

Utah State Tax Commission
Public Meeting – Petition to Amend Rule R884-24P-62
October 1, 2007 – 9:00 a.m. – Room 1025

Commissioners Participating

D’Arcy Dixon Pignanelli – Commissioner, Chair Administrative Rules

Pam Hendrickson – Commission Chair

R. Bruce Johnson, Commissioner

Marc B. Johnson, Commissioner

Staff Present:

Sheri McFall, Commission Administrative Assistant

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 297-3900.

I Commission Business

Call to Order – Commissioner Dixon, called the meeting to order at 9:00 a.m.

Commissioner Dixon stated the purpose of the meeting was not to receive formal comment. If the Commission proposes this rule for rulemaking action, then it will be open for public comment. At this time, the Commission is seeking public input.

II Presentation on petition to amend Rule R884-24P-62, Valuation of State Assessed Unitary Properties Pursuant to Utah Code Ann. Section 52-2-201 by the Utah Taxpayers Association and Milford Wind Corridor, LLC.

Mr. Randy Grimshaw, local legal counsel for Milford Wind, spoke as the representative for Milford Wind, an affiliate of UPC Wind Partners, and the Utah Taxpayer’s Association, which petitioned for rulemaking and provided the proposed language. Mr. Grimshaw stated Milford Wind is developing a wind farm in Beaver County that will have connecting power lines, running through Millard County. Mr. Grimshaw reviewed the unique aspects of wind power projects, the congressional renewable energy production credits, the state of Utah renewable energy tax credits that can be taken against Utah income taxes, and the need for the rule.

Commissioner B. Johnson questioned Mr. Grimshaw on wind credits as intangible property.

III Preliminary public input on the petition to amend Rule R884-24P-62, Valuation of State Assessed Unitary Properties Pursuant to Utah Code Ann. Section 520-2-201 by the Utah Taxpayers Association and Milford Wind Corridor, LLC.

Mr. Miller asked to hold his comments to the end and respond on behalf of the petitioners, which he also represents.

Mr. Tom W. Peters, legal counsel for the Utah Association of Counties, stated this request is actually a tax exemption and should be taken to the State Legislature.

Mr. John Cooper, Millard County Commissioner, said he welcomes the UPC Wind Corridor Project to Millard County; however, in terms of the proposed rule he did not believe the wind credits should be considered intangible property and exempt from taxation.

Mr. Laron Lind, Assistant Attorney General (AG) with the Utah Attorney Generals Office, representing the Property Tax Division, stated the proposed rule would unnecessarily tie the hands of the Property Tax Division. He advised the Commission that if it amends the rule, to limit the affects of the rule to the project.

Commissioners M. Johnson and B. Johnson presented questions to Mr. Lind regarding wind credits and their similarity, if any, to housing credits.

Mr. Max Miller, legal counsel for Milford Wind, responded to some of the concerns. He stated UPC was not seeking a sales tax exemption, but instead a rule amendment to avoid potential litigation that can last for years.

IV Other items/ Adjourn

MOTION: Commissioner Hendrickson moved to adjourn. The motion passed unanimously.

Commissioner Dixon adjourned the meeting at 10:20 a.m.

Approved: _____
(date)

Attested: _____
Cheryl Lee
Commission Executive Secretary