

**UTAH STATE TAX COMMISSION
MEETING MINUTES**

9:00 a.m., Thursday, September 25, 2014

Commission Room 1025, 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
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 9:00 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 asked if anyone wished to address the Tax Commissioners. There were no comments. He welcomed Senator John L. Valentine, who is designated to be Tax Commission Chair.

III. Consider Approving Commission Meeting minutes of Thursday, August 28, 2014.

MOTION: Commissioner Cragun moved to approve the Commission meeting minutes of Thursday, August 28, 2014. The motion passed unanimously.

IV. Budget Request

Mr. Scott Smith, the Deputy Executive Director and Ms. Julie Alsop, Budget Director, presented the summary budget requests for fiscal year 2016, which included the following:

Fee Change Proposals	<u>FY15 approved</u>	<u>FY16 proposed</u>
a. Motor Vehicle Transaction Fee – Per Standard Unit	\$1.47	\$1.49

State/County reimbursement rate adjustment based on Utah Code 59-2-406(3)C, and the change in the prior calendar year's Consumer Price Index.

b. Plate Mailing Charge **\$2.20** **\$4.00**
Pass-through charge for mailing custom plate orders (special group and personalized plates). This increase is to align the fee with current postage and envelope costs.

c. Extra Plate Cost **\$2.92** **\$3.50**
Pass through charge to Special Group Plate organizations for the extra cost of manufacturing these plates. Utah Correctional Industries plate pricing increased July 2014.

MOTION: Commission Dixon moved to authorize the Executive Director to Submit Form 1000 Motor Vehicle Fee Change Proposals to the Governor's Office for consideration. The motion passed unanimously.

MOTION: Commissioner Dixon moved to authorize the Executive Director to submit the budget request to the Governor's Office for consideration. The requests include the following: Form 2000 Request to Reallocate Existing Budgets, Form 3000 Request to Spend Non-Lapsing Fund, Form 4000 Incremental Budget Change Requests, Form 5000 Intent Statement Proposals and Form 6000 Base Budget. The motion passed unanimously.

Commission Chair Johnson noted that all four Commissioners were in attendance as well as deputy executive director Scott Smith.

V. Executive Director's Report

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

Mr. Smith reported on the new fraud detection system that is being implemented in January 2015. The system is to further protect against fraud and identity theft. On refund returns, some taxpayers will receive a letter asking that they fill out online or call in for a four question quiz.

Mr. Smith reported that the Tax Commission building is receiving new carpet and is five days ahead of schedule.

Mr. Smith reported under leadership of Commissioner Robert Pero, the Tax Commission finished in second place among all state agencies in the Governor's Wellness Council Work Well Challenge.

VI. Commissioners Report

Commissioner Robert Pero thanked the Wellness Council and its member for all their work during the past two months.

Commissioner Dixon acknowledged that today is Commission Chair R. Bruce Johnson's last public meeting as the Chair of the Utah State Tax Commission. Commissioner Johnson was appointed to serve as commissioner of the Utah State Tax Commission in October 1998 and was named Chair of the Commission in December 2009. He has served as president of the Federation of Tax Administrators and is past chair of the Multi-State Tax Commission where he served on its executive committee. He has also served on the executive committee of the Western States Association of Tax Administrators for several years. Commissioner Johnson was the founding national co-chair of the Streamlined Sales Tax Implementing States and has served on the executive committee of the governing board. He was a member of the former Gov. Olene Walker's Tax Advisory Group and was the principle drafter of Governor Walker's Recommendations on the "Tax Structure for Utah's Future." He also served on the Utah Tax Review Commission, is a former board member of the National Tax Association and past chair of the American Bar Association Tax Section Committee on State and Local Taxes. He received the Outstanding Trial Attorney Award from the U.S. Department of Justice prior to his appointment to the Tax Commission. Prior to his appointment, he was a partner in the law firm of Holme Roberts and Owen LLP, where he litigated state and local tax disputes and advised clients on state and local tax issues, tax exemption issues and issues relating to tax exempt municipal financing. He was a trail attorney for the Tax Division of the U.S. Department of Justice before joining Holme Roberts.

Commissioner Dixon stated that for Chair Johnson's last meeting she wanted to report on efficiencies she believes the Commission has obtained. She said she appreciated support by the Chair and her fellow commissioners of her suggestion to encourage mediation to resolve locally assessed property tax appeals. To that end the Commission has worked the last 18 months to encourage use of mediation to settle locally assessed property tax appeals. Commissioner Dixon reported this last year she coordinated the appeals from rural counties, and said by conducting telephone status conferences on each appeal to provide information to parties regarding mediation, the time from receipt of the appeal to the first hearing event was reduced by 30 percent. In providing information on mediation through the telephone status conference calls, the majority of parties agreed to mediation. By using mediation, the amount of time from receipt of the appeal to settlement of the appeal was reduced by 30 percent. This year, 92 percent of the appeals from the rural counties will be resolved before the upcoming local county board of equalization process is completed. She thanked all the Commissioners for their support of mediation, and their willingness to conduct mediations, and finally thanked Commissioner Johnson for his 16 years of service at the Utah State Tax Commission.

Commission Chair Johnson stated that it has been a great pleasure to work with past and present Commissioners and Executive Directors during his time of service. He also recognized Commissioner Dixon's work in designing and implementing the rural county mediation project.

Both Commissioner Johnson and Commissioner Dixon recognized the work of Christa Johnson in orchestrating and supervising the updating and upgrading of the main Commission hearing room, as well as her invaluable work implementing the rural mediation project.

VII. Adjourn

Commission Chair Johnson adjourned the meeting at 9:55 a.m.

Approved on: Thursday, October 9, 2014

Attested: Christa Johnson
Executive Assistant
Utah State Tax Commission