

**UTAH STATE TAX COMMISSION
MEETING MINUTES**

1:30 p.m., Thursday, December 8, 2016

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

Participating:

John L. Valentine – Commission Chair
Michael J. Cragun – Commissioner
Robert P. Pero – Commissioner
Rebecca L. Rockwell – 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 Valentine called the meeting to order at 1:30 p.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 Valentine asked if anyone wished to address the Tax Commissioners. There were no comments.

III. Approving Open and Closed Special Commission Meeting Minutes of Monday, November 7, 2016

MOTION: Commissioner Cragun moved to approve the Open and Closed Special Commission Meeting minutes of Monday, November 7, 2016. The motion passed unanimously.

IV. Consider Amending Administrative Rules [action item]

1. R861-1A-2. Rulemaking Power
2. R865-19S-41. Sales to The United States Government and Its Instrumentalities
3. R884-24P-53. 2017 Valuation Guides for Valuation of Land Subject to the Farmland Assessment Act

Commissioner Rockwell introduced the following proposed rule amendments for the Commission to consider adopting.

The rules were published in the Utah Bulletin on November 1, 2016 and the public comment period ended on December 1, 2016. We have received no public comments.

Rule R861-1A-2. Rulemaking Power. The rule is outdated and is repealed. Title 63G, Chapter 3 provides all of the necessary guidance for agency rulemaking and is, in fact, what the Tax Commission follows in its rulemaking. This rule is, therefore, unnecessary.

MOTION: Commissioner Rockwell moved to adopt the amendment to Rule R861-1A-2. Rulemaking Power. The motion passed unanimously.

Rule R865-19S-41. Sales to The United States Government and Its Instrumentalities. The proposed amendment deletes language that requires the federal government to pay sales tax on merchandise or services it pays for with funds held in trust for nonexempt individuals or organizations. There is no statutory authority for this language.

MOTION: Commissioner Rockwell moved to adopt the amendment to Rule R865-19S-41. Sales to The United States Government and Its Instrumentalities. The motion passed unanimously.

Rule R884-24P-53. 2017 Valuation Guides for Valuation of Land Subject to the Farmland Assessment Act. The amendment annually updates the agricultural productive values to be applied by county assessors to land qualifying for valuation and assessment under the Farmland Assessment Act (FAA). The values are recommended to the Commission by the State Farmland Evaluation Advisory Committee, which meets under the authority of Section 59-2-514.

Section 59-2-515 authorizes the State Tax Commission to promulgate rules regarding the Property Tax Act, Part 5, Farmland Assessment Act. Section 59-2-514 authorizes the State Tax Commission to receive valuation recommendations from the State Farmland Advisory Committee for implementation as outlined in R884-24P-53. The rule sets the acreage value rates for 418 separate class-county combinations.

Commissioner Pero, chair of the State Farmland Evaluation Advisory Committee, said that the committee met on Wednesday, September 28, 2016, to consider the Farmland Evaluation Report prepared by Utah State University (USU). The report analyzes the several classifications of land in agricultural use in the various areas of the State and recommends values based upon productive capabilities of the land when devoted to agricultural use. The values in the report are summarized according to six land uses: irrigated cropland, orchard cropland, meadow cropland, dry cropland, grazing land and non-production land. The State Farmland Evaluation Advisory Committee voted unanimously to recommend the values in the USU Report for 2016 to the Tax Commission. These values are in the updated rule R884-24P-53 now before the Commission.

MOTION: Commissioner Rockwell moved to adopt the amendment to Rule R884-24P-53. 2017 Valuation Guides for Valuation of Land Subject to the Farmland Assessment Act, which contains the values recommended by the State Farmland Evaluation Advisory Committee. The motion passed unanimously.

V. Discuss Utah Code 59-1-206

MOTION: Commissioner Cragun moved for the Commissioners meet in closed session in the Commissioners' Deliberation Room to discuss the character, professional competence, or physical or mental health of one or more individuals and adjourn from there as no action is required after the discussion. The motion passed with Commission Chair Valentine, Commissioner Cragun, Commissioner Pero and Commissioner Rockwell voting aye.

Commission Chair Valentine noted that in accordance with Utah Code Section 52-4-206(6), no recording or minutes will need to be taken in the closed session. He will sign an affidavit that the Commissioners' only discussed character, professional competence, or physical or mental health of one or more individuals.

VI. Adjourn

Commission Chair Valentine adjourned the meeting at 1:39 p.m.

Approved on: Thursday, January 12, 2017

Attested: Christa Johnson

Executive Assistant

Utah State Tax Commission