

**UTAH STATE TAX COMMISSION
MEETING MINUTES**

9:00 a.m., Thursday, October 9, 2014

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

Participating:

John L. Valentine - Commission Chair
D'Arcy Dixon Pignanelli - Commissioner
Michael J. Cragun - Commissioner
Robert P. Pero – Commissioner
Barry Conover – Executive Director

Commission Office:

Christa Johnson, Commission Executive Assistant
Charlie Roberts, Public Information Officer
Aman Kudiya, Internal Audit Director

Note: A copy of related materials and an audio recording of the meeting can be found on the Tax Commission website: <http://tax.utah.gov/commission-office/meetings>.

I. Call to Order

Commission Chair Valentine called the meeting to order at 9:02 a.m.

II. Public Comment (individuals or groups 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 Valentine asked if anyone wished to address the Tax Commissioners. There were no comments.

III. Consider Approving Commission Meeting minutes of Thursday, September 25, 2014.

MOTION: Commissioner Dixon moved to approve the Commission meeting minutes of Thursday, September 25, 2014. The motion passed unanimously.

IV. Approve submission of proposed rule amendments to Division of Administrative Rules for publication in Utah Register [action item]

1. R884-24P-24. Form for Notice of Property Valuation and Tax Changes
2. R884-24P-53. 2015 Valuation Guides for Valuation of Land Subject to the Farmland Assessment Act

Commissioner Pero explained that the rules will be posted in the November 1, 2014, Bulletin. The 30-day public comment period will end December 1, 2014. The earliest date for the amendments to become effective is December 8, 2014.

Rule R884-24P-24 amendments reflect statutory changes from 2014 SB 61 and recommendations from the State Auditor. (1) deletes language dealing with public hearings for taxing entities that have a calendar year as their tax year since 2014 SB 61 has made statutory changes that cover this issue; (2) deletes language that excluded tax increment distributions when calculating the percentage of property taxes collected so that local taxing entities can meet the recommendation of the State Auditor and accurately account for the taxes they have imposed; and (3) makes technical changes to more accurately reflect statutes.

MOTION: Commissioner Pero moved to submit rule R884-24P-24. Form for Notice of Property Valuation and Tax Changes amendment as presented to the Division of Administrative Rules. The motion passed unanimously

Rule R884-24P-53 amendment annually updates the agricultural productive values to be applied by county assessors to land qualifying for valuation and assessment under the Farmland Assessment Act. The values are recommended to the Commission by the State Farmland Evaluation Advisory Committee, which meets under the authority of Section 59-2-514. Section 59-2-515 authorizes the State Tax Commission to promulgate rules regarding the Property Tax Act, Part 5, Farmland Assessment Act. Section 59-2-514 authorizes the State Tax Commission to receive valuation recommendations from the State Farmland Advisory Committee for implementation as outlined in R884-24P-53. The rule sets the acreage value rates for 418 separate class-county combinations.

Commissioner Pero as Chair of the State Farmland Evaluation Advisory Committee (“Farmland Committee”) said that the committee met on Thursday, October 2, 2014 to consider the Farmland Evaluation Report prepared by Utah State University (USU). The report analyzes the several classifications of land in agricultural use in the various areas of the State and recommends values based upon productive capabilities of the land when devoted to agricultural use. The values in the report are summarized according to six land uses: Irrigated Cropland, Orchard Cropland, Meadow Cropland, Dry Cropland, Grazing Land and Non-Production Land. To derive the values for each land use USU looked at changing crop prices, changing costs, crop yields (or productivity) and crop mixes. The Farmland Committee voted unanimously to recommend the values in the USU Report for 2014 to the Tax Commission. These values are in the updated R884-24P-53 now before the Commission.

MOTION: Commissioner Pero moved to submit the rule R884-24P-53. 2015 Valuation Guides for Valuation of Land Subject to the Farmland Assessment Act as presented to the Division of Administrative Rules. The motion passed unanimously.

V. Executive Director’s Report

Mr. Conover reported that the Tax Commission has new carpet in the top three floors of the building and is ahead of schedule. Next week the first floor is scheduled for completion. He thanked Tiffany Harms, General Services, for overseeing the project.

Mr. Conover reported that the Tax Commission is installing a new security system and cameras throughout the interior and exterior of the building. He thanked Department Facility and Construction Management for their support and dedication to this project.

Mr. Conover reported that the Tax Commission will be getting wiring for the Voice Over Internet Protocol (VOIP) system in December. Tiffany Harms will head the project.

VI. Adjourn

Commission Chair Valentine adjourned the meeting at 9:19 a.m.

Approved on: Thursday, October 23, 2014

Attested: Christa Johnson

Executive Assistant

Utah State Tax Commission