

OPPAL Advisory Committee Meeting Minutes

On Wednesday, September 3, 2014, the initial meeting of the Optional Personal Property Assessment Link (OPPAL) Advisory Council was held at 10:00AM in the Property Tax Division conference room. Those in attendance included Commissioner Julie Magee, Deputy Commissioner Joe Garrett, Committee Chairperson Jennifer Byrd, committee members Leigh Ann Fair, Mandi Freeman, Glen Ford, Don Armstrong, Robert Miller, Wendy Williams and Jim Carmichael. Also in attendance were department employees Mike Gamble, Will Martin, Amanda Wolfe, Debbie Hornsby and Gary Graham. Phillip Kinney and Allison Kinney of Barton & Kinney, LLC were also in attendance. Committee members Greg Norris and Christ Kuykendall were not present.

Commissioner of Revenue Julie Magee opened the meeting by welcoming everyone and asking for all in attendance to introduce themselves. Advisory Council Chairperson Jennifer Byrd reviewed the purpose and role of the committee along with the OPPAL system purposes. There were no questions or comments at that time.

Jennifer Byrd stated the deadline for the system to be in operation is October 1, 2016. Deputy Commissioner Joe Garrett stated why the advisory council was put together. The department does not want to limit local governments or taxpayers voices because a department employee is the Chairperson of the committee. Joe recommended the election of a vice-chairperson.

Jennifer Byrd stated that her goal as chairperson is to organize the meetings and have Amanda Wolfe attend to take minutes that will be distributed to the members of the committee following each meeting. The department wants everyone to be happy with the final product. Commissioner Julie Magee stated that based upon her experience with Onespot that participation and feedback by all members of the advisory council is necessary. The department is not afraid of the feedback. Chairperson Jennifer Byrd agreed.

Jennifer Byrd asked for the council's thoughts on electing a vice-chairperson. It was voiced by most that having a vice-chairperson would be a good idea. Wendy Williams made a motion nominating Mandi Freeman as vice-chairperson and the motion was seconded by Leigh Ann Fair. A vote was taken and Mandi Freeman was elected vice-chairperson unanimously.

Jennifer Byrd stated that the department including the Property Tax and Information Technology (IT) Divisions had met with the 3 state wide vendors and Tuscaloosa County concerning the data fields, type of programming, etc. that would be working in connection with the newly developed OPPAL program. IT Division Director Debbie Hornsby stated that they had met with the vendors and received good feedback and that all want a system that works with all of the systems in the counties. Jennifer Byrd noted that during that meeting security issues and risks were discussed and noted that IT will address these issues as the system is developed. Jennifer also noted how the department views the system as working. The taxpayer will be able to access their prior year's return, make changes as needed, send the updated return back through the state portal to the county with a date and time stamp to be viewed by the county in their system. One of the issues discussed is will the taxpayer have to enter all information on the first filing?

Jim Carmichael asked if the taxpayer will already have the information and will it move over to the new system? Jennifer Byrd answered that this will be an import/export feature to be determined and will be

an IT issue. Debbie Hornsby stated that for filers that have already filed electronically this will not be an issue but it will affect those who are new or paper filers. Jennifer Byrd asked if we want to give new taxpayers and paper filers access to enter information. Jim Carmichael noted two issues with this 1)- The first year will we have taxpayer information sitting there? Debbie Hornsby commented that if the return is housed electronically then the information can be pulled over. Leigh Ann Fair stated that Tuscaloosa County doesn't have the itemized list of assets in the electronic format. She stated that the details listing is kept but not keyed into the computer system. Glen Ford said that Mobile County is providing a paper list to the taxpayer to expedite first time electronic filers.

Commissioner Magee talked about the insurance data fields mapped out (schema). The insurance company had to match the provided schema. Debbie Hornsby stated that this has been discussed with vendors to develop one format. IT will continue to meet with the vendors. Gary Graham noted that the counties are not catching identifiers such as, FEIN, PIN number, etc. The vendors are reluctant to do this. Joe Garrett asked how are taxpayers being identified. Gary said the identification is being done by account numbers. Robert Miller asked will a new business be able to merge if only a FEIN changes but assets remain the same. Glen Ford said that Mobile County has separate account numbers to identify those. Jennifer Byrd discussed using county assigned account numbers as the unique identifier. The return is standard and that will help with the transition also.

Glen Ford stated that Mobile works from sales tax and business license lists and they set up account numbers and open an account for these people who have never filed. They can still file on this pin number. Jennifer Byrd asked if these were new taxpayers. Robert Miller said it may be better for paper returns to be filed the first year and after that they would have access. This would help clear up any questions and/or errors before being entered into the portal. Mandi Freeman asked if the Act would allow that and this topic was discussed. Do we have to give access the first year? The decision was made that based upon the wording of the law that yes we do. Jennifer Byrd stated that the rules and regulations written by the department may be able to address the first time filer. Don Armstrong agreed. Joe Garrett said that Step 1 will be to determine what the law requires. Commissioner Magee mentioned page 2 regarding the short form then discussed if the filer is a brand new first time filer is there a possibility they can't use the portal and more discussion followed. Robert Miller stated that we may need two options in the portal and Jennifer Byrd mentioned possibly an entry point for first time filers and another entry point for established filers. Commissioner Magee stated that the county needs to think this through. Joe Garrett mentioned that there may need to be a registration prior to filing. Mandi Freeman asked who would assign the account number. Jennifer Byrd stated that the county would more than likely assign the account number and the portal would not assign the number because different county vendors have different account number formats. Joe Garrett stated that the commissioner should decide if the taxpayer should have contact with the county before registering for an account. Commissioner Magee noted that in Montgomery the first return is the initial contact. Don Armstrong stated that some people set up an account but have no assets and he thinks a new taxpayer should contact the county first. Leigh Ann Fair noted that Tuscaloosa County works the business license list but an account is only established if a return is filed.

Jennifer Byrd asked about the taxpayer's perspective on this situation. Jim Carmichael and Mandi Freeman discussed the filing of returns with Montgomery County. Jennifer Byrd asked what about a small company with no CPA representative and the fact that they may not know what to do. Mandi Freeman asked if we could request clarification on the Act and can a first time filer be required to file on paper. Joe Garrett stated that it would be more complicated for the taxpayer but it will reduce errors if they contact the county first. Glen Ford noted that if a taxpayer is confused by a paper return they will

call the county so if they are confused by the portal they will most likely call. All taxpayers that have accounts don't always file returns. Jim Carmichael asked how do the counties differentiate. Glen Ford stated that notices are sent to everyone including the \$0 returns. Mike Gamble noted that the portal itself could allow preregistration to eliminate confusion. Jennifer Byrd noted that could be an option in OPPAL.

Wendy Williams asked how will the information be sent to the taxpayers to let them know about the system. Commissioner Magee suggested that the committee may want to recommend to the Department of Revenue to conduct an education campaign. The campaign could include marketing, billboards, etc. The campaign would include that the portal isn't replacing what is working well it is only enhancing it. Jennifer Byrd stated that the counties may be able to take some responsibility in notifying taxpayers that the portal is available. Commissioner Magee stated that we will still have some issues with the new system with existing user systems and not being able to find certain aspects of the system because this occurred with ONESPOT. Jennifer Byrd stated that all of the issues need to be considered and we will be gathering information before the next meeting.

Jennifer Byrd reviewed the filing dates for business personal property returns (October 1 – December 31) and that a taxpayer will not have access to the portal until October 1 of each year to file their return. She also noted that we need a cut-off date to avoid overlapping tax years and to allow the counties to finalize their returns and complete an abstract as required by law. Jennifer Byrd suggested a cut-off date of March 31 or April 30 and at that date the prior return would not be available through the portal. Commissioner Magee asked why not make a repository for every year. Joe Garrett suggested that the taxpayer could view the prior year's return but could not make any changes except on the current year's return. Debbie Hornsby stated that they would be working on editing the current year. Commissioner Magee suggested the taxpayer at least be able to view the prior year. Robert Miller stated the years could be listed as 2016, 2017, 2018, and 2019 with "filed" noted beside it and a "view" option to click on with 2020 year showing as current and this would be the year the taxpayer would be filing. Mandi Freeman asked how will it be pulled up possibly a PDF file? Debbie Hornsby said that was still to be determined. Commissioner Magee noted that we may only be able to store a set number of years.

Glen Ford stated that Mobile County locks their system in May or June once the values are set and they have 33,000 personal property accounts and the values are set as of July 1. Jennifer Byrd stated the cut-off date would be in place to prevent a taxpayer filing online after the abstract has been completed. Jim Carmichael noted the taxpayer would be able to make changes through April 30. Wendy Williams and Glen Ford agreed with the April 30 deadline. Commissioner Magee asked if the system should allow for amended returns. Jennifer Byrd noted this was another issue that has been discussed. Jennifer Byrd asked if everyone was comfortable voting on the April 30 cut-off date? Don Armstrong stated that Shelby County would have their board notices already sent out by this date. Commissioner Magee noted this was a big decision and we should hold the vote until the next meeting.

Joe Garrett asked what happens now when a taxpayer files a return late? Glen Ford answered that a supplement is done and an escape tax bill is issued. Jennifer Byrd noted that amended returns are filed for many reasons and that the taxpayer should have to contact the county directly to file an amended return. Wendy Williams agreed. Jennifer Byrd said that we will vote and discuss next meeting. Mandi Freeman stated that once the return is filed then any amendment must go through the county and she thinks this is a good idea.

Wendy Williams asked what if the taxpayer files with the wrong county. Jennifer Byrd stated that there could possibly be a reject button and that this should only affect a first time filer and a unique identifier would help with this. Commissioner Magee stated that ONESPOT does that and the programming can work. Robert Miller asked about a final return box. Jennifer Byrd mentioned having an import/export feature in OPPAL and asked do we want the taxpayer to be able to attach documents such as a depreciation schedule? This will be an IT issue and if the taxpayer were to attach a document would the county then have to enter the information. Robert Miller stated that if there was an import feature that would reduce the need for attachments. Commissioner Magee stated that we want to give them a template and if they want to attach documents such as buy/sell agreements they could still do that.

Jennifer Byrd asked if there were any other items that needed to be addressed? Commissioner Magee wanted to know if we were inviting vendors to the meetings. Jennifer Byrd stated not at this time. Commissioner Magee said to consider including them to avoid any “aha” moments later.

Joe Garrett mentioned the MAT portal to RITS. The personal property system won't be run through RITS but it might be accessible through MAT. Is this important to taxpayers? Joe Garrett stated he didn't know how doable that would be. Robert Miller commented that maybe a link on MAT would be possible.

Jennifer Byrd asked if there were any more issues. Commissioner Magee stated that we need a link on the department's website to list the members of the OPPAL advisory committee, upload the minutes to the meetings and the meeting dates. Jennifer Byrd asked about future meeting dates and was the 10:00AM time a convenient time for everyone. Commissioner Magee asked if we had a deadline to submit rules and regulations regarding this law. Mike Gamble stated we just needed them about six months before they are to go into effect. Jennifer Byrd stated that we are waiting on the advisory council decisions to incorporate these into the rules and regulations. Commissioner Magee asked if we had set a deadline for the Request for Proposal (RFP). Jennifer Byrd stated that we will do that next meeting. Jennifer Byrd stated that the meetings will be held the first Wednesday of every other month starting on November 5, 2014. Leigh Ann Fair made a motion to accept this meeting schedule and it was seconded by Mandi Freeman. Commissioner Magee asked if there was any reimbursement for the committee members and Jennifer Byrd stated that there is no reimbursement for the committee members.

Commissioner Magee thanked everyone for their willingness to be a voice of their peers.

The meeting was concluded.