

**INCENTIVE EVALUATION COMMISSION
SPECIAL MEETING MINUTES
Jan. 21, 2021
Oklahoma State Capitol Building
Senate Conference Room 4S.9, 4S.8 (419-C, B)
2300 N. Lincoln Blvd., Oklahoma City, Oklahoma 73105**

Dr. Cynthia Rogers, 830 Van Vleet Oval, OU Norman Campus, 73072, 405-397-3067

A meeting notice was filed with the Secretary of State and an agenda posted in accordance with the Open Meeting Act.

MEMBERS PRESENT:

Lyle Roggow, President, Designee of the OK Professional Economic Development Council – *in-person*
Carlos Johnson, Certified public accountant – *in-person*
Dr. Cynthia Rogers, Economist – *virtual*
Earl Sears, Bartlesville, OK – *in-person*

MEMBERS ABSENT:

Mandy Fuller, CPA, Auditor of private company
Brent Kisling, Ex Officio; Non-voting (Dept. of Commerce)
Charles Prater, Commissioner, Ex Officio; Non-voting (Tax Commission)
Brandy Manek, Ex Officio; Non-voting (OMES)

STAFF/GUESTS:

Beverly Hicks, OMES	Lisa Haws, OTC
Taylor Ferguson, OTC	Mike Kaufmann, OTC
Randall Bauer, PFM	Leslie Blair, ODOC
Matthew Weaver, ACOG	Jon Chiappe, ODOC
	Jesse Leveritt, OMES

1. Call to order and establish a quorum. [Lyle Roggow, chairman]

Chairman Roggow called this meeting to order at 10:17 a.m. A roll call was taken, and a quorum established. A meeting notice was filed with the Secretary of State and agenda posted in accordance with the Open Meeting Act (OMA).

2. Approval of minutes from the Dec. 10, 2020, Commission meeting:

Carlos Johnson moved to approve the special meeting minutes for December. Cynthia Rogers seconded the motion. The following votes were recorded, and the motion passed:

Mr. Johnson, aye; Dr. Rogers, aye; Mr. Roggow, aye; Mr. Sears, aye.

Mr. Sears clarified that even though he had to be counted as absent at the December meeting, due to not being remotely visual, he heard every word of the meeting and had no problem voting yes on the Dec. 10, 2021, meeting minutes.

3. Discussion and possible action on election of chair.

Carlos Johnson moved to elect Lyle Roggow as chairman. Earl Sears seconded the motion. The following votes were recorded, and the motion passed:

Mr. Johnson, aye; Dr. Rogers, aye; Mr. Roggow, aye; Mr. Sears, aye.

4. Discussion and possible action on election of vice chair.

Earl Sears moved to elect Carlos Johnson as vice chairman. Cynthia Rogers seconded the motion. The following votes were recorded, and the motion passed:

Mr. Johnson, aye; Dr. Rogers, aye; Mr. Roggow, aye; Mr. Sears, aye.

5. Discussion and possible action on setting fiscal impact threshold for incentive evaluations second cycle.

Carlos Johnson moved to approve to set the fiscal impact at \$1 million and that the Commission review all exemptions below \$1 million to decide if any of them can be included in their review in the current year or subsequent years in this cycle. Earl Sears seconded the motion. The following votes were recorded, and the motion passed:

Mr. Johnson, aye; Dr. Rogers, aye; Mr. Roggow, aye; Mr. Sears, aye.

6. Presentation, discussion and possible action to approve or exempt any 2021 incentives and adopt evaluation criteria for PFM consultant, Randall Bauer.

- Quality Jobs Program
- Small Employer Quality Jobs Program
- High Impact Quality Jobs Program
- Oklahoma Capital Gains Deduction
- Home Office Tax Credit
- Ethanol Fuel Retailer Tax Credit
- Clean Burning Fuel or Electric Vehicle Credit
- Coal Tax Credits
- Production Enhancement Rebate (Gross Production)
- Reestablished Production Rebate (Gross Production)
- Economically At-risk Lease (Gross Production)

The following incentives were sunset by the Legislature in 2017 and have not been reenacted. The High Impact Quality Jobs Program has not been used and is not listed separately in the Department of Commerce's 2020 guide to state incentives. All four were repealed.

- High Impact Quality Jobs Program
- Production Enhancement Rebate (Gross Production)
- Reestablished Production Rebate (Gross Production)
- Economically At-risk Lease (Gross Production)

Earl Sears moved that the Commission exempt the four incentives from the review process on this particular go around; the High Impact Quality Jobs Program, the Production Enhancement Rebate, the Reestablished Production Rebate and the Economically At-risk Lease exemption. Carlos Johnson seconded the motion. The following votes were recorded, and the motion passed:

Mr. Johnson, aye; Dr. Rogers, aye; Mr. Roggow, aye; Mr. Sears, aye.

Earl Sears moved to approve the list that has been presented, except for the four incentives in the previous motion that were exempted and to adopt the evaluation criteria for the incentives as proposed by the criteria committee to be used by the Commission in its evaluation of incentives in the year 2021. Carlos Johnson seconded the motion. The following votes were recorded, and the motion passed:

Mr. Johnson, aye; Dr. Rogers, aye; Mr. Roggow, aye; Mr. Sears, aye.

7. Introduction of new incentives that have been discovered.

- Vehicle Manufacturing Tax Credits
- Software or Cybersecurity Employee Tax Credit
- Small Business Guaranty Fee Credit
- Agricultural Commodity Processing Facilities
- Safety Pays OSHA Consultation Service Exemption
- Tickets to National Basketball Association and National Hockey League Games
- Admission to Professional Sporting Events
- Oil or Chemical Drums
- Railroad Track Spikes
- Motion Picture and Television Production Companies
- Electricity Used in Oil De-watering Projects
- Enhanced Recovery Methods
- Web Search Portals
- Rolling Stock
- Precious Metals

These newly enacted incentives were recently discovered from the state tax expenditure report done by the Tax Commission. The Tourism Development Act was inadvertently left off the list and will be added. The Commission intends to continue monitoring these incentives.

8. Announcements – The next scheduled meeting is March 25, 2021.

9. Adjournment:

There being no further business, Mr. Sears made the motion to adjourn. Mr. Johnson seconded the motion. Seeing no opposition, the meeting adjourned at 11:31 a.m.