

**UTAH STATE TAX COMMISSION
MEETING MINUTES**

1:30 p.m., Tuesday, October 4, 2016

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

Participating:

John L. Valentine – Commission Chair
Michael J. Cragun – Commissioner
Robert P. Pero – Commissioner
Rebecca L. Rockwell – Commissioner
Barry Conover – Executive Director

Commission Office:

Christa Johnson, Commission Executive Assistant

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 1:30 p.m.

II. Approving Commission Meeting Minutes of Thursday, September 8, 2016

MOTION: Commissioner Pero moved to approve the Commission Meeting minutes of Thursday, September 8, 2016. The motion passed unanimously.

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

1. R R861-1A-2. Rulemaking Power
2. R865-19S-41. Sales to The United States Government and Its Instrumentalities
3. R884-24P-53. 2017 Valuation Guides for Valuation of Land Subject to the Farmland Assessment Act

Commissioner Rockwell introduced the following proposed rule amendments for the Commission to consider and submit for publication to the Division of Administrative Rules.

The rules will be published in the Utah Bulletin on November 1, 2016 and the public comment period will end on December 1, 2016. The rules will likely be scheduled for final consideration at the public Commission Meeting on December 8, 2016.

R R861-1A-2. Rulemaking Power. The rule is outdated and is repealed. Title 63G, Chapter 3 provides all of the necessary guidance for agency rulemaking and is, in fact, what the Tax Commission follows in its rulemaking. This rule is, therefore, unnecessary.

MOTION: Commissioner Rockwell moved to submit the proposed rule amendment Rule R861-1A-2. Rulemaking Power, to the Division of Administrative Rules. The motion passed unanimously.

R865-19S-41. Sales to The United States Government and Its Instrumentalities. The proposed amendment deletes language that requires the federal government to pay sales tax on merchandise or services it pays for with funds held in trust for nonexempt individuals or organizations. There is no statutory authority for this language.

MOTION: Commissioner Rockwell moved to submit the proposed rule amendment Rule R865-19S-41. Sales to The United States Government and Its Instrumentalities, to the Division of Administrative Rules. The motion passed unanimously.

R884-24P-53. 2017 Valuation Guides for Valuation of Land Subject to the Farmland Assessment Act. The 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 (FAA). 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, chair of the State Farmland Evaluation Advisory Committee, said that the committee met on Wednesday, September 28, 2016, 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. The State Farmland Evaluation Advisory Committee voted unanimously to recommend the values in the USU Report for 2016 to the Tax Commission. These values are in the updated rule R884-24P-53 now before the Commission.

MOTION: Commissioner Rockwell moved to submit the proposed rule amendment R884-24P-53. 2017 Valuation Guides for Valuation of Land Subject to the Farmland Assessment Act, which contains the values recommended by the State Farmland Evaluation Advisory Committee to the Division of Administrative Rules. The motion passed unanimously.

IV. Executive Director's Report

Mr. Conover reported that the Tax Commission has completed most building improvements and that they are working on a building security issue.

V. 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 stated that Mr. Craig Bickmore, Executive Director of New Car Dealers of Utah, wished to address the Commissioners.

Mr. Bickmore will be working with industry representatives and will come back at a later date with recommendations.

VI. Adjourn

Commission Chair Valentine adjourned the meeting at 1:56 p.m.

Approved on: Tuesday, November 1, 2016

Attested: Christa Johnson
Executive Assistant
Utah State Tax Commission