

**UTAH STATE TAX COMMISSION
MEETING MINUTES**

9:00 a.m., Thursday, September 28, 2017

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
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 Valentine called the meeting to order at 9:00 a.m. and noted that Mr. Barry Conover is excused.

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. Consider Approving Commission Meeting minutes of September 14, 2017

MOTION: Commissioner Pero moved to approve the Commission Meeting Minutes of September 14, 2017. The motion passed unanimously.

IV. Publication Revision

1. 58 Utah Interest and Penalties

The revision indicates the 2018 calendar year interest rate and updates penalties for failure to file the mineral production withholding return in an approved electronic format as required under 2017 Senate Bill 249 and makes other technical changes.

Commission Chair Valentine asked if anyone wished to address the Tax Commissioners. There were no comments.

V. Approve submission of proposed rule amendments to Division of Administrative Rules for publication in Utah Register [action item]

1. Rule R884-24P-53

Commissioner Rockwell explained that the following proposed rule amendment is for the Commission to consider and submit for publication to the Division of Administrative Rules. The rule will be published in the Utah Bulletin on October 15, 2017 and the public comment period will end on November 14, 2017.

Rule R884-24P-53. The amendment to this rule 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 20, 2017, 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. To derive the values for each land use USU looked at changing crop prices, changing costs, crop yields (or productivity) and crop mixes. The State Farmland Evaluation Advisory Committee voted unanimously to recommend the values in the USU Report for 2017 to the Tax Commission. These values are in the updated R884-24P-53 now before the Commission.

MOTION: Commissioner Rockwell moved to submit the proposed rule amendment R884-24P-53. 2018 Valuation Guides for Valuation of Land Subject to the Farmland Assessment Act, which contains the values recommended by the State Farmland Evaluation Advisory Committee to the Division of Administrative Rules. The motion passed unanimously.

VI. Commissioners' Reports

Commissioner Cragun recognized Barry Conover, Utah State Tax Commission Executive Director, and said that his mother's failing health kept him from attending today's meeting. He expressed his sympathy on behalf of the Commissioners to Mr. Conover and his family.

Commission Chair Valentine reported that he will be traveling next week for the Western States Association of Tax Administration (WSATA) Conference. He stated that they will be discussing the Federal Tax Administration (FTA) taking more responsibility of the WSATA annual meetings and asked if his fellow Commissioners had any comments they would like him to address on that topic.

VII. Adjourn to Closed Session

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

VIII. Return to Open Session

Commission Chair Valentine called the meeting back to order at 9:20 a.m.

IX. Consider approving stipulation and settlement agreement for SLC Pipeline v. Utah State Tax Commission, Third District Court, Case No. 150900387. *[action item]*

MOTION: Commissioner Cragun moved to approve the stipulation and settlement agreement for Third District Court, Case No. 150900387, SLC Pipeline v. Utah State Tax Commission, authorize counsel's signature on behalf of the Commissioners, and for counsel to notify the Commissioners of any technical changes made to the agreement. The motion passed unanimously.

X. Adjourn

Commission Chair Valentine adjourned the meeting at 9:22 a.m.

Approved on: Thursday, October 26, 2017

Attested: Christa Johnson

Executive Assistant, Utah State Tax Commission