

**UTAH STATE TAX COMMISSION
MEETING MINUTES**

9:00 a.m., Thursday, October 24, 2013

Commission Room 1000, 210 North 1950 West, Salt Lake City, Utah

Participating:

R. Bruce Johnson - 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

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 Johnson called the meeting to order at 9:00 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 Johnson noted that no one from the public was in attendance.

III. Consider Approving Special Commission Meeting Minutes of Tuesday, September 17, 2013 and Commission Meeting Minutes of Thursday, October 10, 2013.

MOTION: Commissioner Dixon moved to approve the pending Special Commission Meeting minutes of Tuesday, September 17, 2013, and Commission Meeting minutes of Thursday, October 10, 2013. The motion passed unanimously.

IV. Consider Amending Administrative Rules

Commissioner Pero introduced the following proposed rule amendments for the Commission to consider and make effective. The public comment period ended on October 15, 2013, and no public comments were received.

Rule R861-1A-29 provides that if a party withdraws from an appeal after requesting a formal hearing, the Tax Commission's initial hearing order becomes final as of the date that is 30 days after the date of the issuance of the initial hearing order.

Commissioner Dixon asked Commissioner Pero to explain the background of rule R861-1A-29.

Commissioner Cragun explained the proposed amendment provides guidance for handling withdrawal requests from a party who has requested a formal hearing after the Tax Commission has issued an initial hearing order.

MOTION: Commissioner Pero moved to adopt R861-1A-29 proposed rule amendment as presented to the Division of Administrative Rules. The motion passed unanimously

Rule R884-24P-33 is an annual valuation guideline for personal property tax. Counties and property owners will use the valuation guidelines for 2014 personal property tax assessments. Section 59-2-107 authorizes the State Tax Commission to promulgate rules that define classes of items considered to be personal property and provide valuation percent good schedules to value locally assessed personal property. County assessors must use the percent good schedules as contained in this rule. Any deviation which affects an entire class or type of personal property requires a written report documenting the schedule change to be submitted to the Tax Commission for approval prior to use. The rule is also amended to include changes made by 2013 SB238 that allows property to be classified as non-capitalized personal property if the property is eligible to be claimed as a deductible expense, regardless of whether the deduction is actually claimed.

Commission Chair Johnson noted that Mr. Herbert Jenkins, Property Tax Division, Personal Property Appraisal Manager, explained process for developing the proposed amendments in a previous Commission Meeting. He recognized the amount of time the Property Tax Division spends on making sure the values are correct for the Counties and thanked Division employees for their work.

MOTION: Commissioner Pero moved to adopt R884-24P-33 proposed rule amendment as presented to the Division of Administrative Rules. The motion passed unanimously

V. Executive Director's Report

Mr. Conover reported that roll out of the VADARS project for Motor Vehicle title and registration was successful. The project was on budget and on time. The conversion process began on Friday, October 11, 2013, and by Tuesday, October 15, 2013 the new system was live.

Mr. Conover expressed his appreciation for all the support from staff, other agencies, counties and Fast Enterprise for making this project successful.

Commissioner Chair Johnson expressed his appreciation to Mr. Conover and Mr. Scott Smith for the efficient results.

Commissioner Dixon echoed Commission Chair Johnson's appreciation to Mr. Conover for the successful rollout and asked Mr. Conover about future technology upgrade needs.

Mr. Conover explained that under the support contract, Fast Enterprise will have three full time employees onsite for all software upgrades. The next phase which will update the rest of the tax systems to GenTax release 9 starts on January 6, 2014, and is scheduled to be completed on August 11, 2014. The VADARS project was developed in GenTax release 9.

Commissioner Dixon clarified her question and asked if there will be a need for hardware funding such as, scanners and computers.

Mr. Conover explained that the Tax Commission already puts aside budget for ongoing equipment replacements.

Commissioner Dixon asked Mr. Conover to define the terms of the projects names.

Mr. Conover explained that Arches was the agency's name for the project to convert the various taxes to the new software; GenTax is the software system produced by Fast Enterprise which is a private company; VADRS is the agency's name for the project to convert the Motor Vehicle title and registration system to GenTax software.

Commissioner Dixon asked Mr. Conover if interfacing with the Department of Public Safety was required to provide law enforcement agencies real-time access to license plate and registration information.

Mr. Conover explained that because the Department of Public Safety (DPS) is the information hub for all law enforcement agencies in the state it was an important partner in developing VADRS. He also noted that the Motor Vehicle Division sends their information to the American Association of Motor Vehicle Administrators (AAMVA) National Motor Vehicle Title Information System (NMVTIS).

Commissioner Dixon asked Mr. Conover to extend the Tax Commissioners' appreciation for the Motor Vehicle Division's front counter employees for their work during the transition.

Commission Chair Johnson expressed his gratitude for the Motor Vehicle employees.

Adjourn

Commissioner Cragun moved to adjourn the meeting at 9:35 a.m.

Approved on: Monday, December 9, 2013

Attested: Christa Johnson

Executive Assistant

Utah State Tax Commission