

INCENTIVE EVALUATION COMMISSION
Regular Meeting Minutes
Dec. 7, 2023; 1:00 p.m.
Oklahoma State Capitol
Senate Conference Room 4S.9
Oklahoma City, OK 73105

MEMBERS PRESENT:

Lyle Roggow, Chair designee of Select Oklahoma and Economic Development Partnership, Inc.
Mandy Fuller, Auditor/CPA appointed by the Governor
Earl Sears, appointed by the Speaker of the House of Representatives
Mark Wood, Chair of the Oklahoma Tax Commission, Ex-Officio; Non-Voting
Jon Chiappe, Secretary of Commerce designee, Ex-Officio; Non-Voting
John Suter, Secretary of Operations and Government Efficiency, the State COO, and Director of the Office of Management and Enterprise Services

MEMBERS ABSENT:

Carlos Johnson, CPA, appointed by the Oklahoma Board of Accounting

STAFF/GUESTS:

Beverly Hicks, OMES
Lorena Massey, OTC, Counsel
Randall Bauer, PFM
Max McKnight, ODCTE

◆ *Office of Management and Enterprise Services (OMES)* ◆ *Public Financial Management Group Consulting LLC (PFM)*
◆ *OK Tax Commission (OTC)* ◆ *OK Department of Career and Technology Education (ODCTE)* ◆ *OK Development Finance Authority (ODFA)*

1. Announcement of filing of meeting notice and posting of the agenda in accordance with the Open Meetings Act. [Lyle Roggow, Chair]

Chairman Roggow confirmed that the meeting complied with the law. He made known that the reason for the time change and why the meeting remained as a regular meeting was due to the notice of the time change filed with the Secretary of State not less than 10 days prior to the implementation of any such change per Title 25 O.S., 311 (A)(8).

2. Call to order and establish a quorum. [Chair]

Chairman Roggow called this regular meeting to order at 1:01 p.m. A roll call was taken, and a quorum was established. A meeting notice was filed with the Secretary of State, and the agenda was posted in accordance with the Open Meeting Act.

3. Approval of minutes from the November 16, 2023, Commission meeting:

Rep. Earl Sears moved to approve the meeting minutes of November. Mandy Fuller seconded the motion. The following votes were recorded, and the motion passed:

Ms. Fuller, aye; Mr. Roggow, aye; Mr. Sears, aye.

4. Discussion and possible action to accept PFM's reports containing the results of each incentive evaluated in 2023 with amendment changes:

Mandy Fuller moved to approve the eight reports from PFM. Rep. Earl Sears seconded the motion. The following votes were recorded, and the motion passed:

Ms. Fuller, aye; Mr. Roggow, aye; Mr. Sears, aye.

5. Discussion and possible action to approve the report to the legislature and governor on past administrative and legislative actions related to commission recommendations:

Mr. Bauer reported that this is a new requirement of the Commission per Senate Bill 745 from the 2023 legislative session, which was enacted into law and became effective on July 1, 2023.

A section of that bill directs the Incentive Evaluation Commission to provide a review of prior commission recommendations and changes to statute or incentive administration related to incentive evaluation recommendations in a written report to the Governor, President Pro Tempore of the Senate, and Speaker of the House of Representatives.

PFM provided a memo to the members as a separate report to fulfill the requirements of this year's evaluations in accordance with the new law.

The members discussed whether to include this report in the 2023 Tax Incentive Evaluation report containing results of the eight incentives evaluated by PFM or given as a separate report.

Commissioner Fuller recommended that this year's memo report not be included in the Tax Incentive Evaluation report due to several items in the memo report that are not relevant to the incentive's evaluation report. Instead, she suggested moving forward that these items be included in PFM's final report. Commissioner Sears concurred with her recommendation.

Commissioner Chiappe pointed out that on page 4 of the memo report, specifically regarding the five-year ad valorem tax exemption, where it stated at the bottom that there had been no statutory or administrative changes to the program related to the Commission recommendations. Mr. Chiappe clarified that there have indeed been statutory changes since 2020, per the ad valorem exemption, but these changes were not incorporated in PFM's recommendation.

Mr. Bauer agreed with Commissioner Chiappe's observation regarding PFM's recommendation on the ad valorem exemption and stated that he would revise the language in the report to read, "There have been no statutory administrative changes related to the recommendations to the program."

Mandy Fuller moved to approve and accept the report incorporating the additional language for the five-year ad valorem. Rep. Earl Sears seconded the motion. The following votes were recorded, and the motion passed:

Ms. Fuller, aye; Mr. Roggow, aye; Mr. Sears, aye.

6. Discussion and possible action on issuance of the Commission's final report to the Governor, the President Pro Tempore of the Senate, and the Speaker of the Oklahoma House of Representatives:

Chairman Roggow and Commissioner Sears commended PFM for their work on the report

and thanked Beverly Hicks, the Commission's secretary, for compiling the report.

Commissioner Sears requested for Ms. Hicks to provide the Governor, President Pro Tempore of the Senate, and the Speaker of the House of Representatives with a hard copy of the report.

Rep. Earl Sears moved to approve to accept the report. Mandy Fuller seconded the motion. The following votes were recorded, and the motion passed:

Ms. Fuller, aye; Mr. Roggow, aye; Mr. Sears, aye.

7. Discussion and possible action for Incentive Evaluation Committee to begin work on Year 9, 2024, Schedule for evaluating incentives and schedule for 2024 – 2027, with consultant hired for 01/01/2024-12/31/2024:

Mandy Fuller moved to approve the Incentive Evaluation Committee moving forward. Rep. Earl Sears seconded the motion. The following votes were recorded, and the motion passed:

Ms. Fuller, aye; Mr. Roggow, aye; Mr. Sears, aye.

8. Announcements:

Chairman Roggow announced the next scheduled Incentive Evaluation Commission meeting will be on January 25, 2024.

9. New Business:

There was no new business.

10. Adjournment

There being no further business, Ms. Fuller made the motion to adjourn. Rep. Sears seconded the motion. Seeing no opposition, the Chair adjourned the meeting at 1:30 p.m.