



**Official Minutes of the  
PAYNE COUNTY  
Board of Tax Roll Corrections**

The Payne County Board of Tax Roll Corrections met in a Special meeting of the Board in Suite 200/201 at 11:00 a.m. on **January 21, 2020** at the Payne County Administration Building located in Stillwater, Oklahoma.

**Chairman called the meeting to order:** Chairman Reding called the meeting to order at 11:00 a.m.

**The following members were present:** Commissioner Chris Reding-Chairman, Randy Wedel-Vice-Chairman, James Cowan- member, Glenna Craig- County Clerk, also Deputy County Clerk Tammy Mathis, and representatives from Vitol and Macquarie Commodities USA.

**Approval of minutes of the previous meeting of the board:** Craig presented the minutes of the previous meeting to the board for approval. Motion by Cowan to approve the minutes as presented, second by Wedel. Roll Call Vote: Cowan-Yes, Wedel-Yes, Reding- Abstain.

Motion by Cowan to move item 3 on the agenda lower in the meeting to accommodate the attorney's and representatives present at the hearing, second by Wedel. Roll Call Vote: Cowan-Yes, Wedel-Yes, Reding-Yes.

**Discussion/Possible Action Erroneous Assessments filed by Video Gaming Technologies, Inc. for 2019 taxes:** Wedel asked if they were still waiting on additional information on this item. Cowan stated yes, that the board is still waiting on decisions from the appeals court and any additional filings. No action taken by the board, item was not lifted.

**Complaint filed by MacQuarie Commodities Inc.:** The following individuals were present to represent MacQuarie Commodities USA. Attorney Williams Ellias, Wyatt Swinford, and tax consultant Tara Talmaciu. Mr. Ellias presented as council for MacQuarie. MacQuarie is protesting the taxing of oil inventory under contract with Rose Rock in Cushing Ok. MacQuarie is no longer under contract for crude oil storage with Rose Rock. They sold these assets in November 2018 and have exhibits to present to the board showing this transaction, and that they no longer have ownership of oil in Payne County under this LLC.

Council did not present an exhibit 1 that was a contract that is private, exhibit 2 is a confirmation of the sale to Rose Rock Midstream Crude LP, exhibit 3 is an invoice dated 1/3/2019, exhibit 4OTC form 901-P rendition filed with Assessor, exhibit 5 tax bill from the Payne County Treasurer, exhibit 6 Complaint of erroneous tax, exhibit 7 log provided by MacQuarie of tax documents received and acted on, no exhibit 8, exhibit 9 was a summary of activity statement from Rose Rock Midstream. Mr. Ellias and Swinford also reviewed statutes 68, 2831 and 68, 2817 in regard to taxable personal property and property taxing law. Mr. Ellias, Swinford, and Ms. Talmaciu stated the names of the LLC's of MacQuarie that are doing business, or have done business in Payne County, but protest that this particular entity of MacQuarie does not own property as of January 1, 2020 in Payne County, the property that is owned was rendered and taxes paid. Wedel asked if the property was sold in November of 2019, why was the invoice dated January 3, 2020, they could not give an explanation for this.

Assessor Cowan argued that this property and the documents have a couple of different names doing business as that do not match the property ID's and name on this complaint, and that the inventory is owned by MacQuarie for taxable year 2019. Cowan stated that this is a question of ownership on January 1, and an average inventory, they argued they were not the owners, they had sold the tank bottoms. Wedel asked even if they are the same owner, would that not matter, Talmaciu said they are separate assets. They would have protested, but the only notice that they received according to Mr. Ellias was the tax statement.

Reding requested a brief recess for a personal matter, motion to recess by Wedel, second by Cowan. Roll Call Vote: Cowan-Yes, Wedel-Yes, Reding- Yes.

Motion to reconvene and continue by Wedel, second by Cowan. Roll Call Vote: Cowan-Yes, Wedel-Yes, Reding- Yes.

The board continued to discuss the ownership of the assets. The protestors continue to state they did not own taxable property for this tax ID on January 1<sup>st</sup>. This account was rendered for previous years. Cowan pointed out again that there are several MacQuarie Commodities LLC's, MacQuarie Energy, and U.S. LLC, and International LLC's that have or have had oil in storages. They all agree that there are some name changes that need to be made. Wedel made the motion to uphold the protest filed by the taxpayer MacQuarie Commodities (USA) request to terminate ownership and dismiss taxes on tax roll #98548, second by Cowan. Wedel stated that for clarification that the storage was sold November 2018, taxed on January 1, 2019, and that they had no oil on this tax ID for 2019. That MacQuarie and all of its pieces did

not own anything in Cushing that was subject to tax on 1-1-2019, Ellias said that was correct. Roll Call Vote: Cowan-No, Wedel-Yes, Reding-Yes.

**Complaint filed by Vitol Inc.:** William Ellias, and Wyatt Swinford council for Vitol, along with Vitol representatives Lauren Felt and Jurgen Oosthuizen presented to the board. Mr. Swinford stated that the taxpayer did not receive the notice of the assessment. Swinford stated that the volume that the Assessor has for Vitol and what Vitol has in their inventory is different. Vitol is supplying resources and is a shipper, Swinford also quoted Title 68, and also that only the state can regulate interstate commerce's, and freeport exemption. The federal commerce clause prevents them from being taxed. They presented exhibit 1 letter requested tax roll correction, exhibit 2 Vitol Inventory volume from 2015-2018, exhibit 4 Vitol 901 rendition to Assessor, exhibit 5 Assessor notice of increase in valuation, exhibit 6 Payne County Tax Statement, exhibit 7 complaint of erroneous assessment, exhibit 8 data log from Vitol, and exhibit 12 Plains marketing LP shipper report January 2018, exhibit 13 summary.

Mr. Oosthuizen explained the information presented to the board and stated that in Cushing they do have different entities they ship for. That there is a small amount of oil that does generate in Oklahoma. Oosthuizen said the main portion of this ends up in Coffeyville Kansas. Exhibit 12 is where the Assessor got the \$59,572,125 taxable amount. The \$38,234,334 is from what was rendered. Vitol sent the inventory Exhibit 12 Cowan sent out a new valuation in September that Vitol said they did not receive. Council argued that the only property that is taxable is the 38 million and that the valuation should be lowered to reflect this value. Ms. Felt stated she contacted the Assessor's office when the new valuation was received, and that they protest the new valuation. They thought this was taken care of until they received their tax bill with the 59 million valuation. Vitol presented a monthly inventory statement showing the amounts that they move in the lines, quantity coming in and quantity going out.

Cowan stated that he disagrees the 59 million comes from their numbers and the 38 million was adjusted from the reports provided. Cowan stated they mailed 26,000 notices, he does not know why they were not received. Swinford stated the issue is that the difference is interstate commerce. When Cowan gets an inventory from the company, they use that, he saw a different number and used that for taxation per their own report. Cowan stated they can not qualify under freeport, they did not apply for freeport, Swinford stated yes, this is interstate commerce.

Cowan stated that White Cliffs reported Vitol had about 6 million barrels over the last few years, 2016, 2017, 2018 and 2019 tax years. Vitol stated that they do not have oil stored at White Cliffs, Swinford thinks this is Rose Rock reporting. Swinford stated that the complaint should be lowered to what was reported in the storage accounts, and they have provided the rendition and information. Wedel stated so Vitol and the Assessor are in agreement with what is stored with Enbridge and Blue night, Swinford stated yes, Cowan stated his interpretation is this is crossing over with interstate commerce, this does not apply with what is bought and sold in Cushing. Cowan explained the freeport and interstate commerce criteria for the two. It is either originated in the state or brought into the state. Swinford said it is going out of the state, where is the property moving? Cowan is basing the taxation on inventory with Plains.

Wedel asked if the information presented today effects Cowan's position. Cowan stated no, that the things in board of equalization and here do not apply, interstate commerce does not apply here, that it is coming in from vendors, and that a portion of this oil that would not meet any qualifier for freeport or interstate commerce. Swinford disagreed. Cowan feels confident and justified in the valuation. Cowan stated it is a commodity owned the last day of the month, as is taxed like everyone else. Motion by Wedel that the tax payers request as presented be upheld, second by Cowan. Wedel said for clarification that the statutes presented seem fairly clear that the appeal has merit. Roll Call Vote: Cowan-No, Wedel-Yes, Reding-Yes. Reding can not grasp the whole concept of interstate commerce but agrees with Wedel.

**Discussion/Possible Action Erroneous Assessments presented by Assessor James Cowan:** Cowan presented the following Tax Roll Corrections.

TRC Number	Account	Owner	Reason	Net Tax Change
2019-5317	60005317	Fox, Joseph & Patricia	Homestead removed in error	(\$143.00)
2017-4905	600004905	City of Cushing	City property was assessed under incorrect owner	(\$12.00)
2018-4905	600004905	City of Cushing	City property was assessed under incorrect owner	(\$12.00)
2019-4905	600004905	City of Cushing	City property was assessed under incorrect owner	(\$13.00)
2018-48045	600048045	Red Lobster Restaurants	Penalty applied in error	(\$720.00)
2019-98124	600098124	Peyton, Randy & Tina	Equipment was sold in 2018	(\$47.00)
2019-85352	600085352	Petrochina	Account not properly closed for 2019	(\$294,310.00)
2019-5352	600005352	Carrier, Russell & Lynda	Homestead removed in error	(\$201.00)
2018-5352	600005352	Carrier, Russell & Lynda	Homestead removed in error	(\$99.00)
2019-20967	600020967	Rogers, Ryan Paul	Double assessed after split	(\$2,677.00)
2019-19776	600019776	Lozier, Roland	New construction not applied correctly	(\$150.00)
2019-82252	600082252	Wells, Tiers	Homestead removed in error	(\$101.00)
2019-2788	600002788	Fultz, William B & Anne	New construction not applied correctly	(\$419.00)
2019-81780	600081780	Hughes Network, Inc	Adjust to match OTC settle value	(\$124.00)
2019-81781	600081781	Hughes Network, Inc	Adjust to match OTC settle value	(\$882.00)
2019-81782	600081782	Hughes Network, Inc	Adjust to match OTC settle value	(\$405.00)
2019-81783	600081783	Hughes Network, Inc	Adjust to match OTC settle value	(\$82.00)
2019-83065	600083065	Hughes Network, Inc	Adjust to match OTC settle value	(\$1,324.00)
2019-83067	600083067	Hughes Network, Inc	Adjust to match OTC settle value	(\$561.00)
2019-83068	600083068	Hughes Network, Inc	Adjust to match OTC settle value	(\$133.00)
2019-98612	600098612	Hughes Network, Inc	Adjust to match OTC settle value	(\$120.00)
2019-98613	600098613	Hughes Network, Inc	Adjust to match OTC settle value	(\$584.00)
2019-98614	600098614	Hughes Network, Inc	Adjust to match OTC settle value	(\$241.00)
2019-98615	600098615	Hughes Network, Inc	Adjust to match OTC settle value	(\$86.00)
2019-98616	600098616	Hughes Network, Inc	Adjust to match OTC settle value	(\$284.00)
2018-5372	600005372	Focht Charles Thomas Trust	Homestead removed in error	(\$166.00)
2019-5372	600005372	Focht Charles Thomas Trust	Homestead removed in error	(\$99.00)
2019-13692	600013692	Reed, Freddie L & Ollie J	Homestead removed in error	(\$115.00)
2018-13748	600013748	Hundley, David & Rita	Cap removed in error	(\$448.00)
2019-13748	600013748	Hundley, David & Rita	Cap removed in error	(\$438.00)
2019-88562	600088562	Brugeyoux, Garrick	Adjust to match 936-R	(\$74.00)
2019-85078	600085076	Harper, Charles & Melissa	Adjust to match 936-R	(\$95.00)
2019-84853	600084853	Arnold, Rhonda Jean	Adjust to match 936-R	(\$85.00)
2019-88790	600088790	Rich, Allen	Adjust to match 936-R	(\$60.00)
2019-87656	600087656	House, George	Adjust to match 936-R	(\$130.00)
2019-85078	600084779	Ratliff, Dustin & Stephanie	Adjust to match 936-R	(\$112.00)
2019-67997	600067997	Metcalf, Teddy	Adjust to match 936-R	(\$55.00)
2019-85078	600087918	Creps, Justin & Katherine	Adjust to match 936-R	(\$78.00)
2019-69295	600069295	Fontanier, Charles	Adjust to match 936-R	(\$75.00)
2019-85078	600018037	Hankins, Dayton & Carol	Adjust to match 936-R	(\$77.00)
2019-56511	600056511	Bays, Mike	Flood Damage	(\$130.00)
2019-14623	600014623	Bays, Mike	Flood Damage	(\$38.00)
2019-87600	600087600	Meyer, Wilma	Adjust to match 936-R	(\$401.00)
2019-55926	600055926	Adams, Janice	Adjust to match 936-R	(\$204.00)
2019-86638	600086638	Tarrant, Mark	Adjust to match 936-R	(\$349.00)

Cowan gave a brief explanation of each erroneous assessment to the board. Motion by Wedel to approve corrections as presented, second by Cowan. Roll Call Vote: Cowan-Yes, Wedel-Yes, Reding-Yes.

**Tabled items for discussion/possible action:** The board is still waiting on appeal information about VGT. No action taken by the board.

**Adjournment:** Motion by Wedel to adjourn, second by Cowan. Roll Call Vote: Cowan-Yes, Wedel-Yes, Reding-Yes.

**Minutes of the Board attested to**

By \_\_\_\_\_  
**Glenna Craig, Payne County Clerk**  
 Seal of office

**Approved by the Board of Tax Roll Corrections**

On the \_\_\_\_\_ day of \_\_\_\_\_ 2020

**Chairman** \_\_\_\_\_

**Vice-Chairman** \_\_\_\_\_

**Member** \_\_\_\_\_