

UTAH STATE TAX COMMISSION
MEETING MINUTES
12:00 p.m., Monday, Nov 15th, 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
Jennifer Fresques – 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=K0pJRTVzTGJrWm14LzltTdjY0QzJDUT09>

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 12:00 p.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 Sept 29th, 2021 and Nov 5th, 2021

Commissioner Cragun moved to approve the Commission Meeting Minutes of Sept 29th, 2021 and Nov 5th, 2021. The motion passed unanimously.

V. Consider amending Administrative Rule [action item]

Commissioner Valentine: Amendments to the following rules were published in the *Utah State Bulletin* on October 1, 2021 and the public comment period ended on November 1, 2021. We did not receive any public comments on these rules.

1. R873-22M-2 Documentation Required and Procedures to Follow to Register or Title Certain Vehicles
2. R865-20T-15 Calculation of Tax on Alternative Nicotine Products
3. R884-24P-5 Abatement or Deferral of Property Taxes of Indigent Persons
4. R865-7H-1 Environmental Assurance Fee for Retailers or Consumers Not Participating in the Environmental Assurance Program
5. R884-24P-37 Separate Values of Land and Improvements
6. R861-1A-9 State Board of Equalization Procedures
7. R884-24P-33 2022 Personal Property Valuation Guides and Schedules

1. R873-22M-2 Documentation Required and Procedures to Follow to Register or Title Certain Vehicles. 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 adopt the amendments to R873-22M-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.

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

2. R865-20T-15 Calculation of Tax on Alternative Nicotine Products. 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 adopt the amendments to R865-20T-15 Calculation of Tax on Alternative Nicotine Products Pursuant to Utah Code Ann. Section 59-14-804.

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

3. R884-24P-5 Abatement or Deferral of Property Taxes of Indigent Persons. The amendments to this rule change the title of the rule to more accurately describe the scope and impact of the rule. The amendments also clarify that a county must provide written notice to an applicant whose application for property tax abatement, deferral, exemption, or relief is denied. Finally, the amendments add references to the recently enacted Title 59, Chapter 2, Part 19, Armed Forces Exemptions.

Commissioner Rockwell moved to adopt the amendments 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 59-2-1804.

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

4. R865-7H-1 Environmental Assurance Fee for Retailers or Consumers Not Participating in the Environmental Assurance Program. 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 in 2021 General Session SB 40, Storage Tank Amendments.

Commissioner Rockwell moved to adopt the amendments 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.

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

5. R884-24P-37 Separate Values of Land and Improvements. 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 adopt the amendments to Rule R884-24P-37 Separate Values of Land and Improvements Pursuant to Utah Code Ann. Sections 59-2-301 and 59-2-305.

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

6. R861-1A-9 State Board of Equalization Procedures. 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 adopt the amendments 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.

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

7. R884-24P-33 2022 Personal Property Valuation Guides and Schedules. 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 amendments modify the percent good schedules. These changes will take effect on January 1, 2022.

Commissioner Rockwell moved to adopt the amendments to R884-24P-33. 2022 Personal Property Valuation Guides and Schedules Pursuant to Utah Code Ann. Section 59-2-107.

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

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

1. R861-1A-16. Utah State Tax Commission Management Plan Pursuant to Utah Code Ann. Section 59-1-207.

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 December 1, 2021 and the public comment period will end on December 31, 2021.

1. Rule R861-1A-16. Utah State Tax Commission Management Plan Pursuant to Utah Code Ann. Section 59-1-207. The proposed rule amendments modify the Utah State Tax Commission's management plan to delegate certain responsibilities

related to public information from the Office of the Commission to the executive director. The proposed rule amendments also make conforming changes consistent with organizational modifications in the Tax Commission and state government.

Commissioner Rockwell moved to submit the proposed amendments to Rule 861-1A-16. Utah State Tax Commission Management Plan Pursuant to Utah Code Ann. Section 59-1-207., 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. Consider approving 2022 Notice of Scheduled Meetings (attached) [*action item*]

Commissioner Cragun moved to approve the 2022 Notice of Scheduled Meetings

The motion passed unanimously

VIII. Commissioners' Reports

Commissioner Cragun wanted to note the passing of Ann Dillenbeck. She previously worked in the commission office.

IX. Executive Director's Report

Scott Smith announced the employee breakfast and wanted to thank all of the employees of the Tax Commission.

X. Adjourn

Commission Chair Valentine adjourned the meeting at 12:24 p.m.

Approved on: 12-9-2021

Attested: Chantay Asper

Executive Assistant

Utah State Tax Commission