

UTAH STATE TAX COMMISSION

APPROVED MINUTES

9:00 a.m., Tuesday September 3, 2024

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

Participating:

John L. Valentine – Commission Chair-In person
Michael J. Cragun – Commissioner-Via Zoom
Rebecca L. Rockwell – Commissioner-In person
Jennifer N. Fresques – Commissioner –Via Zoom
Deanna Herring – Deputy Executive Director-In Person

Commission Office:

Joshua Nielsen, Division Director, Property Tax Division-In Person
Jennifer Hansen, Division Director, Property Tax Division-In Person
Denny Lytle, Senior Director, Property Tax Division-Via Zoom
Frank Hales, Senior Director, Tax and Revenue-Via Zoom
Chantay Asper, Executive Assistant-In person
Jeanell Collings, Legal Secretary-In person

I. Join Zoom Meeting:

[https://utah-
gov.zoom.us/j/4208855798?pwd=cGP3L0L57UddT8IPs86R1iEc9IEZQN.1&omn=88998064296](https://utah.gov.zoom.us/j/4208855798?pwd=cGP3L0L57UddT8IPs86R1iEc9IEZQN.1&omn=88998064296)

Meeting ID: 420 885 5798

Passcode: 9G#jviG7

Dial in by

1 253 215 8782 or 1 346 248 7799

Meeting ID: 420 885 5798

Passcode: 44807370

II. Call to Order

Commission Chair Valentine called the meeting to order at 9:23 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)

Commission Chair Valentine asked if anyone wished to address the Tax Commissioners for up to three minutes on matters not related to a pending or reasonably imminent appeal to the Tax Commission.

There was no public comment

- IV. Consider approving Commission Meeting Minutes of August 22, 2024 [*action item*]

MOTION: Commissioner Fresques moved to approve the opened and closed Commission Meeting Minutes for the August 22, 2024. The motion passed unanimously.

- V. Approve submission of proposed rule amendments to the Office of Administrative Rules for publication in the Utah State Bulletin [*action item*]

1. 1. R884-24P-28. Reporting Requirements for Leased or Rented Personal Property Pursuant to Utah Code Ann. Section 59-2-306.

Commissioner Rockwell: The following proposed rule amendments are for the Commission to consider and submit for publication to the Office of Administrative Rules. The amended rules will be published in the Utah State Bulletin on September 15, 2024, and the mandatory public comment period will end on October 15, 2024.

The proposed amendment to R884-24P-28, Reporting Requirements for Leased or Rented Personal Property Pursuant to Utah Code Ann. Section 59-2-306, repeals the rule. After internal research and discussion with the Property and Miscellaneous Tax Functional Area, we have concluded that there is not sufficient support in the Utah Code to require the submission of the report on leased or rented heavy equipment required by this rule. Thus, the proposed amendment repeals the rule.

Commission Chair Valentine asked if there were any questions regarding this rule change.

Commissioner Cragun inquired about the deadline for the rule proposals to be published September 15, 2024. Ms. Asper clarified that the filing deadline is September 3, 2024 at midnight. Commissioner Rockwell confirmed that the rule would be submitted by the deadline.

MOTION: Commissioner Rockwell moved to submit the proposed amendments to R884-24P-28. Reporting Requirements for Leased or Rented Personal Property Pursuant to Utah Code Ann. Section 59-2-306, to the Office of Administrative Rules for publication in the Utah State Bulletin.

Commission Chair Valentine took a roll call vote. The motion passed unanimously and the rule will be submitted for publication.

2. R884-24P-33. 2025 Personal Property Valuation Guides and Schedules Pursuant to Utah Code Ann. Section 59-2-107.

Commissioner Rockwell: R884-24P-33, 2025 Personal Property Valuation Guides and Schedules Pursuant to Utah Code Ann. Section 59-2-107 authorizes the State Tax Commission to make rules that define classes of items considered to be personal property and 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. This proposed rule amendment modifies the percent good tables for the 2025 calendar year. One of the proposed revisions to the percent good tables is to repeal the percent good Class 24 table regarding leasehold improvements on exempt real property. After significant discussion with the counties and with the Property Tax Division, it has been reported to us that most leasehold improvements on exempt real property are treated as real property rather than as personal property. By repealing Class 24, these improvements will now be treated as real property, unless another class of personal property in the rule is applicable to the property.

Commission Chair Valentine asked if there were any questions regarding this rule change.

Commissioner Fresques expressed that as a Certified Residential Appraiser that the change to treat leasehold improvements as real property reassured her. She also thanked Josh Nielsen for all his efforts in obtaining the information from the counties, which ensured that the change was needed.

MOTION: Commissioner Rockwell moved to submit the proposed amendments to R884-24P-33. 2025 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.

Commission Chair Valentine took a roll call vote. The motion passed unanimously and the rule will be submitted for publication.

3. R884-24P-53. 2025 Guides for Valuation of Land Subject to the Farmland Assessment Act Pursuant to Utah Code Ann. Section 59-2-515.

Commissioner Rockwell: R884-24P-53, 2025 Guides for Valuation of Land Subject to the Farmland Assessment Act Pursuant to Utah Code Ann. Section 59-2-515 authorizes the State Tax Commission to make rules necessary to effectuate the Farmland Assessment Act. Section 59-2-514 creates the State Farmland Advisory Committee and requires a person appointed by the Commission to serve as chair. Commissioner Fresques currently serves as chair of this committee. This committee reviews classifications of land in agricultural use in the various areas of the state and recommends a range of values for each of the classifications based upon productive capabilities of the land when devoted to agricultural use. The recommendations are then submitted to the Commission for approval and publication in rule. This proposed rule represents the committee's recommendations.

Commission Chair Valentine asked if there were any questions regarding this rule change.

Commission Chair Valentine thanked Commissioner Fresques for all the work she has contributed to the committee. Commissioner Fresques expressed her gratitude to the committee and the division, particularly to Brady Kelsey, Matt Dyreng, and the team from USU, including Professor Ryan Larson and Robert Lee, for getting the report drafted and completed earlier than usual, enabling the meeting to be held on time.

MOTION: Commissioner Rockwell moved to submit the proposed amendments to R884-24P-53. 2025 Guides for Valuation of Land Subject to the Farmland Assessment Act Pursuant to Utah Code Ann. Section 59-2-515, to the Office of Administrative Rules for publication in the Utah State Bulletin.

Commission Chair Valentine took a roll call vote. The motion passed unanimously and the rule will be submitted for publication.

4. R884-24P-66. County Board of Equalization Procedures and Appeals Pursuant to Utah Code Ann. Sections 59-2-516, 59-2-1001, and 59-2-1004.

Commissioner Rockwell: The proposed amendments to R884-24P-66, County Board of Equalization Procedures and Appeals Pursuant to Utah Code Ann. Sections 59-2-516, 59-2-1001, and 59-2-1004, address when a county board of equalization is required to accept an appeal filed after the deadline for filing a property tax appeal, which is generally September 15 of each year. The proposed amendments generally require the county board of equalization to first decide whether to accept a late filed appeal by written decision, and this determination is appealable to the commission. In addition, the proposed rule amendment provides similar procedures and requirements for a county board of equalization to accept a late filed appeal under the Farmland Assessment Act, if the appeal is filed not more than 60 days after the deadline for filing the appeal, which is generally within 45 days after the denial of valuation under the Farmland Assessment Act. Finally, the proposed rule amendment modifies the circumstances under which a county board of equalization is required to accept a late filed appeal, and makes technical changes.

Commission Chair Valentine asked if there were any questions or comments regarding this rule change.

Commissioner Cragun stated that this is a good change and that he believes this rule will resolve the conflict regarding responsibility for late-filed appeals, ensuring they go to the county first and then to the commission.

MOTION: Commissioner Rockwell moved to submit the proposed amendments to R884-24P-66. County Board of Equalization Procedures and Appeals Pursuant to Utah Code Ann. Sections 59-2-516, 59-2-1001, and 59-2-1004, to the Office of Administrative Rules for publication in the Utah State Bulletin.

Commission Chair Valentine took a roll call vote. The motion passed unanimously and the rule will be submitted for publication.

VII. Commissioners' Reports

None

VIII. Executive Director's Report

None

IX. Adjourn

MOTION: Commissioner Cragun moved to adjourn the meeting. The motion passed unanimously. Commission Chair Valentine adjourned the meeting at 9:42 a.m.

Approved on: 9-26-2024

Attested: Jeanell Collings
Acting Executive Assistant
Utah State Tax Commission