

**UTAH STATE TAX COMMISSION  
MEETING MINUTES**

9:00 a.m., Thursday, January 12, 2017

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

**Participating:**

John L. Valentine – Commission Chair by *phone*

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**

Commissioner Cragun called the meeting to order at 9:00 a.m. and noted that Commission Chair Valentine 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)**

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

**III. Consider Approving Assessors School minutes and Commission Meeting minutes of Thursday, December 8, 2016**

**MOTION:** Commissioner Rockwell moved to approve the Assessors School minutes and Commission Meeting minutes of Thursday, December 8, 2016. The motion passed unanimously.

**IV. Consider approving 2017 Notice of Scheduled Meetings**

**MOTION:** Commissioner Rockwell moved to approve the 2017 Notice of Scheduled Meetings. The motion passed unanimously.

**V. Consider Tax Commission positions on pending legislation**

1. H.B. 46, Pass-Through Entity Tax Amendments

This bill is in response to concerns the Tax Commission raised. It makes technical changes to harmonize provisions addressing the income of certain nonresident pass-

through entities provisions of Chapter 10, Part 14. This issue arose during the issuance of a Commission decision.

Commissioner Cragun asked if the bills were going to have level of support. For example, in the past the Commission used to use the following position to take action: A=Tax Commission Bill, B=Tax Commission Supports, C=Tax Commission Takes No Position, D=Tax Commission Opposes and E=Tax Commission Appropriation Bill.

Commissioner Rockwell explained that they are in the process of revising that system.

**MOTION:** Commissioner Rockwell moved that the commission support H.B. 46, Pass-Through Entity Tax Amendments. The motion passed unanimously.

2. H.B. 47, Property Tax Assessment Appeal Amendments

The Tax Commission requested this bill to address issues that arose during an issuance of a Tax Commission decision. Under farmland assessment provisions, current law provides a 45-day appeal period for a property owner to object to a county's determination to withdraw land from agricultural use or impose a rollback tax. This 45-day period does not apply to other appeals related to the Farmland Assessment Act or the Urban Farming Assessment Act, including an appeal of whether a property qualifies for greenbelt valuation in the first place. The time frame for these other appeals is not addressed in farmland assessment provisions, so it appears that UAPA's 30-day appeal period applies. This caused confusion for counties. This bill addresses this issue by enacting a uniform 45 days for filing all appeals under the Farmland Assessment Act or Urban Farming Assessment Act.

**MOTION:** Commissioner Rockwell moved that the Commission support H.B. 47, Property Tax Assessment Appeal Amendments. The motion passed unanimously.

3. S.B. 17, Tax Commission Amendments

The Tax Commission requested this bill. It authorizes the Tax Commission to hold a meeting that is not open to the public for the purpose of providing employee guidance on the interpretation of tax law following an action by the commission in a public meeting or the issuance of a commission or court decision. The Tax Commission is seeking an amendment to this bill to allow the Commissioners to provide employee guidance on legislation.

Mr. Conover noted that he is in support of this bill. This bill is critical to help the communication with the Office of the Commission and the Administrative side.

Commissioner Cragun noted that seven years ago when he came to the Tax Commission, the current Commission was not fully complying with the Open and Public Meetings Act. He spearheaded the Commission in complying with the Open and Public Meetings Act which made it difficult to have communication among the Commission and divisions.

Chairman Valentine and Commissioner Rockwell noted that they are both in support of this bill.

**MOTION:** Commissioner Rockwell moved that the commission support S.B. 17, Tax Commission Amendments. The motion passed unanimously.

4. S.B. 24, Natural Gas Heavy Duty Tax Credit Amendments

This bill is in response to our request for clarification of previous legislation. It clarifies that the corporate natural gas heavy duty tax credit is non-refundable and removes references to qualified conversions.

**MOTION:** Commissioner Rockwell moved that the commission support S.B. 24, Natural Gas Heavy Duty Tax Credit Amendments. The motion passed unanimously.

5. S.B. 42, DUI Impound Fee Refund Amendments

This bill is in response to our concerns. It extends the time frame for a vehicle owner or lien holder to claim a refund of administrative impound fees from the Tax Commission. From 30 to 180 days after the Driver License Division mailed the final notification that the arrested person's driver license should not be suspended or revoked, and from 30 to 180 days from the time of impoundment if the vehicle was stolen at the time of impoundment.

Commissioner Cragun asked if the Department of Public Safety is involved with this bill.

Ms. Lynn Solarczyk, Legislative Director, stated that the Department of Public Safety is aware of the bill and they have no concerns.

**MOTION:** Commissioner Rockwell moved that the commission support S.B. 42, DUI Impound Fee Refund Amendments. The motion passed unanimously.

## **VI. Executive Director's Report**

Mr. Conover reported that a Regional Motor Vehicle Office will move into the new Carbon County Offices.

Mr. Conover reported that the Tax Commission had 25 employees retire in the last year and thanked them for their service.

## **VII. Adjourn to Closed Session**

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

## **XI. Return to Open Session**

Commissioner Cragun called the meeting back to order at 10:04 a.m.

**XII. Consider approving stipulation and settlement agreement for Dalbo v. Utah State Tax Commission, Utah Supreme Court, Case No. 20160898-SC**

Commissioner Cragun stated that the Commissioners met with counsel in a closed session and asked counsel to continue discussion with the Taxpayer. No action will be taken on accepting or rejecting the stipulation and settlement agreement for Dalbo v. Utah State Tax Commission, Utah Supreme Court, Case No. 20160898-SC.

Commissioner Cragun stated that they have another litigation issue they would like to discuss with counsel in a closed meeting.

**VIII. Adjourn to Closed Session**

**MOTION:** Commissioner Cragun moved that the Commission meet in closed session to discuss pending or reasonably imminent litigation and adjourn from the closed session. The motion passed with Commission Chair Valentine, Commissioner Cragun, Commissioner Pero and Commissioner Rockwell all voting aye.

**Approved on:** Thursday, February 23, 2017

**Attested:** Christa Johnson

Executive Assistant

Utah State Tax Commission