



Louisiana Uniform Local Sales Tax Board

**Minutes of the Regular Meeting
Thursday, August 22, 2024 ~ 1:30 PM
LAMPERS Building, First Floor Executive Conference Room
7722 Office Park Blvd. Baton Rouge, LA 70809**

This meeting will be available via Zoom. Members of the public are encouraged to provide comments to the Zoom chat function. See link below:

<https://us06web.zoom.us/j/82645273670?pwd=cvL4RU18HYCz17FPiyEMul49AP9rnw.1>

Meeting ID: 826 4527 3670 Passcode: 000032

MEMBERS & PROXIES PRESENT (P) / ABSENT (A):

Members:

Dr. Janet Pope, LA School Board Executive Director	<u>A</u>
Mike Ranatza, LA Sheriff's Association Executive Director	<u>A</u>
Barney Arceneaux, LA Municipal Association Executive Director	<u>A</u>
Guy Cormier, Police Jury Association of Louisiana Executive Director	<u>A</u>
Amanda Granier, LA School Board Association Appointee – Vice Chairman	<u>A</u>
Shawn McManus, LA Sheriff's Association Appointee	<u>P</u>
Kressy Krennerich, LA Municipal Association Appointee - Chairman	<u>P</u>
Jeffery LaGrange, Police Jury Association of Louisiana Appointee	<u>P</u>

Proxies:

Neshelle S. Nogess, LA School Board Association, Secretary	<u>P</u>
Jessica Knight, LA Sheriff's Association	<u>P</u>
Romy Samuel, LA Municipal Association	<u>A</u>
David Hall, Police Jury Association of Louisiana	<u>P</u>

STAFF PRESENT:

Clarence Lymon, CPA, Executive Director	<u>P</u>
Dewanna Trask, Sales Tax Analyst	<u>P</u>

OTHERS PRESENT:

Rick Mekdessie, IT Consultant
Andrew Kolb, LULSTB Executive Counsel
Renee Roberie, Remote Sellers Commission Executive Director
Darlene Allen, LATA Executive Director
Administrators participating via the Zoom Web Conferencing platform.

Each member of the Board received the following documents prior to the meeting:

1. Meeting Agenda
2. Meeting Minutes
3. Financial Statements for the Month of July 2024
4. FY 2024 YTD Budget through July
5. Bill Payments Month Ending July 2024

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1. Roll Call

Chairman Krennerich called the meeting to order at 11:31 AM. The secretary called the roll, and a quorum (5 members / proxies or more) was established.

2. Adoption of the Agenda

ON MOTION OF Shawn McManus, SECONDED BY David Hall, AND CARRIED, the Board voted to adopt the agenda of the August 22, 2024, meeting of the LA Uniform Local Sales Tax Board.

3. Approval of the Minutes of the LA Uniform Local Sales Tax Board Held July 30th, 2024

ON MOTION OF Jessica Knight, SECONDED BY David Hall, AND CARRIED, the Board voted to approve the minutes (as written) of the meeting of the LA Uniform Local Sales Tax Board held July 30, 2024, after Shawn McManus confirmed the minor changes previously suggested were reflected in the minutes before the board.

4. Remote Seller Commission Update

Renee Roberie, Executive Director of the Louisiana Remote Sellers Commission, provided an update on the monthly distribution for July 2024 which was for the June 2024 collection period totaling \$51.6M, and distributed \$27.2M to the locals on August 9, 2024. Executive Director Roberie stated that the Remote Sellers Commission is averaging 30 new accounts per week and \$616.6M has been collected for FY 2023-2024, which is up 12% when compared to this time last year for FY 2022-2023. At the end of July 2024, there were 10,499 open accounts.

5. Executive Director's Report

A. Act No. 375 (2023 Regular Session) Update – Single Filing and Remittance System

- Lookup Tool Hold Harmless Provision – Update
Lookup Tool Hold harmless has been implemented. A user statement for non-credentialed users is being implemented. Non-credentialed users do not have a hold-harmless provision and will not be afforded hold-harmless protection.
- Uniform Return and Remittance Project – Update
Information has been received from the UELRRAC Chair, and a recommendation was made to the board which will be discussed later in the meeting.

B. Act No. 393 (2023 Regular Session) Update – Electronic Meetings Requirement

- Rule Published in May 2024 *Louisiana Register*
- September 2024 *Louisiana Register* – projected final printing
Projected final printing is September 20, 2024. Which is after our September meeting.

C. Tax Advisory Proposals Pursuant to PPM No. 50.3:

- Taxability of Magazines, Newspapers, and Periodicals – Update

The board is receiving lots of requests and questions and working with LDR to provide a draft advisory notice. The questions are state and local ones. Chairperson Kressy Krennerich asked about the possibility of a joint meeting with LDR. She also asked if there is a contact person at LDR. Executive Director Lymon responded that Luke Morris is the Assistant Secretary and he has assured us that he is working on these items.

Jessica Knight asked about the follow-up plan. Executive Director Lymon answered that he follows up every other week or so, including today. Executive Director Lymon continued by saying that taxpayers are also contacting LDR, not only the board.

- Groceries/Meals Delivery Services – Update
See above information about Magazines, Newspapers, and Periodicals.

D. TaxWatch API Modification Proposal – Update

We are currently waiting on OTS. Chairperson Krennerich asked if TaxWatch's pricing would change based on the answer received from OTS, and Executive Director Lymon responded that the pricing would remain the same but hinges on whether the board would have to perfect a new contract or continue with the current OTS agreement.

Executive Director Lymon stated that relating to historical tax rate information, the look-up tool does not currently provide this data. TaxWatch is currently capturing information for that function. Changes are being made to the Lookup Tool so that sales tax rate information can be provided by transaction date beginning January 2024 and forward.

Chairperson Krennerich asked if they can go back a few years, Executive Director Lymon answered that it is possible with a price tag, however there are challenges with that. Chairperson Krennerich said that whatever is feasible is acceptable. Shawn McManus added that the functionality should not go past 2021. The Executive Director said that he would not recommend going beyond 2021 and hopes that our request will not be cost-prohibitive.

Shawn McManus also described an issue from a discussion last month regarding the discrepancy reports and mentioned that the software suggests the correct address. Executive Director Lymon said that we may need to consider forcing a selection from the drop-down box and if it is not there, allow the address to be placed in a dialogue box and submitted for review and research. David Hall said that another option is to have the taxpayer re-enter the address. Executive Director Lymon stated that a lot of the time the information comes up in the drop-down menu correctly but is not accepted. Jessica Knight agreed and said that the drop-down menu points you in the right direction.

Executive Director Lymon said that he will reach out to OTS/State Procurement twice a week about the contract. The other option is to contract separately for this functionality.

E. Project Manager Position – Update

Alice Metcalfe agreed to accept a part-time IT Project Manager position. She was an LDR employee for 30+ years. She worked in various business units before joining the LDR IT Department as an IT Liaison and Subject Matter Expert.

According to Executive Director Lymon, Alice Metcalfe has experience with bringing a system online and has done tons of system testing and configuration. She is slated to start very soon.

Chairperson Krennerich said that she is glad we are getting someone with tax experience. The system needs to be user-friendly to both collectors and taxpayers. Executive Director Lymon said that Alice worked on Redmond Sonnier's team and there are no concerns about her abilities to perform the required tasks.

6. Financial Reports

• **Financial Statements**

This is the first month in the fiscal year, so the YTD and monthly expenditure reports look the same. The usual budget comparison was not in the packet because Executive Director Lymon wanted to make sure the adopted budget was used.

• **Y-T-D Budget Review Report**

The BTA annual subscription bill was received in June, and the payment was made in July. All other expenditures are usual and customary for this point in the fiscal year

• **Bills Paid Review /Approval**

Legal services were not put in the system in time, and Executive Director Lymon issued a public apology to General Counsel Kolb.

Chairperson Krennerich asked if the collectors can all get access to the BTA portal; one access for each office. Executive Director Lymon said that he was able to get access for General Counsel, Andrew Kolb and LULSTB staff and would work on getting access for the collectors. Shawn McManus stated that it was a good reminder that the board sponsors this access for the collectors.

ON MOTION OF David Hall, SECONDED BY Jeffery LaGrange, AND CARRIED, the Board voted to accept the financial statement's report and approved the financial statements for the month ending July 2024.

7. Other Business

A. Executive Director Resolution – Board Action Required

The board discussed an authorization for Executive Director Lymon to enter negotiations and sign contracts with third parties, including vendor contracts.

General Counsel Andrew Kolb said that the resolution is identical to the one former Executive Director Roger Bergeron had; it allows third parties to know that they are dealing with the right party. He added that the board may always choose to restrict the Executive Director's power regarding a particular contract. It does not divest the board of any abilities to weigh in more heavily on any particular contract by amendment to the resolution.

Executive Director Lymon said that the resolution is needed because he has had difficulty in changing and acquiring even minimal services required for operation.

ON MOTION OF David Hall, SECONDED BY Jeffery LaGrange, AND CARRIED, the Board voted to authorized Executive Director Lymon to enter negotiations and sign contracts with vendors via a written and signed resolution.

B. UELRRAC Vendor Recommendation Discussion

After the UELRRAC meeting on July 30, 2024, the UELRRAC submitted a letter to the Board stating their recommendation for Avenu Insights, with caveats and specifications, as the vendor and software solution of choice. The LULSTB members were also provided the same documents that were reviewed by the UELRRAC during the vendor evaluation phase.

Shawn McManus said that he went through all the information available from UELRRAC, particularly the Q&A from both vendors. He said that there was one unfortunate obvious difference—the cost. He said that he is still open to any other comments from the board members and vendors.

Jessica Knight asked whether Avenu has read and agreed to those caveats and what happens if Avenu is not able to agree with them. Executive Director Lymon said that his recollection is that Avenu has agreed to them and the caveats would also be included in any contract. Jessica Knight said that one of the items was regarding the audit arm of Avenu. Executive Director Lymon confirmed that the agreement will contain a provision that addresses the audit concerns raised.

Shawn McManus said that he remembers that in reference to the Q&As provided by Avenu, there was substantial discussion regarding the audit arm and a long answer was given.

David Hall said that lots of people have third-party preparers, and they attempt to speak to

the collectors without Power of Attorney documents in place. He asked if the registration process could provide for a designation of a third-party firm's contact information. Chairperson Krennerich agreed and asked that power of attorney information be part of the registration process. She added that it is up to the taxpayer to advise the collector of changes regarding authorized third-party designations.

Jessica Knight asked how the RFI was distributed. Chairperson Krennerich said that the RFI was sent to all software vendors who are in the NASPO registry. Adding that NASPO meets state procurement rules, so it meets local requirements.

Executive Director Lymon stated that the RFI dissemination is a formal process that was supported and performed by OTS.

C. Public Comment

Vince O'Rourke, Enterprise Account Executive with GovOS asked the board for questions or points to clarify. David Hall asked if a portion of the costs of the GovOS system was attributable to building from the ground up. Vince O'Rourke said no, and that the system is already built. Vince said that they do not know the price for the other vendor and that Louisiana got a lower price than the other two states using the GovOS system. Vince said that his system would be ready to go in six months. He clarified that with their system it would take the place of SalesTaxOnline, so the price is all inclusive and not in addition to other costs and change orders. He said that he could not speak to the price differential.

Jessica Knight asked if the price was negotiable for GovOS and Vince O'Rourke answered yes. He continued by stating that he reached out to OTS and was told that the board could entertain a BAFO (Best and Final Offer) and he requested that the board request that from GovOS.

According to Executive Director Lymon, the request to submit a Best and Final Offer from Vince O'Rourke was sent to OTS. OTS stated that if the vendor knows the price differential or the exact amount of the competitor's price proposal, that will prevent another offer from being tendered. Executive Director Lymon explained that at the UELRRAC meeting, pricing was discussed and made public.

Shawn McManus said he has a last and difficult question. He asked how the best and final offer would be fashioned when considering we should have expected that initially? Vince O'Rourke said that because they were not given a pricing format, no parameters, the board was not given an apples-to-apples comparison.

Shawn McManus asked if the board wanted to share pricing rubrics. Executive Director Lymon said that question was not formally posed to OTS so he could not answer whether

the board should or should not share but recommends against it. Executive Counsel Andrew Kolb said no to the request and Jeffery LaGrange said that he has always been advised not to share that information before a vote. Executive Director Lymon said that information is subject to a public records request after the process has been completed.

In response to a question by Vince O'Rourke about a vendor having an audit arm, Chairperson Krennerich explained that the vendor would have to separate the system of record from the audit portion of the business. Executive Director Lymon stated that there will be parameters with respect to audit functions and those parameters must satisfy the board and UELRRAC.

In the chat, Nonso Chuckwujekwu, Director, Product Management of Avenu stated that they were on the call and available for questions.

D. Uniform Return and Remittance System Vendor Selection – Board Action Required

After the discussion surrounding the UELRRAC Vendor Recommendation:

ON MOTION OF Jeffery LaGrange, SECONDED BY David Hall, AND CARRIED, a roll call vote of five yeas and one nay (Jessica Knight), the MOTION CARRIED, and the Board voted to agree with the recommendation of the UELRRAC approving Avenu as the selected vendor.

E. Public Comment

Chairperson Krennerich shared a reminder that there would be a Sales Tax Seminar, and Occupational License Training in September and that it would be online, and in-person, CLE and CPE credits will be available, however the conference is only open to governmental entities only.

There was also an announcement that the next LULSTB board meeting would be on Thursday afternoon, September 12, 2024, in Natchitoches, LA.

Adjournment

ON MOTION OF Jeffery LaGrange, SECONDED BY David Hall, AND CARRIED, the Board voted to adjourn at 2:49 PM.