

December 11, 2025

Utah State Tax Commission
Attn: John Valentine, Commission Chair
210 North 1950 West
Salt Lake City, UT 84134
jvalentine@utah.gov

Re: Joint Request to Initiate Rulemaking Proceedings to Amend Utah Admin. Code R884-24P-7 by Graymont Western US, Inc. (“Graymont”), Millard County, and Salt Lake County (jointly the “Counties”)

Dear Commissioner Valentine:

Pursuant to Utah Code subsection 63G-3-601(2), Graymont and the Counties jointly request that the Utah State Tax Commission (the “Commission”) initiate rulemaking proceedings to amend Utah Admin. Code R884-24P-7 (“Rule 7”) in accordance with the proposed language set forth in Exhibit 1 attached herewith. This action is within the jurisdiction, and appropriate to the powers, of the Commission pursuant to Utah Code section 59-1-210(2). As interested parties, Graymont and the Counties jointly seek this amendment to Rule 7 to provide for certainty and consistency in achieving fair market value for property tax purposes for Graymont’s taxable property given the unique nature of Graymont’s quicklime operations. The Centrally Assessed Division has provided its input and represented that it believes it can administer the draft rule as attached.

Very truly yours,

HOLLAND & HART LLP	PETERS SCOFIELD
<u>/s/ Steven P. Young</u> Steven P. Young Nathan R. Runyan <i>Attorneys for Graymont Western US, Inc.</i>	<u>/s/ Thomas W. Peters</u> Thomas W. Peters <i>Attorneys for Millard County</i> <i>(signed electronically with permission)</i>
OFFICE OF THE SALT LAKE COUNTY DISTRICT ATTORNEY <u>/s/ Timothy A. Bodily</u> Timothy A. Bodily <i>Attorneys for Salt Lake County</i> <i>(signed electronically with permission)</i>	

cc: Michelle Lombardi, Attorney for Centrally Assessed Division (by email)

Exhibit 1

Proposed Quicklime Property Tax Rule Change

Amend Tax Commission Rule R884-24P-7 as follows:

B.10 (a) The preferred method for determining the fair market value of productive mining property used primarily to produce quicklime shall be:

(i) the capitalized net revenue method weighted no more than 15% and no less than 5%, with the weighting within that range based on economic factors at the time, and

(ii) the fair market value of the minerals in place, and land, improvements, and tangible personal property upon or appurtenant to the mining property weighted no more than 95% and no less than 85%, with the weighting within that range based on economic factors at the time.

(b) For purposes of subsection B.10(a)(ii):

(i) minerals in place shall be valued using the capitalized net revenue method with:

(A) revenue equal to the gross income from mining used to calculate the proportionate profits depletion method used by the taxpayer to calculate depletion for federal income tax purposes,

(B) mining costs as allowed under subsection A.1 that are incurred prior to the quicklime plant, and

(C) a deduction for assets not part of the quicklime plant captured under subsection (b)(ii), (b)(iii) and (b)(iv).

(ii) improvements shall be valued using the cost approach;

(iii) tangible personal property shall be valued using the personal property valuation guides and schedules established by the commission;

(iv) land shall be valued at fair market value; and

(v) an entrepreneurial incentive/profit factor shall be added to the quicklime plant assets captured under subsection (b)(ii) and (b)(iii) by multiplying the cost approach value of such quicklime plant assets by the capitalization rate applied under subsection (a), before the addition of the property tax rate to the overall capitalization rate.

(c) The weightings in subsection B.10.(a) shall be effective for tax year 2027 and years thereafter. For tax year 2026, the weighting in subsection B.10.(a)(i) shall be 25% and in subsection B.10.(a)(ii) shall be 75%.

Effective Date: January 1, 2026