

Oklahoma Tax Commission Meeting Minutes
October 20, 2020

1. The regularly scheduled meeting of the Oklahoma Tax Commission convened at 1:30 p.m., on the above date, virtually. Notice of said meeting and the agenda therefor were posted online from and after 1:30 p.m. on October 19, 2020.

Chairman Prater called the meeting to order. Other members present were Vice-Chairman Jolley and Secretary-Member Burrage. Also present were Ernest Short, Counsel to the Commissioners and Elizabeth Field, General Counsel. (All members attending virtually.)

2. Vice-Chairman Jolley moved to table approval of the minutes of the regular commission meeting on October 6, 2020. Secretary-Member Burrage seconded the motion. Chairman, aye; Vice-Chairman, aye; Secretary-Member, aye. The motion was declared adopted.

Vice-Chairman Jolley moved to table approval of the minutes of the regular commission meeting on October 13, 2020. Secretary-Member Burrage seconded the motion. Chairman, abstain (not in attendance); Vice-Chairman, aye; Secretary-Member, aye. The motion was declared adopted.

3. Chairman Prater moved that the Commission resolve into Executive Session for the purpose of discussing confidential taxpayer matters and proceedings. Vice-Chairman Jolley seconded the motion. Vice-Chairman, aye; Secretary-Member, aye. The motion was declared adopted.

An executive session was held, after which the Commission returned to open meeting.

4. Recommendations from Executive Session:

- 1) Vice-Chairman Jolley moved that the Commission grant a waiver of one-half delinquent interest in the amount of \$6,088.93, upon payment of one-half delinquent interest, plus delinquent penalty, warrant penalty, filing fees and applicable collection fees, as recommended by the Division, in Case No. 19-1401435. Secretary-Member Burrage seconded the motion. Chairman, aye; Vice-Chairman, aye; Secretary-Member, aye. The motion was declared adopted.

- 2) Vice-Chairman Jolley moved that the Commission cap the interest to the amount of tax per period and grant a waiver of one-fourth of the recalculated interest in the amount of \$591.41, upon payment of the remaining delinquent interest, plus delinquent penalty, warrant penalty, filing fees and applicable collection fees; also granting 12 month pay plan, as recommended by the Division, in Case No. 20-1374688. Secretary-Member

Burrage seconded the motion. Chairman, aye; Vice-Chairman, aye; Secretary-Member, aye. The motion was declared adopted.

- 3) Vice-Chairman Jolley moved that the Commission deny a waiver request, in Case No. 20-1561238. Secretary-Member Burrage seconded the motion. Chairman, aye; Vice-Chairman, aye; Secretary-Member, aye. The motion was declared adopted.
- 4) Vice-Chairman Jolley moved that the Commission cap the interest to the amount of tax per period and grant a waiver of one-fourth of the recalculated interest in the amount of \$3,821.52, upon payment of the remaining delinquent interest, plus underestimation interest, delinquent penalty, warrant penalty, filing fees and applicable collection fees; also granting 6 month pay plan, in Case No. 20-1586015. Secretary-Member Burrage seconded the motion. Chairman, aye; Vice-Chairman, aye; Secretary-Member, aye. The motion was declared adopted.
- 5) Secretary-Member Burrage moved that the Commission deny a waiver request, in Case No. 19-1201682. Chairman Prater seconded the motion. Chairman, aye; Vice-Chairman, aye; Secretary-Member, aye. The motion was declared adopted.
- 6) Vice-Chairman Jolley moved that the Commission grant a waiver of delinquent penalty in the amount of \$3,558.75, upon payment of delinquent interest, as recommended by the Division, in Case No. 20-1311912. Secretary-Member Burrage seconded the motion. Chairman, aye; Vice-Chairman, aye; Secretary-Member, aye. The motion was declared adopted.
- 7) Vice-Chairman Jolley moved that the Commission deny a waiver request, as recommended by the Division, in Case No. 20-1314754. Secretary-Member Burrage seconded the motion. Chairman, aye; Vice-Chairman, aye; Secretary-Member, aye. The motion was declared adopted.
- 8) Vice-Chairman Jolley moved that the Commission grant a waiver of delinquent penalty and interest in the amount of \$6,491.36, as recommended by the Division, in Case No. 20-1331521. Secretary-Member Burrage seconded the motion. Chairman, aye; Vice-Chairman, aye; Secretary-Member, aye. The motion was declared adopted.
- 9) Vice-Chairman Jolley moved that the Commission grant a waiver of one-half delinquent interest in the amount of \$3,251.81, upon payment of one-half delinquent interest and delinquent penalty, as recommended by the Division, in Case No. 20-1335408. Secretary-Member Burrage seconded the motion. Chairman, aye; Vice-Chairman, aye; Secretary-Member, aye. The motion was declared adopted.

- 10) Vice-Chairman Jolley moved that the Commission deny a waiver request, as recommended by the Division, in Case No. 20-1349959. Secretary-Member Burrage seconded the motion. Chairman, aye; Vice-Chairman, aye; Secretary-Member, aye. The motion was declared adopted.
- 11) Vice-Chairman Jolley moved that the Commission grant a waiver of one-half delinquent interest in the amount of \$661.20, upon payment of one-half delinquent interest, plus delinquent penalty, as recommended by the Division, in Case No. 20-1362719. Secretary-Member Burrage seconded the motion. Chairman, aye; Vice-Chairman, aye; Secretary-Member, aye. The motion was declared adopted.
- 12) Vice-Chairman Jolley moved that the Commission grant a waiver of delinquent penalty in the amount of \$4,752.50, as recommended by the Division, in Case No. 20-1408356. Secretary-Member Burrage seconded the motion. Chairman, aye; Vice-Chairman, aye; Secretary-Member, aye. The motion was declared adopted.
- 13) Vice-Chairman Jolley moved that the Commission grant a waiver of one-half delinquent interest in the amount of \$1,091.50, upon payment of one-half delinquent interest, plus delinquent penalty, warrant penalty, filing fees and applicable collection fees, as recommended by the Division, in Case No. 20-1413656. Secretary-Member Burrage seconded the motion. Chairman, aye; Vice-Chairman, aye; Secretary-Member, aye. The motion was declared adopted.
- 14) Vice-Chairman Jolley moved that the Commission deny a waiver request, as recommended by the Division, in Case No. 20-1417763. Secretary-Member Burrage seconded the motion. Chairman, aye; Vice-Chairman, aye; Secretary-Member, aye. The motion was declared adopted.
- 15) Vice-Chairman Jolley moved that the Commission grant a waiver of one-half delinquent penalty in the amount of \$1,475.00, as recommended by the Division, in Case No. 20-1428491. Secretary-Member Burrage seconded the motion. Chairman, aye; Vice-Chairman, aye; Secretary-Member, aye. The motion was declared adopted.
- 16) Vice-Chairman Jolley moved that the Commission cap the interest to the amount of tax per period and grant a waiver of one-half of the recalculated interest in the amount of \$18,380.39, upon payment of the remaining delinquent interest, plus delinquent penalty, warrant penalty, filing fees and applicable collection fees; also granting 24 month pay plan, as recommended by the Division, in Case No. 20-1324790. Secretary-Member

Burrage seconded the motion. Chairman, aye; Vice-Chairman, aye; Secretary-Member, aye. The motion was declared adopted.

17) Vice-Chairman Jolley moved that the Commission grant a waiver of one-half delinquent interest in the amount of \$1,353.50, as recommended by the Division, in Case No. 20-1383910. Secretary-Member Burrage seconded the motion. Chairman, aye; Vice-Chairman, aye; Secretary-Member, aye. The motion was declared adopted.

18) Vice-Chairman Jolley moved that the Commission grant a waiver of one-half delinquent interest in the amount of \$978.92, upon payment of one-half delinquent interest, plus delinquent penalty, warrant penalty, filing fees and applicable collection fees; also granting a 12 month pay plan, as recommended by the Division, in Case No. 20-1485032. Secretary-Member Burrage seconded the motion. Chairman, aye; Vice-Chairman, aye; Secretary-Member, aye. The motion was declared adopted.

19) Secretary-Member Burrage moved that the Commission grant a partial release upon payment of \$500.00, in Case No. PR-20-048. Vice-Chairman Jolley seconded the motion. Chairman, aye; Vice-Chairman, aye; Secretary-Member, aye. The motion was declared adopted.

20) Discussion and possible action on the employment of the Executive Director was continued at the request of the Secretary-Member. No action was taken.

21) Commissioners discussed contacts and/or requests involving confidential taxpayer matters previously made by public officials to either individual Commissioners or Commission employees. No action was taken.

Meeting recessed for 5 minutes.

22) The Executive Director joined the meeting and updated the Commissioners regarding current status of Agency Business Continuity and Disaster Recovery Plan. No action was taken.

5. Commissioners Reports:

a. Administrative Law Judge Ruschenberg (via telephone) gave an overview of the inherited case load including pending cases; holding conferences by telephone due to safety concerns; number of pending Forfeiture and Destruction cases; issues with the court room recording system after the server change; and the Division timely transmitting protests to the Administrative Law Judge's office. She requested a rule stating that any party filing a protest to a denial of a Claim for Refund to copy the Administrative Law Judge's Office.

- b. Vice-Chairman Jolley updated the Commissioners on a conversation with Jari Askins, Administrative Office of Courts, regarding court costs being fronted by the court system for state agencies. He advised of approximate amount owed by the Oklahoma Tax Commission; however, funds collected by the OTC go directly into general revenue. Going forward we need to collect court costs and make sure during waivers that we are not waiving any court costs that aren't on the sheets currently. We need to determine if our collection agencies have been paying court costs appropriately. We need a solution on how to get court costs to be a part of our regular collection efforts. The General Counsel's office is going through the documents at this time.
6. Ernest Short, Laura Moore and Joseph Hapgood discussed how to handle appointees to the County Equalization/Excise Boards who have continued to serve after their terms have expired and/or did not take required training within the 18 month time period.
 - The General Counsel's office to give opinion on whether there is a general statute that states that upon a term expiring that the person may continue to serve in that position until their successor is named.
 - I.T. Division is to create a data base to track appointee information.
 - The Executive Director's office to contact counties with members whose terms have expired.
 - Senator and appointees will be notified of term limit and instructions on how to appoint/reappoint persons for the current term.
 7. Executive Director Doyle recommended the appointment of Laura Lawrence as a Motor License Agent in Nowata, Oklahoma.

Vice-Chairman Jolley moved to approve the appointment of Laura Lawrence, Nowata, Oklahoma, as Motor License Agent, subject to qualifying under the law. Secretary-Member Burrage seconded the motion. Chairman, aye; Vice-Chairman, aye; Secretary-Member, aye. The motion was declared adopted.

8. Commissioner Burrage, Jay Doyle, Diedra O'Neil and Joe Gappa met with members of the Legislative Office of Fiscal Transparency (LOFT) for an introductory meeting to assist LOFT in evaluating the outcomes of performance recommendations made by the Agency Performance and Accountability Commission (APAC) to the Oklahoma Tax Commission. Commissioner Burrage reported on efforts by the Commission and the previous Executive Director and staff to address issues raised by the report issued by KPMG to APAC. Commissioner Burrage reported on several issues, including but not limited to, the following: 1. A Tax Gap Study done by the staff of the Oklahoma Tax Commission. 2. A corrective action plan done by the Executive Director and staff at the direction of the Commission. 3. Items discussed and

implemented on ways to enhance the revenue collection opportunities by the Commission before the employment of the current Executive Director. 4. Recommendations made by KPMG that would possibly require a change in Oklahoma statues. Jay Doyle, Diedra O'Neil and Joe Gappa gave a report on the recommendations with corresponding observations as of the date of the final APAC report and opportunity areas taken directly from the final APAC report by the Commission.

9. Agency Revenue Enhancement Opportunities were discuss in correlation with LOFT meeting discussion.
10. Executive Director updated the Commissioners via emailed memorandum received October 16, 2020 regarding current personnel/Agency Organizational Chart.
11. Executive Director updated the Commissioners via emailed memorandum received October 16, 2020 regarding monthly action plans.
12. There were no other division reports.
13. There was no new business.
14. The meeting was adjourned.

APPROVED:

Laura J. Moore

Assistant Secretary

Charles T. Prater

Charles T. Prater, Chairman

Clark Jolley

Clark Jolley, Vice-Chairman

Steve Burrage

Steve Burrage, Secretary-Member