

**UTAH STATE TAX COMMISSION
MEETING MINUTES**

9:00 a.m., Thursday, August 25, 2011

Commission Hearing Room 1025, 210 North 1950 West, Salt Lake City, Utah

Participating:

R. Bruce Johnson - Commission Chair
Marc B. Johnson - Commissioner
D'Arcy Dixon Pignanelli - Commissioner
Michael J. Cragun - Commissioner
Scott Smith, Deputy Executive Director

Excused

Barry Conover - Executive Director

Executive Director's Office:

Lynn Solarczyk, Director of Legislation

Commission Staff Present:

Doral Vance, Director of Internal Audit
Christa Johnson, Commission Executive Assistant
Charlie Roberts, Public Information Officer

Note: A list of others present, a copy of related materials, and an audio recording of the meeting can be obtained from the Office of the Commission at 801-297-3901.

I. Call to Order

Commission Chair B. Johnson called the meeting to order at 9:00 a.m.

II. Public Comment (members of the public wishing to address the Commissioners for up to three minutes on matters not related to a pending or reasonably imminent appeal to the Tax Commission)

Commission Chair B. Johnson noted that no one wished to address the Tax Commissioners.

III. Approve Open Meeting Minutes of August 25, 2011.

MOTION: Commissioner Cragun moved approval of the open Meeting minutes of August 11, 2011. The motion passed with Commissioner B. Johnson, M. Johnson and Cragun voting aye and Commissioner Dixon abstaining.

IV. Approve submission of proposed rule amendments to Division of Administrative Rules for publication in the Utah Register

Commissioner Cragun presented the following proposed rule amendments for the commission to consider submitting to the Division of Administrative Rules:

- a. R861-1A-24. Formal Adjudicative Proceedings
- b. R884-24P-71. Agreements with Commercial or Industrial Taxpayers for Equal Property Tax Payments

Commissioner Cragun explained that the amendment to rule R861-1A-24, Formal Adjudicative Proceedings allows Commissioners to appoint hearing officers in addition to administrative law judges to conduct hearings in certain appeals.

Commissioner Cragun explained Rule R884-24P-71 Agreements with Commercial or Industrial Taxpayers for Equal Property Tax Payments specifies the procedure for commercial or industrial taxpayers to enter into equal payment agreements with taxing entities.

MOTION: Commissioner Cragun moved to submit the foregoing proposed rule amendments as presented to the Division of Administrative Rules. The motion passed unanimously.

V. Consider adoption of Amending Administrative Rules

Commissioner Cragun presented the following rule amendments for the Commission to consider. He noted that the amendments stemmed from the Tax Commission's response to Governor Herbert's Business Regulation Review.

He also said that he is not aware of any public comment on the proposed amendments.

- a. R865-4D-19. Refund of Special Fuel Taxes Paid by Government Entities.
- b. R865-13G-13. Refund of Motor Fuel Taxes Paid
- c. R865-13G-15. Reduction in Motor Fuel Tax for Distributors Subject to Navajo Nation Fuel Tax
- d. R865-7H-1. Environmental Assurance Fee for Retailers or Consumers Not Participating in the Environmental Assurance Program
- e. R865-7H-2. Environmental Assurance Fee on Packaged Petroleum Products
- f. R865-7H-3. Environmental Assurance Fee on Exports of Petroleum Products
- g. R865-14W-1. Mineral Production Tax Withholding
- h. R884-24P-17. Reappraisal of Real Property by County Assessors
- i. R884-24P-34. Use of Sales or Appraisal Information Gathered in Conjunction With Assessment/Sales Ratio Studies 704

Commissioner Dixon observed that Rule R884-24P-72 State Farmland Evaluation Advisory Committee Procedures is missing from the agenda and asked that a special meeting be held to consider the rule for adoption. She explained that the Committee will be meeting soon and it is important that members be allowed to participate electronically.

MOTION: Commissioner Cragun moved to approve the rule amendments as presented. The motion passed unanimously.

VI. Executive Director's Report

Deputy Executive Director Scott Smith reported that Executive Director Barry Conover recently attended both the Federal Tax Administration Technical Conference and the FAST Users Group Best Practices conferences in Denver.

VII. Certified Tax Rate System Demonstration by Property Tax Division

Commissioner Chair B. Johnson introduced Denny Lytle, Property Tax Division director. Mr. Lytle gave a brief overview of the Tax Commission's new Certified Tax Rate online system. He introduced Lamar Sayer and Jennifer Condie, research consultants for the Property Tax Division.

Mr. Sayer gave a summary of the Utah property tax online certified tax rate system. He said that the Utah State Tax Commission is required by Utah Statute to certify the calculation of each tax rate by verifying all the data required to calculate the rate and checking to ensure the calculations are correctly made. Every year a property tax rate is calculated for the 650-plus taxing entities that will generate the same ad valorem property tax revenue as budgeted by the taxing entity for the prior year - See Utah Code Section 59-2-924(3)(a).

He also stated that over half of the counties were able to meet the June 8th deadline for calculated tax rates. This was not possible with the paper system.

Ms. Condie gave a summary introduction on how to use the Utah property tax certified tax rate system online. The webpage for the Utah Certified Tax Rates is <http://www.taxrates.utah.gov>. She said that many reports are available for counties, entities, legislative research, other government agencies and the public to calculate information.

VIII. Commissioner Reports

Commissioner Chair B. Johnson reported that he attended the Utah Association of Certified Public Accountants luncheon on Aug. 19, 2011, where former USTC Executive Director Rod Marrelli was honored posthumously for his lifelong commitment to building the accounting profession with the inaugural Jeannie Patton Lifetime Service Award.

IX. Adjourn

MOTION: Commissioner Chair B. Johnson moved for adjournment. The motion passed unanimously.

Commission Chair B. Johnson adjourned the meeting at 9:46 a.m.

Approved on: Thursday, September 15, 2011

Attested: Christa Johnson
Executive Assistant
Utah State Tax Commission