

**BOARD OF EQUALIZATION, WASHOE COUNTY, NEVADA**

THURSDAY

8:30A.M.

JUNE 10, 2004

**WORKSHOP**

PRESENT:

**Steven Sparks, Chairman**

**Ina Haupt, Member**

**Thomas Koziol, Member**

**Jon Obester, Member\***

**Gary Schmidt, Member**

**Amy Harvey, County Clerk**

**Nancy Parent, Chief Deputy Clerk**

**Leslie Admirand, Deputy District Attorney**

**Theresa Wilkins, Senior Appraiser**

The Board convened in the Old Huffaker School House, Bartley Ranch Park, 6000 Bartley Ranch Road, Reno, Nevada. Chairman Sparks called the meeting to order and the Board conducted the following business:

**04-718E      OATH OF OFFICE - NEW BOARD MEMBERS**

County Clerk Amy Harvey administered the Oath of Office to the two new Board members, Ina Haupt and Thomas Koziol. Chairman Sparks welcomed the new Board members.

Amy Harvey, County Clerk, then called the roll and it was noted that all Board members were present except Member Obester.

**CHAIRMAN'S OPENING STATEMENT**

Chairman Sparks stated the purpose of this meeting was to look at policies and procedures that were adopted and used by the 2004 County Board of Equalization (BOE). He explained that 2004 BOE petitioners received a letter from the Assessor's Office after receipt of the petition outlining the following three-step process for appeal of property taxes:

1. Petitioners meet with the Assessor.
2. If the petitioner was not satisfied with the outcome of the meeting, the petitioner files the petition with the Assessor's Office.
3. Petitioner has a formal appeal hearing before the County BOE.

He stated the only jurisdiction the BOE has is in step 3, the formal appeal hearing process. The BOE has no control over the Assessor's Office, nor does the Board ask how they conduct their business with any taxpayer who wants to petition for a BOE hearing. Chairman Sparks said the BOE was not involved with the filing of the petition.

The appeal process consisted of the following two steps, which were not always completed during the 2004 appeal process:

1. The petitioner was asked to state a specific reason why they felt their values were inaccurate.
2. The petitioner was required to state the correct value of the property.

Chairman Sparks asked anyone making public comments or commenting on a specific agenda item to confine their comments to the appeal process. He stated the BOE would not be looking at 2005 policies and procedures at this time, only reviewing 2004. Chairman Sparks said this was because there were two new Board members who had not sat through the process, and the State Tax Commission or other agencies may influence the procedures for 2005.

Chairman Sparks stated Marti Allison and Ron Fox, who were BOE members during the 2004 appeal process, and Marcia McCormick, an alternate member, can participate in agenda item discussions but cannot make motions or vote. He stated after the workshop, a report would be prepared for presentation to the Board of County Commissioners on the findings of the workshop to possibly make future procedural changes.

### **PUBLIC COMMENT**

Dale Akers, Incline Village resident, said when the Board denies an appeal, the Board uses the phrase "taxable value does not exceed full cash value;" but, since the State is not on a full cash value appraisal system and an overwhelming majority of the properties are appraised at 70 percent of full cash value, he said this basis for denying the appeal should not be used. He said 99.9 percent of properties in the State are not appraised at full cash value. He felt the Board should not put full credence on the testimony of the Assessor's Office as he had evidence of perjured testimony of Appraisers before the State BOE.

Les Barta, Incline Village resident, said he believed the BOE was created as a tool for taxpayers to have a fair hearing on property tax disputes. He said these are contested hearings and the Assessor's Office is an adverse party. He stated due process should be followed with procedures established that work for everyone.

Alternate Member McCormick said Ted Harris publicly attacked her at the Board of County Commissioners' meeting on June 8th. She said she was first appointed

to the BOE in 1984; and, during the 10 years she was on the BOE she heard approximately 2,000 appeals. She said she came to every meeting prepared, and she related this preparation included reading the entire Department of Taxation Manual of Assessment Policies and Procedures, which was helpful in understanding the process. She said the Assessor's Office is run very efficiently with a courteous and helpful staff. Ms. McCormick said she agreed the tax law is flawed, but the BOE has no responsibility or authority to change the law. She said just because you do not like what you are being told does not mean the person is being rude or that the answer is wrong. She said occasionally what the Board was being told was untrue, but she never called a petitioner or their representative a liar.

**04-719E      2004 HEARING STATISTICS – CLERK**

Amy Harvey, Washoe County Clerk, introduced her staff who were in attendance: Nancy Parent, Chief Deputy Clerk, Jan Frazzetta and Lori Rowe, Deputy Clerks, and Sharon Gotchy, Deputy Clerks Supervisor. Ms. Harvey showed the Board the 739 pages of minutes from the 2004 hearings.

Ms. Gotchy reviewed the Clerk's statistics for the 2004 County Board of Equalization hearings.

Chairman Sparks asked about petitions with missing data, and Ms. Gotchy said the owner's opinion of value and the reason the owner felt the value was incorrect were what was missing. Chairman Sparks said 89 percent of the petitions could have been rejected because this information was required under the Nevada Administrative Code, but the Board took the position that if a petition was filed, the Board would hear it. He went on to discuss percentages for the remaining totals.

Ms. Harvey interjected that many petitioners did not show up, which lightened the load for the BOE; but that for each appeal filed, a decision letter had to be sent from the Clerk's Office and forwarded to the State.

Ted Harris, Incline Village resident, said out of 6,700 property owners, excluding commercial property, more than 3,000 are part time residents who do not live in Incline Village. He said noticing of three to eight days was why a lot of people did not respond to their hearing dates. Mr. Harris said a large number of those who appealed did not understand why they got the huge increases, and he said the Taxpayers' Bill of Rights says the Assessor's Office shall conduct workshops to explain how the property was being assessed. He said property owners have to understand the rules so they can intelligently challenge their assessments.

Chairman Sparks said after the Assessor's Office received a petition, a two-page letter was sent stating the petitioner could submit their response in writing, which must include a value and a reason. He said the BOE has no control over the Assessor's Office holding workshops, and Mr. Harris would have to talk to the Board of County Commissioners or the Assessor's Office about the workshops.

Member Schmidt said he did not believe the BOE had established a policy on whether a petition was complete or not. Leslie Admirand, Deputy District Attorney, said under each section of the law where it says a person can file an appeal, it states that person must complete the form supplied by the Assessor.

**9:00 a.m.** Member Obester arrived.

Chairman Sparks thanked Member Obester for his efforts over the last four years explaining that he has resigned as of June 30th.

**04-720E**      **2004 STATISTICS AND CURRENT STATE BOARD OF EQUALIZATION RESULTS – ASSESSOR**

Theresa Wilkins, Senior Appraiser, said for the 2004 hearings, the property values were reduced approximately \$73.9 million with \$55.4 million for casinos, \$10 million for Incline Village, and the remainder for other properties. Ms. Wilkins provided the State BOE hearing statistics as of June 9, 2004.

**04-721E**      **CLERK’S AND ASSESSOR’S OFFICE DUTIES**

Amy Harvey, County Clerk, discussed the division of duties between the Clerk’s and the Assessor’s Offices for the BOE hearings. Ms. Harvey said the Clerk’s Office used to set the agenda for the BOE but a previous Board gave that responsibility to the Assessor’s Office because they could better schedule like properties together.

Theresa Wilkins, Senior Appraiser, agreed with Ms. Harvey that past Boards had asked the Assessor’s Office to do the scheduling because of their knowledge of the properties. Chairman Sparks said the grouping was by geographical locations and property types so the Board would not have to jump around from hearing to hearing.

Les Barta, Incline Village resident, stated it was understood the Assessor’s Office had knowledge about the properties, but the Assessor’s Office should not be a privileged party to the process. To avoid any appearance of a conflict of interest, the Assessor’s Office should not be managing the Board’s business, correspondence or scheduling. He said he did not like to burden the Clerk’s Office with additional work, but the ruling principle was that of fairness and equity for all parties. He said there should not be an appearance of bias or privilege on the part of the Assessor’s Office.

Chairman Sparks asked how bias and privilege apply to scheduling. Mr. Barta said the Assessor’s Office handling the business and correspondence of the Board does not project a sense of total objectivity. In response to Chairman Sparks, Mr. Barta said what was desired was that the Clerk’s Office or the Manager’s Office handle all of the business and correspondence of the County BOE.

John Faulkner, Chief Deputy Assessor, said in the early 1980’s when Lake Tahoe residents submitted 1,600 appeals, a second Board was appointed to handle the

overflow. Both Boards asked the Clerk's Office to schedule the hearings so one Board could hear Lake Tahoe appeals and the other Board could hear everything else. He said this worked so well the BOE asked the Clerk's Office to continue scheduling by grouping similar properties, but the Clerk's Office did not have the knowledge and expertise to do so. The Clerk then asked the Assessor's Office to provide them with lists of appeals that could be heard on the same day, and it evolved into the Assessor's Office doing the scheduling.

Member Obester said he agreed with Mr. Barta that the Clerk's Office should schedule the hearings with the assistance of the Assessor's Office. Member Koziol said he agreed the Clerk's Office should do the scheduling, but he did not see how the Assessor's Office giving the Board a list would be influencing the Board.

Member Haupt said any appearance of the Clerk's Office working with the Assessor's Office is negative. She said the Clerk's Office could use other sources, such as Map Quest, to help group properties.

#### **04-722E      REVIEW 2004 PROCEDURES AND POLICIES**

Chairman Sparks said this discussion is to look back and review the policies and procedures the Board used for the 2004 hearings.

Ted Harris, Incline Village resident, said the issue of notice was a big problem for many of the Incline Village absentee owners. He said, once notice was given, the property owner had to contact the Assessor's Office to discuss or review the appraisal. He felt there should be a minimum period of time for the property owner to decide whether or not to appeal the appraisal, and three days notice of the hearing date was not adequate.

Member Obester said maybe the statutes should be changed, and he asked if there was a reason the County BOE has to be finished by such an early date. John Faulkner, Chief Deputy Assessor, replied it was because all appeals to the State Board must be filed by March 10. Robert McGowan, Assessor, commented the deadlines are because of the local and State budgets. He said a big portion of the State budget is set based on these taxes, and Nevada State law says all requests must be received by a certain date so the rate can be set.

Member Schmidt said he believed the noticing provisions were in the Administrative Code not in the Statutes, and the Administrative Code is easier to change. He said this Board does have the authority to set noticing provisions, but they have to be approved by the State BOE.

Les Barta, Incline Village resident, said orientation of the County BOE by the Assessor's Office is an issue. Mr. Harris suggested the State BOE or the State Board of Taxation conduct the orientation, and it should be noticed and open to the public. Chairman Sparks said the 2004 orientation was noticed, and there was public comment

and discussion. Leslie Admirand, Deputy District Attorney, clarified there was an orientation meeting in December and a workshop in January; and both were noticed according to the Open Meeting Law. Chairman Sparks said at the orientation meeting new members were sworn in, ethics guidelines and regulations were provided, and the Assessor's Office provided a presentation on the statutes and the reappraisal areas. Ms. Admirand said a letter was filed alleging the Open Meeting Law had been violated, but the Attorney General's Office found no violation.

Ron Fox, Former BOE Chairman, said he initiated the orientation meetings years ago so the BOE could get all the information needed at one time and in one place about the open meeting law, statutes, and regulations. He said the meetings were always publicly noticed, other agencies were invited to attend, and the Nevada Department of Taxation often participated.

In response to Chairman Sparks, Amy Harvey, County Clerk, said there were problems with last minute filings not having enough copies of papers and photos for the Board members and the Clerk's Office. She asked if a letter from the County Clerk could be added to the Assessor's letter to let petitioners know what was required.

Member Obester suggested the orientation meeting should include a presentation from the Department of Taxation and the State BOE, and it should be held in the Commissioners' Chambers.

Marti Allison, past member of the BOE, said she receives a card in December from the Assessor's Office that states the assessed value of her property. Later in the year, the tax rate is determined; and the tax bill is sent in July. Everyone in Washoe County could contact the Assessor's Office to discuss their values. She warned property values have increased in Washoe County by 29 percent since January, and what happened last year was the tip of the iceberg. John Faulkner, Chief Deputy Appraiser, pointed out the back of the card encourages people to contact the Assessor's Office if they have any questions.

Alternate Member McCormick said there had been significant discussion on consolidation of petitions and this should be looked at again.

Dale Akers, Incline Village resident, said the Board being rude and intimidating should be addressed. Chairman Sparks said the State BOE allows 15 minutes for a hearing, and the County BOE average hearing for 2004 was 40 minutes. He asked Mr. Akers to provide specifics, but Mr. Akers had no specific examples.

Mr. Barta, said individual finger pointing does nothing. He said the process intimidates many members of the public, and the BOE should understand the public's perception of the process and try to be a little more understanding.

Commissioner Weber stated it was important for the public to know the process. She felt the orientation meeting should be held as a town hall meeting and taped

by SNCAT. Member Schmidt agreed. He stated taping should be done on the appraisal and the appeal processes including those at the State level. He said for anyone who does not get SNCAT, copies could be made available at the Manager's office for purchase or checkout at the Library.

Mr. Harris said the Taxpayers' Bill of Rights says the Assessor's Office must do an orientation. Regarding the missing information on the petitions, he asked how someone could know their value without getting an appraisal, recently putting the house on the market, or recently purchasing the house. He further asked why the property owner's opinion of value was necessary since the property is not being assessed at full market value.

Member Haupt said a workshop should be given to the public by the Assessor's Office on how values are determined or there could be a doubling of petitions and increased calls from the public. She wondered how the Assessor's Office could handle such an increase in inquiries.

Chairman Sparks said the Chambers setup and the fact the meeting is being taped is intimidating, but making people more comfortable is one of the most important topics brought up today.

Ron Fox, Former BOE Chairman, said the County Manager's Office has not been cooperative with the County BOE and had given the Board low scheduling priority for the Chambers. He said the Manager's Office informed him the Caucus room could not be used by the BOE for their breaks last year, which meant the Board members had to use the same public restroom as the Assessors and the petitioners.

Member Schmidt suggested a redesign of the petition. Robert McGowan, Assessor, said the County buys the petition forms from the State. Assessor McGowan advised his staff is in the process of making a videotape to explain the procedures. He also said when property changes hands, or when there is some alteration to the deed, a letter is sent to the property owner with an enclosed brochure that explains how appraisals are done, the appeal process, and available exemptions.

Dean Grauvogel, local resident, asked if having an advocate available to coach people through the proceedings had ever been suggested.

**04-723E      PROCEDURE TO SCHEDULE 2005 HEARINGS**

On motion by Member Schmidt, seconded by Member Koziol, which motion duly carried with Member Obester voting "no," Chairman Sparks ordered that the procedure to schedule the 2005 BOE hearings be continued until the next BOE workshop.

**04-724E**      **FUTURE WORKSHOPS AND MEETINGS ISSUES**

Chairman Sparks listed the items for future workshops and took suggestions for items to be included from the workshop participants.

**10:20 a.m.**      The Board took a brief recess.

**10:38 a.m.**      The Board reconvened with all members present.

After discussion, on motion by Member Koziol, seconded by Member Obester, which motion duly carried with Member Schmidt voting “no,” it was ordered that the following items be included on the agenda for the next BOE workshop:

1.      Hearing procedures for 2005 including, but not limited to:
  - a.      Scheduling
  - b.      Location
  - c.      Noticing
2.      Instructions to be sent to petitioners with hearing notice regarding the appeal process, including providing adequate number of copies of any written material, photos, etc.
3.      Information and documentation from both the Assessor and petitioner to be given to the Board prior to the hearing date.
4.      Information and documentation from the Assessor to be provided to the petitioner in a reasonable timeframe prior to the hearing and vice-versa from the petitioner to the Assessor.
5.      The appeal form and minimum requirements of information that must be submitted to the Board.
6.      Education program for the public.
7.      Alternate members and/or second board procedures.
8.      New regulations established by the State.

Chairman Sparks said the next workshop should be held within 45 days, and the 5th Board member should be appointed by the June 22nd.

Member Schmidt requested another workshop seven days from now to agendize any and all recommendations the Board would like to make to the State Department of Taxation, the State BOE, the State Legislature, and the Board of County Commissioners.



Leslie Admirand, Deputy District Attorney, said Member Obester's resignation is not effective until June 30th, and the new member cannot take office until after that.

Following discussion, Member Schmidt moved that the Board meet again at 9:00 a.m. on June 17th. The motion died for lack of a second. Member Schmidt said the BOE was losing a golden opportunity to affect change at the State level with the Department of Taxation.

Following discussion, on motion by Member Koziol, seconded by Member Obester, which motion duly carried with Member Schmidt voting "no," Chairman Sparks requested the Clerk's Office secure accommodations and do proper noticing for a workshop during the second week of July.

**04-725E      APPROVAL – OUTLINE OF REPORT TO BOARD OF COUNTY COMMISSIONERS**

In response to Member Obester, Amy Harvey, County Clerk, said the Clerk's Office could take care of the clerical portion of the report but the BOE members should compose the report.

Member Schmidt requested the minutes include a transcript of any discussion where motions were made including any that died for lack of a second or were not approved. Ms. Harvey responded that minutes are not verbatim transcripts and the only thing that is verbatim is the tape of the meeting. Member Schmidt requested the minutes include a synopsis of all motions made and those that died due to lack of a second.

Chairman Sparks proposed that he would make an oral presentation to the Board of County Commissioners summarizing the minutes, the discussion by the participants, and the future workshop issues. He said any other BOE members who attended could make additional comments. Commissioner Weber said she did not feel the minutes were necessary; and, if Chairman Sparks prepared some notes and shared them with the other members, an oral report by the BOE Chairman would be sufficient. Chairman Sparks said he would summarize the meeting and e-mail or fax the summary to the other Board members for review and comment before presenting to the Board of County Commissioners on June 22nd.

On motion by Member Koziol, seconded by Member Obester, it was ordered that Chairman Sparks present an oral report to the Board of County Commissioners on the review conducted by the BOE on the 2004 hearing procedures.

**04-726E      MINUTES**

Following discussion, on motion by Member Schmidt, seconded by Member Obester, which motion duly carried with Members Haupt and Koziol abstaining,

Chairman Sparks ordered that the January 28 through February 28, 2004 minutes of the 2004 BOE hearings be approved.

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**11:05 a.m.** There being no further business to come before the Board, the meeting adjourned.

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**STEVEN SPARKS**, Chairman  
Washoe County Board of Equalization

ATTEST:

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**AMY HARVEY**, County Clerk  
and Clerk of the Washoe County  
Board of Equalization

*Minutes prepared by  
Jan Frazzetta, Deputy Clerk*