

TAX ADMINISTRATIVE REMEDIES AMENDMENTS

2019 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Curtis S. Bramble

House Sponsor: Steve Eliason

LONG TITLE

General Description:

This bill modifies provisions related to exhausting administrative remedies in a tax proceeding.

Highlighted Provisions:

This bill:

- ▶ requires a party in a tax proceeding to request a formal hearing before the State Tax Commission to exhaust all of the party's administrative remedies; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

59-1-502.5, as last amended by Laws of Utah 2008, Chapter 382

ENACTS:

59-1-612, Utah Code Annotated 1953

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **59-1-502.5** is amended to read:



28 **59-1-502.5. Initial hearing -- Formal hearing to exhaust administrative remedies.**

29 (1) At least 30 days before any formal hearing is held in response to a party's request
30 for agency action, one or more tax commissioners or an administrative law judge designated by
31 the commission shall hold an initial hearing [~~shall be held before one or more tax~~
32 ~~commissioners or an administrative law judge designated by the commission~~] at which proffers
33 of evidence, including testimony, documents, and other exhibits may be made and oral or
34 written argument on legal issues may be received.

35 (2) Any party participating in an initial hearing shall have the right to informal
36 discovery under any rules established by the commission.

37 (3) [~~Parties~~] A party may appear at the initial hearing in person or through [~~agents,~~
38 ~~employees, or other representatives~~] an agent, an employee, or another representative, but any
39 person appearing on behalf of another party or entity shall have full settlement authority on
40 behalf of the party the person is representing.

41 (4) A record may not be kept of the initial hearing and all initial hearing proceedings
42 are privileged and do not constitute admissions against interest of any party participating in the
43 hearing.

44 (5) At the initial hearing, or as soon thereafter as reasonably practicable, the
45 commission may take any action [~~it~~] the commission deems appropriate to settle, compromise,
46 or reduce the deficiency, or adjust the assessed valuation of any property.

47 (6) Nothing in this section may limit a party's right to a formal hearing under Title 63G,
48 Chapter 4, Administrative Procedures Act.

49 (7) A party has not exhausted the party's administrative remedies in accordance with
50 Section 63G-4-401 unless:

51 (a) the party requests a formal hearing within the time period provided by law; and

52 (b) the commission has issued a final unappealable administrative order.

53 Section 2. Section **59-1-612** is enacted to read:

54 **59-1-612. Formal hearing to exhaust administrative remedies.**

55 A party has not exhausted the party's administrative remedies in accordance with
56 Section 63G-4-401 unless:

57 (1) the party requests a formal hearing within the time period provided by law; and

58 (2) the commission has issued a final unappealable administrative order.