

**UTAH STATE TAX COMMISSION
MEETING MINUTES**

9:00 a.m., Thursday, July 14, 2016

Commission Hearing Room 1025, 210 North 1950 West, Salt Lake City, Utah

Participating:

John L. Valentine – Commission Chair
Michael J. Cragun – Commissioner (By Phone)
Robert P. Pero – Commissioner
Rebecca L. Rockwell – Commissioner
Barry Conover – Executive Director

Commission Office:

Christa Johnson, Commission Executive Assistant

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 Valentine called the meeting to order at 9:00 a.m. and noted that Commissioner Cragun was participating by phone.

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 Valentine noted that Mr. John Ulibarri, Weber County Assessor and Mr. Kevin Jacobs, Salt Lake County Assessor have a public comment.

Mr. Ulibarri asked that the Commission consider promulgating a rule that would include cable companies that cross county lines in the property assessment by the Commission under Utah Code Section 59-2-201.

Mr. Ulibarri stated that the counties do not have the capabilities to assess these particular properties and that those properties are essentially the same as telecommunications properties, which are assessed by the Commission under Utah Code Section 59-2-201.

Mr. Jacobs echoed support of Mr. Ulibarri's request and noted that the county assessors do not have the ability or expertise to assess cable companies.

Commission Chair Valentine asked if there had been any discussion with the cable companies.

Mr. Ulibarri responded no.

Commissioner Rockwell asked if there had been any discussion with the Property Tax Division.

Mr. Ulibarri responded yes.

Mr. Denny Lytle, Director of the Property Tax Division, explained that he believed that the industry has changed to the point that central assessment may be appropriate.

Ms. Solarczyk stated that she drafted a rule on this issue many years ago, but will need to research the issue to get the history.

Mr. Tim Bodily explained that there was a decision issued by the Commission on October 9, 2008 to Qwest Communications. The commission order says that the Commissioners' foresee a time when cable companies would need to be centrally assessed.

III. Approving Commission Meeting Minutes of Thursday, May 12, 2016

MOTION: Commissioner Rockwell moved to approve the Commission Meeting minutes of Thursday, May 12, 2016. The motion passed unanimously.

IV. Consider Amending Administrative Rule

1. R865-6F-28. Enterprise Zone Corporate Franchise Tax Credits Pursuant to Utah Code Ann. Sections 63N-2-201 through 63N-2-215.
2. R865-9I-37. Enterprise Zone Individual Income Tax Credits Pursuant to Utah Code Ann. Sections 63N-2-201 through 63N-2-215.
3. R873-22M-34. Rule for Denial of Personalized Plate Requests Pursuant to Utah Code Ann. Sections 41-1a-104 and 41-1a-411.
4. R877-23V-20. Reasonable Cause to Deny, Suspend, or Revoke a License Issued Under Title 41, Chapter 3 Pursuant to Utah Code Ann. Section 41-3-209.
5. R884-24P-10. Taxation of Underground Rights in Land That Contains Deposits of Oil or Gas Pursuant to Utah Code Ann. Sections 59-2-201 and 59-2-210.

Commissioner Rockwell noted that the rules were approved for submission to the Department of Administrative Rules on May 12, 2016 and were published in the June 1, 2016 bulletin. The 30-day public comment period ended on July 1, 2016 and there were no public comments.

R865-6F-28. Enterprise Zone Corporate Franchise Tax Credits Pursuant to Utah Code Ann. Sections 63N-2-201 through 63N-2-215. The 2016 General Session HB 31 removes the determination of whether an applicant qualifies for the enterprise zone credit, and the amount of credit for which a successful applicant applies, from the Tax Commission to GOED. Accordingly, this rule is no longer necessary.

MOTION: Commissioner Rockwell moved to adopt the repeal of Rule R865-6F-28. Enterprise Zone Corporate Franchise Tax Credits. The motion passed unanimously.

R865-9I-37. Enterprise Zone Individual Income Tax Credits Pursuant to Utah Code Ann. Sections 63N-2-201 through 63N-2-215. The 2016 General Session HB 31 removes the

determination of whether an applicant qualifies for the enterprise zone credit, and the amount of credit for which a successful applicant applies, from the Tax Commission to GOED. Accordingly, this rule is no longer necessary.

MOTION: Commissioner Rockwell moved to adopt the repeal of Rule R865-9I-37. Enterprise Zone Individual Income Tax Credits. The motion passed unanimously.

R873-22M-34. Rule for Denial of Personalized Plate Requests Pursuant to Utah Code Ann. Sections 41-1a-104 and 41-1a-411. The proposed amendment recognizes the exception to the rule's prohibition on "69" format license plates that was enacted by 2016 General Session HB 156.

MOTION: Commissioner Rockwell moved to adopt the amendments to Rule R873-22M-34. Rule for Denial of Personalized Plate Requests. The motion passed unanimously.

R877-23V-20. Reasonable Cause to Deny, Suspend, or Revoke a License Issued Under Title 41, Chapter 3 Pursuant to Utah Code Ann. Section 41-3-209. The proposed amendment expands the rule to apply to licensees as well as license applicants, and clarifies that the Motor Vehicle Enforcement Division bears the burden of rebutting the presumption that this rule sets forth.

MOTION: Commissioner Rockwell moved to adopt the amendments to Rule R877-23V-20. Reasonable Cause to Deny, Suspend, or Revoke a License Issued Under Title 41, Chapter 3. The motion passed unanimously.

R884-24P-10. Taxation of Underground Rights in Land That Contains Deposits of Oil or Gas Pursuant to Utah Code Ann. Sections 59-2-201 and 59-2-210. The proposed amendment codifies long-standing practice by replacing the phrase "will shall not" with "may not." This corrects an error in the rule that had been sent to the Division of Administrative Rules (DAR) when the phrase "will not be allowed," which was intended to read "shall not be included," was inadvertently sent to DAR as "will shall not be included." Finally, the proposed amendment makes technical changes.

MOTION: Commissioner Rockwell moved to adopt the amendments to Rule R884-24P-10. Taxation of Underground Rights in Land That Contains Deposits of Oil or Gas. The motion passed unanimously.

V. Executive Director's Report

Mr. Conover reported that the Department of Facilities Construction and Management (DFCM) camera and HVAC system servers are not secure. The Tax Commission will take over securing the camera server and DFCM will work with the Utah Department of Administrative Services to secure the HVAC system.

Mr. Conover reported that the Attorney General's Office has switched from Google Mail to Microsoft Office 360 and explained that he is working with them to insure that there are no issues with our interface.

Mr. Conover reported that the Motor Vehicle Enforcement Division (MVED) made a traffic stop near Redwood Road and Indiana Avenue yesterday. The vehicle was stolen and a device that appeared to be an explosive was found in the vehicle. Salt Lake City Hazardous Devices Unit was called to the scene as a precaution, and a bomb robot was used to investigate the object. The object was not a bomb.

Mr. Conover thanked MVED for handling the situation professionally.

VI. Adjourn

Commission Chair Valentine adjourned the meeting at 9:27 a.m.

Approved on: August 11, 2016

Attested: Christa Johnson

Executive Assistant

Utah State Tax Commission