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**JUSTICE CENTER**  
SALT LAKE COUNTY



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Civil Division

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DISTRICT ATTORNEY

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Justice Division

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Administrative  
Operations

**Blake Nakamura**  
Chief Deputy  
Justice Division

December 20, 2019

Salt Lake County Council  
2001 South State Street, Suite N2-200  
Salt Lake City, Utah 84190

RE: Request for Abatement of Taxes on Parcel No. 91-05-516-000-1300

Dear Council Members:

This letter is to obtain your approval to abate property taxes in the amount of \$124,350.82 as well as the associated interest and penalties for parcel no. 91-05-516-000-1300 for the tax year 2012.

The property is state assessed personal property that belonged to Mesaba Airlines, Inc. in 2012. In 2012, the year of the assessment, Mesaba ceased operations and filed for Chapter 11 Bankruptcy. During the bankruptcy, the bankruptcy court removed the liens and discharged the debts, including the 2012 assessment. Mesaba subsequently merged with Pinnacle Airlines, Inc., which is a subsidiary of Delta Airlines, Inc. The total taxes that were owing for the 2012 assessment was \$248,701.82, plus penalties and interest. Delta Airlines requested all the taxes, penalty, and interest to be abated based on the bankruptcy discharge under Utah Code 59-2-1321, which provides for the legislative body to abate illegal and erroneous tax assessments.

I have been in ongoing discussions with Delta Airlines about the assessment and the effect of the bankruptcy and in an effort to avoid having to litigate the matter, Delta has agreed to pay half of the tax amount, \$124,351.00, within 30 days of acceptance by the Council, along with waiver of penalties and interest. The Property Tax Committee, composed of representatives of the various elected offices, met on December 19, 2019 and unanimously voted to recommend accepting Delta's offer of paying half the taxes and waiving the penalties and interest. Having researched the legal issues involved, I concur in the Property Tax Committee's recommendation and believe it is a fair settlement amount given the legal risks involved and what the county would likely recover in litigation.

The Property Tax Committee requests that the Council waive the penalties and interest, accept the \$124,351.00 as full settlement of the 2012 assessment, and abate the remainder of taxes upon the payment of the \$124,351.00.

Should you have any questions, please do not hesitate to contact me.

Regards,



Bradley C. Johnson  
Deputy District Attorney