**LOUISIANA UNIFORM LOCAL SALES TAX BOARD**

**May 21, 2020**

**Regular Meeting**

The Louisiana Local Sales Tax Board held its regular meeting via Zoom on May 21, 2020 at 1:30 PM.

***Roll Call***

Chairperson Rupert called the meeting to order at 1:34 PM and called roll. The following members were present: Gregory Ruppert (proxy for Mike Ranatza), Karen White (proxy for John Gallagher), Mark West (proxy for Guy Cormier), Amanda Granier, Jeff LaGrange and Kressynda Krennerich. At the time of this meeting the LSA did not have an administrator appointed to represent their organization.

***Adoption of Agenda***

Ms. Krennerich submitted a motion, seconded by Ms. Granier and approved by the members to adopt the agenda as posted for the May 21, 2020 meeting.

***Approval of Minutes from the March 12, 2020 Regular Meeting***

Ms. Krennerich submitted a motion, seconded by Ms. Granier and approved by the members to accept the Minutes as written for the March 12, 2020 meeting.

***Board Member Requests***

There were no Board Member requests.

***Discuss Board Member Remote Seller Update (K. Krennerich)***

Ms. Krennerich reported the commission held its regular meeting by Zoom on May 7, 2020 and provided the following updates:

* There have been 2,423 applicants approved to file under the Direct Marketer Program.
* The Commission sent MOU’s for signature to the local collectors. At the time of the Board’s meeting, 34 collectors have been signed and returned MOU’s to the Commission.
* The Commission approved an Information Bulletin to provide 30 day notice of a new filing system to become active July 1, 2020 requiring vendors to collect the proper local tax.
* The Commission discussed Senate Bill 138, which addresses issues regarding Remote Sellers.
* The Commission has obtained a Post Office Box to receive mail.
* The Commission discussed alternatives for a local sales tax rate look-up system if the LULST Board is unable to develop one by July 1, 2020.

A special meeting was held by Zoom on May 21, 2020 at 11:00 AM (that morning).

* The Commission discussed a letter to be sent to Direct Marketers that would qualify as Remote Sellers on July 1, 2020. It would explain how Direct Marketers would become Remote Sellers.
* The Commission approved the hiring of 2 specialists.
* The Commission discussed the development of a website, which is currently undergoing testing.

***Executive Director’s Report***

* **Website Changes:** Mr. Bergeron described changes made to the Board’s website, including a revised statutory narrative, links to statutory and regulatory webpages, links to meeting notices on the Boards and Commissions website and addition of an audit information pamphlet.
* **AUP Policies (adoption):** Mr. Bergeron discussed PPMs drafts needed to comply with findings from the Board’s first full year audit (Agreed Upon Principles). The language, provided by Faulk & Winkler, includes Budgeting (20.5), Contracting (20.6), General Receipts & Disbursements (20.7), Debt Service (20.8) and Ethics (10.3 Amended). A form will be provided for Members to annually certify they have read the Ethics policy, a new requirement. The Chairman requested a motion and asked if there was objection. Hearing none, the motion passed.
* **Multi-parish Refund PPM (adoption):** Mr. Bergeron described changes to PPM 40.1. They would allow programming to start on the online Refund System. The application form was also considered. On the form, Ms. Krennerich asked for “Jefferson Davis” to be listed as “Jeff Davis” to avoid confusion with “Jefferson” Parish. The members inquired how the system would function, particularly uploading refund schedules, which they agreed should be limited to spreadsheets (no “pdf” files). Ms. Krennerich suggested changing November 31st in Section E, Paragraph 1 to November 30th – an actual date. Ms. Granier made a motion to adopt, pending correction, the PPM and form. Mr. Ruppert seconded and the motion passed.
* **Best Practices (adoption):** Mr. Bergeron asked if the Board should assume responsibility for this document from LATA. The members discussed the requirements and expressed concerns about the policy. Mr. Bergeron said more work was required. The policy will be addressed at a later time.
* **Look Up System Update:** Mr. Bergeron deferred to Mr. Mekdessie. Change management software (IssueTrak) has been acquired to track changes to the TaxWatch Lookup system, provide statistics and direct work flows. Also, software can be purchased to reformat addresses to Post Office standards. Decisions are required when an address is not in the Look Up System. It was decided that individuals with limited use could have free access to the software but vendors using an API for their POS systems should pay a fee.
* **Amend By-laws (Mr. Kolb):** Mr. Kolb presented by-law changes necessitated by the Covid-19 pandemic. Article IV was amended to allow fewer than 12 regular meetings per year and Article V allowed video conferencing. Senate Bill 466 and House Bill 798 would allow the practice. Ms. Krennerich offered a motion to adopt the amendments, Mr. Ruppert seconded the motion and the Board passed it. On a similar issue, Mr. Kolb was asked about the Board’s annual training requirement. He agreed to look into the matter.
* **Advisory Drafts-in progress:** Advisory drafts discussing the waiver of interest, audit costs and assessing interest and penalty for extended filing periods were presented. The legislature is debating extended filing periods, so that draft will be tabled until the session ends. Ms. White offered a motion allowing work on the drafts with final approval upon completion. Mr. Ruppert seconded and the Board approved.
* **Contract Addendum:** The Board’s contract with Thecla, LLC (Blue Goat) for forty hours of software work have been used up. Mr. Bergeron asked for authority to purchase another forty hour block for work through June 30th. Mr. Ruppert suggested that future purchases be of a 2-year duration. Ms. Granier offered a motion to purchase the additional hours, Mr. Ruppert seconded and the Board approved.
* **Board Funding Agreements:** The Executive Director and OMV have signed the funding agreements to be sent to the collectors. A cover letter by the applicable association (School Board, Police Jury, Municipal or Sheriff) recommending signing would accompany the contracts, which would take effect upon adoption by 85% of the parishes.
* **VDA Update:** Mr. Bergeron stated the three largest VDAs accounted for $1.9 million of the collections. Another $223,000 in payments are delayed due to the virus and $124,000 are pending. Other VDAs valued at $250,000 are in circulation.
* **Local taxes erroneously reported to LDR:** Mr. Bergeron was informed that local taxes have been reported to the state in error. He has asked Mr. Kolb, the Board’s attorney, to investigate options to recover the tax.

***Financial Reports***

* Let the record reflect that Mr. Bergeron provided current financial statements to the Board members for review. The Board reviewed the comparison between budgeted and actual revenues.
* Mr. Bergeron presented the April paid bills to the Board members for review.
* Mr. Bergeron discussed the proposed budget for the 2020-2021 fiscal year.
* Ms. Granier offered a motion to accept the financial statements and April 2020 paid bills, Mr. Ruppert seconded and the Board approved.

***Other Business***

* Ms. White reported that Senate Bill 189, which creates the Capital Projects Fund and changes the distribution of nonrecurring revenues, was passed by the Appropriations Committee. The bill was amended to transfer control of $811 million in federal money earmarked for local governments in the coronavirus relief package passed by Congress in March from Gov. John Bel Edwards to the legislature. This amendment has a potentially significant negative impact to local governments.
* Mr. West informed the Board that House Bill 202 would add the Executive Director, or his designee, as a member of the Louisiana Tax Institute.

***Executive Session***

There was no Executive Session at this meeting.

***Adjournment***

A motion to adjourn was made by Ms. White at 3:54 PM, seconded by Mr. Ruppert and approved by the Board.

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