I. Call to Order

Commissioner Marc B. Johnson called the meeting to order at 9:00 a.m. and noted that Commission Chair R. Bruce Johnson and Executive Director Barry Conover are excused from the Commission meeting.

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)

Commissioner M. Johnson asked if anyone wished to address the Tax Commissioners. There were no comments.

III. Consider Approving Open and Closed Commission Meeting Minutes of Friday, November 2, 2012

MOTION: Commissioner Dixon moved approval of the Open and Closed Commission Meeting Minutes of Friday November 2, 2012. The motion passed unanimously.

IV. Consider Withdrawing Rule R861-1A-46 Procedures for Purchaser Refund Requests Pursuant to Utah Code Ann. Section 59-1-1410 and 59-12-110

Commissioner Cragun reminded the Commissioners that they submitted this proposed amendment to the Division of Administrative Rules on August 27, 2012, for publication and public comment. After receiving several public comments, the Commission asked the agency administration to meet with the interested parties and consider changes based upon their input.
Because a new proposal is ready for Commission consideration withdrawal of this proposal is necessary.

MOTION: Commissioner Cragun moved to formally withdraw the proposed amendment to Rule R861-1A-46. The motion passed unanimously.

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

Commissioner Cragun introduced the following proposed rule amendments for the Commission to consider submitting for publication to the Division of Administrative Rules:


Commissioner Cragun explained the amendment to rule R861-1A-26 is in response to the deletion of language that has never been enforced. This issue arose in the November 2, 2012 Commission Meeting by the Property Tax Division. The language is broader than intended. With the updates to our email system for sending encrypted messages, the language in question is no longer necessary.

Commissioner Cragun explained the amendment to rule R861-1A-37 is in response to the Commission Meeting on November 2, 2012 where the Property Tax Division questioned how a County Assessor could use confidential information gathered in one hearing and apply it to another. The amendment is to confirm that confidential information may be used as long as the chain of confidentiality is maintained.

Commissioner Cragun explained the amendment to rule R861-1A that creates a new section 46 is in regard to Sales Tax Refunds. As mentioned before, this rule received public comment that the Division addressed with the involved parties. Dee Talbot confirmed that this amendment resolves the concerns presented in the public comments and is acceptable within the Division.

Commissioner Cragun explained the amendment to rule R865-9I-13 deletes language addressed in Statute Senate Bill 143 adopted in the 2012 legislative session.
Commissioner Cragun explained the amendment to rule R884-24P-67 deletes language due to the adoption of House Bill 75 in the 2012 legislative session regarding the valuation of low-income housing due to tax credits.

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

**VI. Consideration of Amending Administrative Rules**


Commissioner Dixon, as Chair of the State Farmland Committee, summarized information provided in a previous Commission Meeting regarding Rule R884-24P-53. She stated the Farmland Committee met to consider a report prepared by Utah State University which recommends values for valuing farmland in the upcoming year. The Farmland Committee recommended those values to the Commission, which were incorporated into the proposed rule, and noticed for public comment. Commissioner Dixon added there were no public comments.

Commissioner Cragun explained the amendment to Rule R884-24P-66 that places the words “in writing” to line 37 in order to be consistent with lines 62 and 73. No public comment was received.

Commissioner Cragun explained the amendment to Rule R884-24P relates to a statute adopted by Senate Bill 122 in the 2012 legislative session. With input from Salt Lake County, this amendment gives guidelines for Urban Farming assessment. No public comment was received.

Lynn Solarczyk addressed the Commission to clarify the effective date regarding Rule R884-24P-73.

**MOTION:** Commissioner Cragun moved to adopt the three rule amendments as presented with a January 1, 2013 effective date for rule R884-24P-73. The motion passed unanimously.

**VII. Acceptance of Internal Audit Reports**

Commissioner Dixon, supervisor of the Internal Audit Unit in the Office of the Commission, recognized Mr. Aman Kudiya, Director of Internal Audit.

Mr. Kudiya submitted for acceptance two Internal Audit Reports:

- b. Internal Audit Report no. 2012-03.
Commissioner Dixon added that while the Commission accepts Tax Commission internal audits in a public meeting, the internal audits themselves are confidential documents.

**MOTION:** Commissioner Dixon moved to accept the report on analysis of Processing of Payments and Returns during Income Tax Season 2012 as well as the Internal Audit Report no. 2012.03 - 2011 County Compliance Audit Report. The motion passed unanimously.

**VIII. Acceptance of Proposed 2013 Internal Audit Plan**

Commissioner Dixon stated the proposed 2013 Internal Audit Plan includes an outline of the number of hours available to perform internal audits as well as the purpose of each proposed internal audit. Internal audits were proposed by the Audit Director, division directors and Commissioners. Commissioner Dixon stated the audit plan is a flexible document and will be adjusted as needed throughout the calendar year of 2013, especially with the anticipated addition of another member of the Internal Audit Unit, which will enable the unit to conduct more internal audits.

**MOTION:** Commissioner Dixon moved to accept the Proposed 2013 Audit Plan. The motion passed unanimously.

**IX. Executive Director’s Report**

Mr. Scott Smith, Deputy Executive Director, reported that the Assessors’ School that occurred in the week prior was successful and gives his gratitude to the Property Tax Division for the training given to the Counties. Also, Mr. Smith reports the Motor Vehicle system is currently on schedule for the announced rollout occurring in October of 2013.

Mr. Smith concludes the Income Tax system has also been successful in the launch and the electronic filing will be opened on January 3, 2013 for corporate filing, and on January 22, 2013 for individual income tax filing. These dates coincide with the IRS opening their electronic filing system.

**X. Commissioner’s Report**

Commissioner M. Johnson commented on the success of the Assessors’ School particularly the meeting with the Commissioners and the Assessors. Commissioner M. Johnson felt the meeting was productive and a substantial exchange of information was obtained.

Commissioner Cragun gave comment on the Multistate Tax Commission Nexus School that occurred on December 11, and December 12, 2012. Commissioner Cragun expressed his gratitude to the Auditing Division for hosting the training session. He noted that over twenty people from the agency including three Commissioners attended some or all of the two-day training.
Commissioner Dixon commented this would be the last Commission meeting for her fellow Commissioner M. Johnson due to his retirement at the end of the 2012. She noted her high regards for Commissioner M. Johnson, and the extensive knowledge and expertise he brought to the Tax Commission particularly in the area of property valuation. She said she observed and appreciated how he always listened and sought to understand and consider each Taxpayer’s issues and concerns.

XI. Adjourn

Commissioner M. Johnson adjourned the meeting at 9:36 am

Approved on: Thursday, January 10, 2013
Attested: Katie Lamb
Utah State Tax Commission