

**UTAH STATE TAX COMMISSION
MEETING MINUTES**

9:00 a.m., Thursday, Sept 9th, 2021

Via Zoom, 210 North 1950 West, Salt Lake City, Utah

Participating:

John L. Valentine – Commission Chair

Michael J. Cragun – Commissioner

Rebecca L. Rockwell – Commissioner

Scott Smith – Executive Director

Commission Office:

Chantay Asper, 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. Join Zoom Meeting

<https://us02web.zoom.us/j/7437193782?pwd=K0pJRTVzTGJrWm14LzlITdjY0QzJDUT09>

Meeting ID: 743 719 3782

Passcode: 8fN54hj!

Dial in +1 253 215 8782 or +1 346 248 7799

Meeting ID: 743 719 3782

Passcode: 07438057

II. Call to Order

Commission Chair Valentine called the meeting to order at 9:01 a.m.

III. 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)

There were no public comments.

IV. Consider approving Commission Meeting Minutes of May 27, 2021

MOTION: Commissioner Cragun moved to approve the Commission Meeting Minutes of May 27, 2021. The motion passed unanimously.

I. Consider Publication Revisions

1. Publication 57: Military Personnel Instructions
2. Publication 58: Utah Interest and Penalties
3. Publication 65: Tax Information for Cigarettes, Tobacco Products, Nicotine Products and Electronic Cigarette Products

4. Publication 71: Sales and Use Tax Information for Marketplace Sellers and Marketplace Facilitators.

V. Motor Vehicle Proposed fee change – Seeking public comment

During the 2022 General Session, the Tax Commission’s Motor Vehicle Division will be proposing the following fee change in the state’s fee schedule. Public input is being sought at this meeting.

<u>Description</u>	<u>From</u>	<u>Up To</u>
<u>Motor Vehicle Fees</u>	\$12.00	\$20.00

License Plate Fee

Fee authorized in statute for license plate production costs

Commissioner Valentine: Turn time over to motor vehicle for comments

There were no public comments.

VI. **Approve submission of proposed rule amendments to the Office of Administrative Rules for publication in *Utah State Bulletin***

1. Rule 873-22M-2 Documentation Required and Procedures to Follow to Register or Title Certain Vehicles
2. Rule R865-20T-15 Calculation of Tax on Alternative Nicotine Products
3. Rule R884-24P-5 Abatement or Deferral of Property Taxes of Indigent Persons
4. Rule R865-7H-1 Environmental Assurance Fee for Retailers or Consumers Not Participating in the Environmental Assurance Program
5. Rule R884-24P-37 Separate Values of Land and Improvements
6. Rule R861-1A-9 State Board of Equalization Procedures
7. Rule R884-24P-33 2022 Personal Property Valuation Guides and Schedules

Commissioner Rockwell: The following proposed rule amendments are for the Commission to consider and submit for publication to the Office of Administrative Rules. The rules will be published in the *Utah State Bulletin* on October 1, 2021 and the public comment period will end on November 1, 2021.

1. Rule 873-22M-2 Documentation Required and Procedures to Follow to Register or Title Certain Vehicles Pursuant to Utah Code Ann. Sections 41-1a-104 and 41-1a-108. The amendments to this rule include defining the term “nontitle” state and providing for alternative documentation for the owner of a vehicle from a nontitle state to title and register the vehicle in Utah. The rule amendments clarify the

procedures and requirements related to the issuance of a title or a dismantle permit for a vehicle in situations where satisfactory documentary evidence of ownership is lacking. The amendments also eliminate the requirement for a surety bond on vehicles with a fair market value of less than \$3000 (previously \$1000). Finally, the rule amendments specify the requirements for titling and registering a reconstructed vehicle and make other technical changes.

Commissioner Rockwell moved to submit the proposed rule amendment to Rule 873-22M-2 Documentation Required and Procedures to Follow to Register or Title Certain Vehicles Pursuant to Utah Code Ann. Sections 41-1a-104 and 41-1a-108, to the Office of Administrative Rules for publication in the Utah State Bulletin.

Commissioner John Valentine took a roll call vote and the motion passed unanimously

2. Rule R865-20T-15 Calculation of Tax on Alternative Nicotine Products Pursuant to Utah Code Ann. Section 59-14-804. This rule amendment specifies the calculation of tax on alternative nicotine products based on the net weight in ounces or the fractional part of the net weight in ounces.

Commissioner Rockwell moved to submit the proposed rule amendment to Rule R865-20T-15 Calculation of Tax on Alternative Nicotine Products Pursuant to Utah Code Ann. Section 59-14-804, to the Office of Administrative Rules for publication in the Utah State Bulletin.

Commissioner John Valentine took a roll call vote and the motion passed unanimously

3. Rule R884-24P-5 Abatement or Deferral of Property Taxes of Indigent Persons Pursuant to Utah Code Ann. Sections 59-2-1202, 59-2-1801, and 59-2-1804 This rule amendment modifies the title of the rule to more accurately describe the scope and impact of the rule. This amendment also clarifies that a county must provide written notice to an applicant whose application for property tax abatement, deferral, exemption, or relief is denied. Finally, the amendment adds references to the recently enacted Title 59, Chapter 2, Part 19 Armed Forces Exemptions.

Commissioner Rockwell moved to submit the proposed rule amendment to Rule R884-24P-5 Abatement or Deferral of Property Taxes of Indigent Persons Pursuant to Utah Code Ann. Sections 59-2-1202, 59-2-1801, and 59-4 2-1804, to the Office of Administrative Rules for publication in the Utah State Bulletin.

Commissioner John Valentine took a roll call vote and the motion passed unanimously

4. Rule R865-7H-1 Environmental Assurance Fee for Retailers or Consumers Not Participating in the Environmental Assurance Program Pursuant to Utah Code Ann. Section 19-6-410.5. This rule amendment eliminates the distinction between above-ground storage tanks and below ground storage tanks for purposes of the Environmental Assurance Program. This change is being made to conform the rule to statutory changes made during the 2021 General Session SB 40, Storage Tank Amendments.

Commissioner Rockwell moved to submit the proposed rule amendment to Rule R865-7H-1 Environmental Assurance Fee for Retailers or Consumers Not Participating in the Environmental Assurance Program Pursuant to Utah Code Ann. Section 19-6-410.5, to the Office of Administrative Rules for publication in the Utah State Bulletin.

Commissioner John Valentine took a roll call vote and the motion passed unanimously

5. Rule R884-24P-37 Separate Values of Land and Improvements Pursuant to Utah Code Ann. Sections 59-2-301 and 59-2-305. This rule amendment excludes condominiums from the requirement that the real property appraisal records must separately show the value of the land and any improvements.

Commissioner Rockwell moved to submit the proposed rule amendment to Rule R884-24P-37 Separate Values of Land and Improvements Pursuant to Utah Code Ann. Sections 59-2-301 and 59-2-305, to the Office of Administrative Rules for publication in the Utah State Bulletin

Commissioner John Valentine took a roll call vote and the motion passed unanimously

6. Rule R861-1A-9 State Board of Equalization Procedures Pursuant to Utah Code Ann. Sections 59-2-212, 59-2-1004, and 59-2-1006. This rule amendment updates statutory references resulting from the repeal of Section 59-2-212 in 2020 General Session HB 51, Property Assessment Procedure Amendments.

Commissioner Rockwell moved to submit the proposed rule amendment to Rule R861-1A-9 State Board of Equalization Procedures Pursuant to Utah Code Ann. Sections 59-2-212, 59-2-1004, and 59-2-1006. to the Office of Administrative Rules for publication in the Utah State Bulletin.

Commissioner John Valentine took a roll call vote and the motion passed unanimously

7. R884-24P-33. 2022 Personal Property Valuation Guides and Schedules Pursuant to Utah Code Ann. Section 59-2-107. Section 59-2-107 authorizes the State Tax Commission to make rules that define classes of items considered to be personal

property and to provide valuation percent good schedules to value personal property. County assessors must use the percent good schedules as contained in this rule. Any deviation that affects an entire class or type of personal property requires a written report documenting the schedule change to be submitted to the Tax Commission for approval prior to use. The proposed rule amendment modifies the percent good schedules. These changes will take effect on January 1, 2022.

Commissioner Rockwell moved to submit the proposed rule amendment to R884-24P-33. 2022 Personal Property Valuation Guides and Schedules Pursuant to Utah Code Ann. Section 59-2-107, to the Office of Administrative Rules for publication in the Utah State Bulletin.

Commissioner John Valentine took a roll call vote and the motion passed unanimously

VII. Commissioners' Reports

Commissioner Valentine reported on the status of the Commission Vacancy. He announced that Governor Cox has appointed Jennifer Fresques who awaits Senate confirmation before joining the Commission.

VIII. Executive Director's Report

Scott Smith announced there will be a Special Commission Meeting Sept 29th, 2021. He thanked Chantay Asper for spearheading the new equipment upgrade for the Commission Meeting rooms.

IX. Adjourn

Commission Chair Valentine adjourned the meeting at 9:32 a.m.

Approved on: Sept 29, 2021

Attested: Chantay Asper
Executive Assistant
Utah State Tax Commission