

**UTAH STATE TAX COMMISSION  
MEETING MINUTES**

9:00 a.m., Thursday, August 28, 2014

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 by phone for part of the meeting

Scott Smith – Deputy 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 9:02 a.m. and noted that Commissioner Pero is excused for the first portion of the meeting and will be calling in for the anticipated executive session.

**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 asked if anyone wished to address the Tax Commissioners. There were no comments.

**III. Consider Approving Commission Meeting minutes of Thursday, June 12, 2014.**

**MOTION:** Commissioner Cragun moved to approve the Commission meeting minutes of Thursday, June 12, 2014. The motion passed unanimously.

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

- a. R884-24P-33. Personal Property Valuation Guides and Schedules

Rule R884-24P-33 is an annual valuation guideline for personal property tax. Counties and property owners will use the valuation guidelines for 2015 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 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.

Commissioner Cragun explained that the rules will be posted in the September 15, 2014, Bulletin. The 30-day public comment period will end October 15, 2014. The earliest date for the amendments to become effective is October 23, 2014.

**MOTION:** Commissioner Cragun moved to submit the rule amendment R884-24P-33. 2015 Personal Property Valuation Guides and Schedules as presented to the Division of Administrative Rules. The motion passed unanimously.

**V. Consider Amending Administrative Rules**

- a. R865-19S-54. Governmental Exemption
- b. R865-19S-83. Pollution Control Facilities
- c. R884-24P-73. Urban Farming Assessment

Commissioner Cragun introduced the following proposed rule amendments for the Commission to consider adoption.

The provisions of rule R865-19S-54, R865-19S-83 and R884-24P-73 are now unnecessary. Statutory provisions are clearly stated so the rules are no longer necessary, and he recommended they should be repealed.

Commissioner Cragun explained that the rules were posted in the July 1, 2014, Bulletin. The 30-day public comment period ended July 31, 2014 and no public comment was received.

**MOTION:** Commissioner Cragun made a motion to adopt the rule amendments as proposed. The motion passed unanimously.

**VI. Personal Property Tax Audit Presentation**

Mr. Herbert Jenkins, Personal Property Tax Audit Manager and Ms. Gina Holder, Senior Personal Property Tax Auditor, gave an overview on personal property tax audits, statute requirements and the duties of the Utah State Tax Commission. Mr. Jenkins also explained the role of the Property Tax Division in performing personal property tax audits and answered Commissioners' questions.

**VII. Commissioners Report**

Commissioner Dixon announced that Ron Andrus has accepted the position in Internal Auditing Unit in the Office of the Commission. Mr. Andrus is working with Mr. Aman Kudiya on doing internal Tax Commission audits. The Commission is grateful that he accepted the invitation.

**VIII. Executive Director's Report**

Mr. Barry Conover was excused, Mr. Scott Smith, the Deputy Executive Director made his report.

Mr. Smith reported under leadership of Commissioner Robert Pero, the Tax Commission has organized and launched a Wellness Council. The Council consists of nine Tax Commission employees with at least one representative from each division and is fully engaged to help employees set and meet wellness and fitness goals. Using the moniker "Fit4Life," the Council will focus on these areas:

- Physical Fitness
- Mental Wellness
- Healthy Nutrition
- Tobacco Cessation

Mr. Smith reported that the Tax Commission building will receive new carpet starting on September 2, 2014. Employees have been asked to secure and lock up all confidential information. Any loose items should be secured and boxed.

Mr. Smith reminded the Commissioners that the Annual Employee Recognition Breakfast is Thursday, September 4, 2014 at 8:00 a.m.

#### **IX. Adjourn to Closed Session**

Commissioner Johnson noted that Commissioner Pero is appearing by phone for the discussion.

MOTION: Commissioner Cragun moved that the Commissioners meet in closed session to discuss pending or reasonably imminent litigation. The motion passed with Commission Chair Johnson, Commissioner Dixon, Commissioner Cragun and Commissioner Pero voting aye.

#### **X. Return to Open Session**

Commission Chair B. Johnson called the meeting back to order at 10:35 a.m.

#### **XI. Consider approving stipulation and settlement agreement for Neways vs. Auditing Division of the Utah State Tax Commission, Third District Court, Case No. 120906212**

MOTION: Commissioner Cragun moved that the Tax Commission abate the adjusted audit net of interest we owe the Taxpayer from 1997 – 2003 audit period, on the condition the Taxpayer withdrawal the Third District Court Case No. 120906212 Neways vs. Auditing Division of the Utah State of Tax Commission and that no further audits or refund request are permitted for the 1997 – 2003 audit period. The motion passed unanimously.

#### **XII. Adjourn**

Commission Chair Johnson adjourned the meeting at 10:39 a.m.

**Approved on:** Thursday, September 25, 2014

**Attested:** Christa Johnson  
Executive Assistant  
Utah State Tax Commission