

LT. GOVERNOR PINNELL MADE A MOTION TO ACCEPT THE OKLAHOMA TAX COMMISSION'S 2023 EQUALIZATION REPORT TO THE STATE BOARD OF EQUALIZATION UNDER 68 O.S. 2011, § 2864 AND FIND SEQUOYAH COUNTY IN CATEGORY ONE NON-COMPLIANCE BASED UPON DATA CONTAINED IN THE REPORT. Mr. Walters seconded the motion. Roll call was taken, six members voted "aye" with Mr. Drummond voting "nay". Motion carried.

Agenda Item #6 – Presentation, discussion, and possible action to accept the 2023 Performance Audit Report from Subcommittee Chairman, Cindy Byrd.

THE BOARD OF EQUALIZATION SUBCOMMITTEE MET ON NOVEMBER 15, 2023, WITH THE PERFORMANCE AUDIT RESULTS PRESENTED BY OTC. AS A REMINDER IN 2021 AND 2022, BECAUSE OF THE MULTIPLE ISSUES FACING THE VALUATION PROCESS, INCLUDING THE COVID FACTORS, TRANSITIONING TO NEW SYSTEMS AND THE VOLATILE MARKET CONDITIONS, WE, THIS BODY VOTED TO WAIVE HOLDING COUNTIES OUT OF COMPLIANCE FOR THOSE TWO YEARS. I DO BELIEVE COUNTY ASSESSORS ACROSS THE STATE ARE WORKING VERY HARD AND UNDERSTAND THE IMPORTANCE OF ACCURATE VALUATIONS AND THE IMPACT THIS HAS ON OUR SCHOOL DISTRICTS AS WELL AS OTHER TAXING ENTITIES. WITH THE MARKETS INCREASING 12-18% PER YEAR, IT IS REALLY VERY DIFFICULT TO PASS THE RATIO STUDY QUESTIONS ON THIS PERFORMANCE AUDIT. BUT IN SPITE OF ALL THE DIFFICULTIES THERE WERE FOUR COUNTIES THAT RECEIVED A PERFECT SCORE. THOSE COUNTIES ARE COMANCHE, LOGAN, STEPHENS AND CARTER COUNTIES.

AFTER MUCH DISCUSSION ABOUT THE PERFORMANCE AUDIT RESULTS, THE SUBCOMMITTEE VOTED TO RECOMMEND TO THIS BODY TO ACCEPT THE CURRENT PERFORMANCE AUDIT RESULTS AND HOLD THE 15 COUNTIES OUT OF COMPLIANCE. THIS INFORMATION HAS BEEN PROVIDED TO YOU IN YOUR PACKET.

MS. BYRD MADE A MOTION TO ACCEPT THE 2023 PERFORMANCE AUDIT RESULTS AND FIND THE 15 COUNTIES (CADDO, CIMARRON, DELAWARE, HASKELL, HUGHES, JACKSON, MCCURTAIN, MCINTOSH, NOWATA, OKMULGEE, PUSHMATAHA, ROGERS, SEMINOLE, TULSA, AND WOODWARD) PRESENTED IN THE MEMBERS PACKETS IN CATEGORY ONE NON-COMPLIANCE BASED UPON DATA CONTAINED IN THE REPORT AS PRESENTED BY THE AD VALOREM DIVISION OF OTC. Ms. Arthur seconded the motion. Roll call was taken, six members present voted "aye" with Mr. Drummond voting "nay". Motion carried.

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

MS. BYRD PRESENTED THIS ITEM TO DISCUSS THE PERFORMANCE AUDIT GOING FORWARD. THE SUBCOMMITTEE HAS MET SEVERAL TIMES THIS YEAR. SPECIAL

THANK-YOU TO THE COUNTY ASSESSORS' ASSOCIATION AND OTC FOR THEIR COLLABORATIVE WORK ON THIS PERFORMANCE AUDIT TO MAKE SURE THAT WE ARE COVERING EVERYTHING IN A FAIR MANNER AND TO HELP MOVE THIS PROCESS FORWARD. ALL STAKEHOLDERS ARE ON THE SAME PAGE WITH THIS NEW AUDIT AND OTC IS READY TO START THE AUDIT ONCE THIS BODY APPROVES. COPIES OF THIS AUDIT WERE INCLUDED IN YOUR PACKETS FOR YOUR REVIEW PRIOR TO THIS MEETING. AS PART OF THE AUDIT PROCESS, THERE ARE THREE QUESTIONS THAT DEAL WITH RATIO STUDIES, AND THE POOL OF 22 QUESTIONS OF WHICH 10 POOL QUESTIONS WILL BE RANDOMLY SELECTED BY THE SUBCOMMITTEE CHAIR. THE POINTS WILL BE APPLIED AS 100 POINTS ON THE RATIO STUDY AND 100 POINTS ON THE RANDOMLY SELECTED POOL QUESTIONS. THE SUBCOMMITTEE IS RECOMMENDING APPROVAL OF THIS AUDIT AND WITH APPROVAL, THIS AUDIT WILL BE STARTED IMMEDIATELY BY OTC.

MS. BYRD MADE A MOTION TO ACCEPT THE RECOMMENDATIONS OF THE SUBCOMMITTEE AND TO DIRECT THE OKLAHOMA TAX COMMISSION TO UTILIZE THE EQUALIZATION PERFORMANCE AUDIT AS PRESENTED FOR 2024. Mr. Drummond seconded the motion. Roll call was taken, and all members present voted "aye". Motion carried.

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 THE ASSESSOR'S ASSOCIATION IS RECOMMENDING NO CHANGE TO THE ASSESSOR FEE SCHEDULE. NO ACTION IS REQUIRED BY THE BOARD AT THIS TIME.

Agenda Item #9 – Discussion and possible action to waive the penalty of \$25,200 for Panhandle Eastern Pipe Line Company (G470), as assessed at the June 19, 2023, meeting, due to a clerical error.

MR. DRUMMOND MADE A MOTION WAIVE THE PENALTY FOR PANHANDLE EASTERN PIPE LINE COMPANY, LP (G470) AS RECOMMENDED BY THE OKLAHOMA TAX COMMISSION AND CONTAINED IN THE REPORT TO THE STATE BOARD OF EQUALIZATION. Lt. Governor Pinnell seconded the motion. Roll call was taken, and all members present voted "aye". Motion carried.

Agenda Item #10 – Discussion and possible action to ratify and approve of settlement of the protest and certification for White Cliffs Pipeline, LLC, (F551) (EQ-2023-25) on the basis of fair cash value appraisal.

MR. DRUMMOND MADE A MOTION TO CERTIFY AND APPROVE THE SETTLEMENT FOR WHITE CLIFFS PIPELINE, LLC (F551) (EQ-2023-25) AS CONTAINED IN THE REPORT TO THE STATE BOARD OF EQUALIZATION. Mr. Walters seconded the motion. Roll call was taken, and all members present voted "aye". Motion carried.

Agenda Item #11– New Business – None

Agenda Item #12 – Adjournment

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