

Approved: February 1, 1993
Date

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION.

The meeting was called to order by Chairperson Audrey Langworthy at 11:08 a.m. on January 22, 1993 in Room 519-S of the Capitol.

Members present were: Senator Langworthy, Senator Tiahrt, Senator Martin, Senator Bond
Senator Corbin, Senator Feleciano, Jr., Senator Hardenburger, Senator Lee
Senator Reynolds, Senator Sallee, Senator Wisdom

Committee staff present: Tom Severn, Legislative Research Department
Chris Courtwright, Legislative Research Department
Bill Edds, Revisor of Statutes
Don Hayward, Revisor of Statutes
Elizabeth Carlson, Committee Secretary

Conferees appearing before the committee: Secretary Nancy Parrish, Department of Revenue
Lawrence L. Tenopir, Board of Tax Appeals

Others attending: See attached list

Confirmation Hearings

Senator Langworthy announced to the committee that the meeting scheduled for Friday, January 29, 1993 has been cancelled because of the joint meeting of the House and Senate.

Senator Martin introduced Secretary Parrish by giving some background on her education and prior work experience. Secretary Parrish is a former Senator.

Secretary Parrish began her remarks with some general information about the agency. She stated they have 1269 full time employees with a budget of \$65 million dollars. The agency has 5 major divisions. She told about the new optical imaging system which was approved by the legislature last year. This system should be working in June and will be of great assistance to the agency. She said the closing of 42 drivers license offices received a lot of criticism but it is working well and is saving the state money and still working efficiently. She discussed the Property Valuation Division but said David Cunningham will appear before the committee on Monday, January 25, with more information. Secretary Parrish told about the electronic funds transfer and she said that 825 taxpayers are required to file by electronic funds transfer and they are receiving \$158 million in this manner. In the collections division, they are using phone collectors and have collected \$12.6 million in this way. She also stated they are looking at a number of future issues: a 5 year plan to see where they are going; at the present time it is difficult to get systems changed to accommodate new tax rates and this needs to be improved which she feels should bring in more revenue; they are looking at how to get out more information to tax preparers and tax payers; and she said the agency would like to be more aggressive in collecting taxes. Some questions were asked by the committee members concerning underage teenagers access to liquor and she said this is a major focus for the alcohol and beverage division. She was asked how much of the \$65 million budget was contracted out of the agency, and she said very little. She said they did use the competitive bid process. Senator Langworthy suggested a meeting next year prior to the legislative session so if there are bills to be presented by the agency they can be introduced early in the session.

Senator Bond made a motion to recommend Secretary Parrish to the full Senate for confirmation. Senator Feleciano seconded the motion. Motion carried unanimously.

Senator Martin introduced Lawrence L. Tenopir, appointee to the Board of Tax Appeals. He listed some of his educational and prior work experiences.

Mr. Tenopir opened his remarks by stating he had met Senator Dole in Washington, D.C., at the presidential inauguration and brought greetings to the committee members from him.

Mr. Tenopir stated that he has been acting as general counsel until a new counsel is on board in February. He thinks this will help to expedite some of the appeals which have been pending. He listed administrative changes he would like to make in how the board operates:

1. Establish an informal file for first-in and first-out (to eliminate the oldest cases.)
2. Separate cases into two tracks - one fast track for residential cases (usually do not appear with counsel) and another slower track for commercial cases which usually have attorneys on both sides.
3. Consider establishing an internal indexing system of opinions on basic issues
4. Have generic decisions on legal tax exemptions usually made by the board in advance of cases.
5. Have the general counsel have one of the attorneys review all of the legal and clerical procedures for compliance with the statutes.
6. Get to the point where a hearing is held within 90 days and a filing of the determination within 90 days.

He would need to have an agreement of 3 other board members to make any of these changes.

He was asked about a backlog of cases and he stated there are about 8,000 cases open, some of which are very complicated. The board does run parallel hearings, but they do need 3 signatures on the order. He was questioned by the committee about the consistency or inconsistency. He said he would like to see some formal indexing so they would be able to see the formal opinions which had been given. He said they rely upon their attorney at the present time. He was also asked what arrangements had been made with his law firm and he stated he had wound up all aspects of his law firm, he still does some of real estate work and some paper work but only what he can do in the evenings and on weekends.

Senator Langworthy thanked Mr. Tenopir for appearing before the committee.

The meeting adjourned at 11:50 a.m.

The next meeting will be on Monday, January 25, 1993.

GUEST LIST

SENATE
COMMITTEE: ASSESSMENT & TAXATION.

DATE: Jan 22, 1993

[illegible]