

**UTAH STATE TAX COMMISSION
OPEN MEETING MINUTES**

9:00 a.m., Thursday, September 20, 2018

Commission Hearing Room 1000, 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 – Interim Executive Director

Commission Office:

Jennifer Franklin, 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 9:10 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 Valentine asked if anyone wished to address the Tax Commissioners. There were no comments.

III. Consider Approving Commission Meeting Minutes of September 13, 2018

MOTION: Commissioner Pero moved to approve the Commission Meeting Minutes of September 13, 2018. The motion passed unanimously.

IV. Consider Approving Submission of Tax Commission Budget for Fiscal Years 2019-2020

Heidi Reilly, Utah State Tax Commission Budget Director, gave a briefing of the information contained in the Budget Summary for Fiscal Year 2020. Ms. Reilly highlighted the facts that the State budget will remain the same with the exception of the Alcohol Beverage Enforcement and Treatment Restricted Account that will receive a decreased appropriation. Additionally, there will be a statutorily required increase in the Standard Unit Fee for Motor Vehicle Transactions.

The Commission is also requesting that unspent appropriations of up to one million dollars for the Fiscal Year 2019 not lapse at the close of Fiscal Year 2019. Such funds, if needed, would be used to protect and enhance data security systems.

Commission Chair Valentine noted that the proposed budget does not reflect any additional requested “building blocks” as recommended by the Legislative Audit that was done on Tuesday, September 18, 2018.

Commissioner Cragun noted that the Governor's office determines what to include in the budget.

Interim Executive Director Scott Smith thanked Budget Director Heidi Reilly for her excellent work on the budget for FY2020, especially since it was her first time putting it together and the deadline was moved up.

MOTION: Commissioner Cragun moved to submit the proposed Tax Commission Budget for Fiscal Year 2020 to the Governor's office for consideration as a base budget proposal.

The motion passed unanimously.

V. Commissioners' Reports

Commission Chair Valentine gave an update on the designation of the hearing rooms as a secure area of the Tax Commission building. The magnetometer will be installed as soon as a statutorily required rule is adopted for the Motor Vehicle Enforcement Division to designate the hearing rooms as a secure area. The Interim Executive Director's office and the MVED have been working to properly staff the position that will be needed once the area is designated secure.

VI. Interim Executive Director's Report

Interim Executive Director Scott Smith stated that he and Commission Chair John Valentine testified before the Audit Subcommittee of the Utah Legislature on September 18, 2018. There were two separate audits that reviewed all of the divisions of the Utah State Tax Commission. The report validated the hard work of the employees of the Tax Commission despite a few weaknesses that need to be addressed.

Commission Chair Valentine noted that he agreed with the audit's recommendations while indicating that more resources are needed in order to fulfill the requests of the audit.

VII. Consider approving Stipulated Motion for Interim Order in Union Pacific Railroad Company vs. Utah State Tax Commission, et.al, Case no. 2:18-cv-00630-DAK, United States District Court for the District of Utah, Central Division.

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.

VIII. Return to Open Session

Commission Chair Valentine called the meeting back to order at 10:06 a.m.

Commissioner Cragun moved to approve the Stipulated Motion for Interim Order in the matter of Union Pacific Railroad Company vs. Utah State Tax Commission, et.al, currently in the United States District Court for the District of Utah, Central Division that was discussed during the closed session.

The motion pass unanimously.

Commissioner Cragun was designated as the contact point to discuss with legal counsel any changes that are made to what was adopted in the motion.

IX. Adjourn

Commission Chair Valentine adjourned the meeting at 10:16 a.m.

Approved on: October 15, 2018

Attested: Jennifer Franklin
Executive Assistant
Utah State Tax Commission