

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

MONDAY

8:30 A.M

FEBRUARY 12, 2007

PRESENT:

Steven Sparks, Chairman  
Patricia McAlinden, Vice Chairman  
James Covert, Member  
John Krolick, Member  
Gary Schmidt, Member

Nancy Parent, Chief Deputy Clerk  
Peter Simeoni, Deputy District Attorney  
Josh Wilson, Assessor

The Board convened in the Washoe County Administration Complex, Health Department Conference Room B, 1001 E. 9th Street, Reno, Nevada. Chairman Sparks called the meeting to order, the Clerk called the Roll, and the Board conducted the following business:

**8:30 A.M. - BLOCK**

**07-07E      SWEARING IN OF THE ASSESSOR'S STAFF**

Nancy Parent, Chief Deputy Clerk, swore in the following members of the Assessor's staff who would be presenting testimony for the 2007 Board of Equalization hearings:

Theresa Wilkins	Ron Sauer
Mark Stafford	Rigo Lopez
Gary Warren	Ernie Wood
Van Yates	Ron Shane
Joe Johnson	Cori Delguidice
Linda Lambert	Pat O'Hair
Gail Vice	Pat Regan
Mike Bozman	Howard Stockman
Mike Gonzalez	John Thompson
Jana Vickers	Pete Kinne
Ginny Dillion	Ginny Sutherland
Mike Churchfield	Dona Stafford
Ken Johns	Steve Clement
Stacy Ettinger	Ivy Diezel

## **CONSOLIDATION OF HEARINGS**

On motion by Member Covert, seconded by Member McAlinden, which motion duly carried, Chairman Sparks ordered that Petitions for Review of Assessed Valuation received from multiple property owners represented by Attorney Norm Azevedo, protesting the taxable valuation on land and improvements on various parcels located in Incline Village and Crystal Bay, Washoe County, Nevada, be set for consideration at this time.

### **07-08E      PETITIONS NOT TIMELY FILED**

#### **LEONARD AND EVA BERBERICH - UNTIMELY PETITION - PARCEL NO. 128-361-07**

A petition for Review of Assessed Valuation received from Leonard and Eva Berberich protesting the taxable valuation on land and improvements located at 781 Golfers Pass Rd., Incline Village, Washoe County, Nevada, was received January 30, 2007.

On motion by Member McAlinden, seconded by Member Covert, which motion duly carried, it was ordered that the petition by Leonard and Eva Berberich be denied due to late filing based upon Nevada Revised Statute.

#### **ROBERT AND TERESA PAYNE - UNTIMELY PETITION - PARCEL NO. 122-123-01**

A petition for Review of Assessed Valuation received from Robert and Teresa Payne protesting the taxable valuation on land and improvements located at 803 Freels Peak, Incline Village, Washoe County, Nevada, was received January 31, 2007.

On motion by Member McAlinden, seconded by Member Covert, which motion duly carried, it was ordered that the petition by Robert and Teresa Payne be denied due to late filing based upon Nevada Revised Statute.

### **07-09E      ROLL CHANGE REQUESTS – DECREASES**

Following review and discussion, on motion by Member Covert, seconded by Member Schmidt, which motion duly carried, it was ordered that Roll Change Request No. 150, resulting in a decrease and placed on file with the Clerk, be approved for the reasons stated thereon.

### **07-10E      ROLL CHANGE REQUESTS – INCREASES**

Following discussion, on motion by Member Schmidt, seconded by Member McAlinden, which motion duly carried, Chairman Sparks ordered that, pursuant to NRS 361.345(2), the County Clerk issue notices to affected property owners setting

February 26, 2007, at 8:30 a.m. as the date and time for the Board to act on Roll Change Request Nos. 125, 152 and 153, increasing taxable values as delivered to the Clerk.

**07-11E            HEARING NOS. 610, LT-113 -, LT-97, LT-108, LT-111, LT-128, LT-114, LT-98, LT-115, LT-99, LT-100, LT-101, LT-116, LT-117, LT-96, LT-110, LT-105, LT-106, LT-107, LT-118, LT-109, LT-119, LT-466, LT-120, LT-121, LT-129, LT-102, LT-104, LT-122, LT-123, LT-103, LT-124, LT-125, LT-126, LT-130, LT-112, LT-127**

Petitions for Review of Assessed Valuation received from Attorney Norman Azevedo on behalf of several property owners, protesting the taxable valuation on land and improvements located in Incline Village/Crystal Bay, Washoe County, Nevada, were set for consideration at this time.

Josh Wilson, Washoe County Assessor, duly sworn, oriented the Board as to the location of the subject properties.

Mr. Azevedo was sworn and submitted the following documents into evidence:

Exhibit A, letter to consider consolidation.

Exhibit B, Exhibit 1:

Attachment A, reasons for owners opinion the subject property was improperly valued.

Attachment B, *State of Nevada vs. Bakst, et al.*, 122 Nev., Adv. Op. 116 (December 28, 2006)

Attachment C, 2006/2007 Minutes of the County Board of Equalization

Attachment D, Assessor Josh Wilson's comments

Attachment E, Alvin Bakst Valuation Notice

Attachment F, letter from Norman J. Azevedo, Esq. to Attorney General Catherine Cortez Masto dated January 16, 2007.

Attachment G, letter from Norman J. Azevedo, Esq. to Dino DiCianno, Secretary to the Nevada Tax Commission dated January 16, 2007.

Attachment H, letter from Norman J. Azevedo, Esq. to Dino DiCianno, Secretary to the State Board of Equalization dated January 16, 2007.

Exhibit C, Washoe County's Opposition to Notice of Decision and Request for Resolution dated February 5, 2007.

Exhibit D, reply to Opposition to Respondents' Notice of Decision and Request for Resolution dated February 9, 2007.

Exhibit E, Comparative Tables for eight properties for tax years 2002/03 through 2007/08.

Exhibit F, letter and information packet dated March 7, 2006.

Exhibit G, NRS cites 361.245 through 361.260.

Exhibit H, binder from Alvin Bakst dated February 12, 2007.

Mr. Azevedo confirmed the taxpayers he represented owned homes in the Incline Village/Crystal Bay area. He indicated, during the past four years, he had addressed the Board on legal, factual, and constitutional concerns regarding the methodologies used by the Assessor's Office beginning in tax year 2003/04 and proceeding through the present year. Mr. Azevedo said 17 taxpayers proceeded through the courts leading to the Nevada Supreme Court. He explained previously Judge William Maddox had ruled in favor of the taxpayers that the methodologies used; view classification, time adjustment, teardowns, and rock classification, were invalid. He said based on that decision, this Board rolled the values back. Mr. Azevedo said the Assessor did not submit to the ruling of Judge Maddox (Maddox) and proceeded to the Nevada Supreme Court to challenge that decision. In that regard, oral arguments occurred in June 2006 and a unanimous decision to uphold the ruling was rendered on December 28, 2006 by the Nevada Supreme Court. Mr. Azevedo reviewed and highlighted petitioners Exhibit B, Attachment B, that was persuasive to the property owners he represented. He said in response to this decision, the Assessor had gone back to the 2004/05-tax year and determined an entirely new factor for the plaintiffs.

Mr. Azevedo remarked the decision read the County Assessors must, a mandatory directive, use uniform standards and methodologies for assessing property values throughout the State. He referred to comments within the decision and stated they were some of the strongest words he had heard for a tax decision. Mr. Azevedo said the strengths in those comments were significant legally, constitutionally and factually to his clients. He said the Nevada Supreme Court stated the Assessor violated the State constitution for 2003/04, 2004/05, 2005/06, 2006/07 and the 2007/08 tax years. He explained the State Board of Equalization (SBOE), by statute, needed to conclude their business by October 1, 2006, but had yet to hear the Assessor's appeal. He noted the SBOE indicated they would not hear the matter since it was subject to the jurisdiction of the Nevada Supreme Court.

Mr. Azevedo distributed Exhibit C, Washoe County's Opposition to Notice of Decision and Request for Resolution dated February 5, 2007, and Exhibit D, reply to Opposition to Respondents' Notice of Decision and Request for Resolution dated February 9, 2007 that addressed the statements contained in the Assessor's document. He reviewed the documents, and he said the statements and allegations contained in the pleadings were supported by an affidavit of the County Assessor. Mr. Azevedo said to date, the only action by the Washoe County Assessor was to raise his client's values. He said the Court decision stated the four methodologies were unconstitutional and that there was an equalization problem within the County. Mr. Azevedo stated after the 2003/04-tax year, the subsequent years were a factor year that did not include a physical reappraisal. He stated the factor method provided a method of valuation for land that independently verified assessed values without the use of the invalid methods. He explained the Assessor, supported by an affidavit for tax years 2004/05, 2005/06, 2006/07 said, appraisers did not use those invalid methodologies. Mr. Azevedo indicated he had been before this Board for three years and these methodologies had been used. Referring to Exhibit D, Mr. Azevedo explained the Assessor's submittals to the Board and the spreadsheets struck down by the Nevada Supreme Court as being invalid and

unconstitutional. He said the Assessor's Office represented to the Nevada Supreme Court these methodologies were not needed to substantiate; however, continued to use them.

Chairman Sparks requested the Clerk swear in anyone who was present to testify who had not been previously sworn. Nancy Parent, Chief Deputy Clerk, swore in the following individuals:

Attorney Norm Azevedo	Attorney Tom Hall
Deputy District Attorney Terrence Shea	Attorney Robert Angres

Mr. Azevedo continued his review of the submitted exhibits. He said in response to the Nevada Supreme Court decision and the refunds granted, a document was received alleging a method of valuation, contained in no statute or regulation, that directly contradicted the evidence submitted and argued over. He said the Assessor's Office, on a factor year through the District Attorneys Office, had refused to apply the regulations of the Nevada Tax Commission promulgated on August 4, 2004. He said a discussion occurred whether these regulations were applicable. Mr. Azevedo submitted Exhibit E, Comparative Tables for eight properties for tax years 2002/03 through 2007/08 and explained what the Assessor had done in response to the Bakst et al decision, and provided an analysis illustrating the Assessor's Office applied different factors to different taxpayers. He explained a letter was sent to the Nevada Tax Commission asking how they intended to remedy the inherent equalization problem noted through a special study of the Commission. Mr. Azevedo explained the only factor the Assessor could use was one approved by the Tax Commission.

**9:36 a.m.** The Board recessed.

**9:50 a.m.** The Board reconvened.

Mr. Azevedo distributed NRS. 361.260 subsection 5 and reviewed the statutory authority for the factor year and where the regulations should have been applied. He said the SBOE requested a stay to stop the effectiveness of the court decision pending the review of the Maddox decision by the Nevada Supreme Court. He said the District Attorneys Office, on behalf of Washoe County and the County Assessor, joined in the stay. Mr. Azevedo said the representation by the SBOE's attorney joined by Washoe County and the Assessor was as follows: rather than repeat the arguments that led to the Nevada Supreme Court granting a stay, the State respectively requested the district court follow the Supreme Court's lead by granting the State's motion for a stay because the court relied on the decision made by Judge Maddox and, because the district court correctly noted the two cases were factually identical. He stated after those representations were made and a stay granted, the County filed a document stating the afore mentioned methodologies were not used. He commented documents received from the Assessor's Office showed for factor year 2007/08 the same four methodologies declared void and unconstitutional by the Nevada Supreme Court continued to be used. He noted the County Board of Equalization (CBOE) was independent of the Assessor's Office and bound by the document. He indicated the roll back to 2002/03 was

appropriate until the Assessor or the Tax Commission took remedial action to fix the equalization problem created as a result of the application of the unconstitutional methodologies, and he added the Board must submit to the ruling of the Nevada Supreme Court.

In response to Member Covert, Mr. Azevedo replied the last reappraisal year was 2003/04. Member Covert asked if the current appraised value was greater than, less than or equal to the full cash value. Mr. Azevedo said he could not make that allegation, but the Assessor violated the constitution by applying methods found to be unconstitutional to the extent the taxable value included portions of values triple to those methodologies. He said documents that referenced the special study by the Department of Taxation had indicated an equalization problem. He said until that equalization problem was addressed the reasoning brought forward in Maddox and the Nevada Supreme Court was persuasive. Mr. Azevedo stated his clients accepted the 2002/03 values originally in the Maddox case because there was no evidence that the four offending methodologies had been previously used against their properties, subsequent to the filing of the petition for the 2003/04-year. He stated Washoe County had violated his client's constitutional rights repeatedly, and his clients were entitled to a refund any year in which the methodologies were used.

In response to Member Covert, Mr. Azevedo explained he received notice from the SBOE for the 2006/07-tax year, which set the hearings for August 2006. He said the SBOE discussed continuing his cases; however, he was not noticed on that proceeding. He said the SBOE refused to hear the case based on the representation of the Office of the Attorney General that the SBOE proceedings were subject to the jurisdiction of the Nevada Supreme Court. He said because the SBOE had refused to hear his case, the CBOE was now being asked to approve a factor on a base-year number not consistent to the factor being applied. He said the factor was being applied to a number that disregarded the CBOE decision last year.

In response to Member McAlinden, Mr. Azevedo clarified several names listed on authorizations and petitions.

In response to Chairman Sparks, Ms. Parent clarified and identified the exhibits to the Board as they had been presented.

Member Schmidt explained a remedy of this Board was to negate all the factors subsequent to the court order of assessed year 2002/03 and place the values of these properties with a factor of 1.0 on the 2002/03 year. Mr. Azevedo replied he was requesting a 2002/03 value. He said the four methodologies struck down had been used consistently for 2003/04, 2004/05, 2005/06, and 2006/07; however, he was only asking for relief from 2007/08. He said because the methodologies were utilized, the analysis in the Supreme Court decision was binding. Member Schmidt asked if the petitioners estimated value on their petitions corresponded with the 2002/03 value. Mr. Azevedo replied market value had never been a point of contention.

Chairman Sparks suggested petitioners who were present have the opportunity to speak.

James Nakada, Hearing No. LT-114, was sworn and identified his parcel in Incline Village. He stated the Assessor's Office agreed errors were made, and he identified the following three errors: 1) one of his water lines was used to irrigate the entire half-acre and initially the Assessor's Office thought other lines were used that the County was unaware of, and he clarified that did not occur; 2) the Assessor's Office did not have any record of a drainage ditch in front of the houses on the street and on the side of their property, which created an additional problem for the lot; and, 3) the County was unaware the front concrete deck pre-existed before the house was built. Mr. Nakada said those three errors resulted in the Assessor's Office not giving the same assessed valuation as had been done with others.

Member Schmidt asked if these were improvement values being discussed. Mr. Nakada replied they were presumably unproven values. He explained the drainage ditch was not an improvement value and the front deck was in before the house was built. Mr. Nakada explained he simplified the watering system.

Mr. Wilson said he spoke with Mr. Nakada and dealt with all of the concerns that Mr. Nakada had brought up in his testimony.

Chairman Sparks received Petitioner Exhibit H, binder from Alvin Bakst.

**10:25 a.m.** The Board recessed.

**10:35 a.m.** The Board reconvened.

Terrance Shea, Deputy District Attorney, discussed the on-going tax cases that continued for the 2004/05, 2005/06, and 2006/07 tax years that revolved around the Maddox and Judge Griffin decisions. Mr. Shea discussed the factual identity of the cases and said the Maddox decision was based on whether the Administrative Procedures Act was violated under Chapter 233B. He said the Maddox decision was because the regulations were not adopted in accordance with statute and were not valid; however, the Nevada Supreme Court ignored that decision, but reached the same conclusion with different reasons. He said the Bakst decision took care of the 2003/04-tax year that led to other issues for the succeeding years. He said the four methodologies used to value the land at Incline Village and Crystal Bay were invalid, not adopted by the Tax Commission and the County could not use them, which was unknown until December 28, 2006. He said under NRS 361.260 it was the job of the Assessor and every other assessor in the State to value the property in their county each year and were given methods by the Legislature. Mr. Shea explained Washoe County, under NRS 361.260(5), adopted one year as a reappraisal year and the succeeding four years as factoring years. He said for the five years proceeding the 2003/04-tax year the Assessor determined the taxable value of the land in Incline Village using the statutorily approved factor method of adjusting the value of the land since it was last reappraised under a regulation adopted by the Tax

Commission. He said the invalidity of the four methods came about since the Tax Commission did not adopt the regulation the Assessor needed. He said the Bakst decision opened the door that the factoring method was an independent way to validate values. He said ignoring the factor of the Tax Commission was not the CBOE's job. He said, with regard to the factor, this Board was to consider the application of the factor to each individual parcel; however, not remove the factor in total. He said the 2004/05 tax cases pending in the Nevada Supreme Court put the Court on notice of their own decision. He said he filed an opposition explaining why the County felt the factoring issue was important and the Supreme Court should order a briefing schedule so it could be fully discussed.

Chairman Sparks asked if the Nevada Supreme Court decision was only for the 17 property owners. Mr. Shea replied he believed the opinion applied to just the 17 parties. He said he interpreted these taxpayers were ordered to receive, and had received, a refund of taxes paid above what they would have paid in the 2002/03-tax year directly attributable to an invalid method. Chairman Sparks restated his question that since the Supreme Court rolled back the assessed value of 2003/04 to the level ascertained by the Assessor for the 2002/03-tax year, was that the legal opinion that became the final valuation for that tax year. Mr. Shea replied he did not see the term "roll-back," but there would be a tax refund based upon the difference between what was paid in 2002/03 versus 2003/04. Chairman Sparks asked where did that assessed or taxable value come from and what number was used for the taxable value to calculate the refund. Mr. Shea said it came from the Assessor's records and 2002/03 was used to calculate the refund. Chairman Sparks said then 2002/03 became the 2003/04 taxable and assessed value for these 17 property owners. Mr. Shea concurred. He said the decision stated a refund was based upon the difference of those two numbers.

In response to Member Schmidt, Mr. Shea replied the CBOE did not have the authority to reject or review the factors legitimacy as adopted by the Nevada Tax Commission. He said with regard to the factor this Board's job was to consider the individual values of each parcel as it was applied to those individual values.

Assessor Wilson submitted:

Exhibit I, packet of information.

Exhibit II, individual Assessor's Fact Sheet(s) including comparable sales, maps and subject's appraisal record.

Member Schmidt indicated this relief should be granted to the entire County, and if so, why would that be inequitable. Mr. Shea said the numbers that existed in 2003/04 came about because of the factoring process. He said they were the same, but that did not mean they were independently validated by the second valuation passed by the Legislature, approved by the Supreme Court, and adopted by regulation of the Tax Commission. Member Schmidt believed this Board could not address interim years but duly note the Supreme Court decision, which adjusted the 2003/04-tax year. He said the Board was charged with making determinations in the 2007/08 tax year so why was it not appropriate to accept the Supreme Court decision and affirm or reject the current tax year



2007/08. Mr. Shea responded the factor method was independent of the reappraisal method.

In response to Member Schmidt, Mr. Wilson said Assessor's Exhibit I, Attachment B, page 9, explained the analysis made by the Department of Taxation was consistent with the new regulation. He said it was compiled in 2005 but the Assessor's Office was never made aware their analysis, in the factoring process, had not complied with the newly adopted regulations of August 2004. He said in the factoring year the statute required reviewing the assessed value for the previous year on that property and compare that to the sale price or the market value of the property. He said that produced a ratio of assessed value to market value of the property. He said the statute then directed the medium ratio must fall between 30-35 percent regardless of where it began. Mr. Wilson added the timing of the Nevada Supreme Court decision created problems concerning the value for the Tahoe properties for tax year 2006/07. He said when the case was decided on December 28, 2006 all the value notices had been sent and staff had to do the work with the current values on the roll that was the pre-roll back decision of the CBOE. He said if the decision were rendered earlier analyzing the factor study information and presenting that to the Department of Taxation and the Tax Commission staff would had been presenting two separate factors for Area One. He recommended a value established from a pre-rollback number and applying the appropriate factors for the interim years on all properties excluding the Incline Lake front properties. Mr. Wilson explained the 45 land sales contained in this years factor study and where they were in relation to the 2002/03 value bases. He gave several definitions of equalization and prefaced with each of the definitions was the implication the County was on a market-based system of value. He said in Nevada the County was on a modified cost approach to value, which determined the market value of the land and the improvement side determined the replacement cost new, as specified in Marshall Swift Costing Manual, and applied a 1.5 percent a year depreciation to the age of the property to arrive at a depreciated replacement cost. Mr. Wilson said as property became older ratios become further away from market value because of the mandated depreciation, which may not comply with the market depreciation experienced by the buyers and sellers. Mr. Wilson said an exception would be properties with a high land to building ratio such as lake front properties in Lake Tahoe. He said none of the contested methodologies dealt with how the improvement values were determined so it was difficult to roll back and determine what the value would have been if a house were not in existence in 2002. He also stated none of the contested methodologies dealt with improvement values being rolled back to 2002/03 consistent with the decision of the CBOE last year.

Mr. Wilson explained each of the hearing evidence packets demonstrated support that these properties were not excessively valued and that the total taxable value did not exceed full cash value.

In response to Member Schmidt, Mr. Wilson replied the Tax Commission had not given assessors' tools through the regulation making process since 1983, so assessors developed techniques appropriate at arriving at a full cash value estimate. Member Schmidt asked if the State Tax Commission's function in approving factors was

to determine if they fell within the proper range. Mr. Wilson replied the Tax Department explained the purpose of the factor study as stated in Assessor Exhibit I, Page 18, the land factor report submitted to the Nevada Tax Commission. Mr. Wilson said the criteria used in reviewing the sales data from each assessor included: the sample size of sales data large enough to support a conclusion; the data supporting a single conclusion or if more than one conclusion could be reached; the median ratio before and after application of a factor; the median ratio within the statutory range of 30-35 percent after application of a factor; the factor that resulted in the highest median ratio and would still be in the range; the resulting coefficient of dispersion and was it at an acceptable level; and the confidence intervals support the conclusion that the sample was at the legally required level. Member Schmidt remarked was the sales data accurate and were the sales determined by using constitutional methods absent from that list. Mr. Wilson referenced the current Department of Taxation ratio study conducted on the Washoe County Assessor's Office and referenced the analysis of sales data and verification. Member Schmidt said the CBOE dealt with taxable assessments or values related to taxes that would occur in July of 2007. Mr. Wilson explained this was a factor year and 750 sales were provided to the department then forwarded to the Nevada Tax Commission who approved a 1.15 factor for all of Area One properties excluding Montreaux, Arrow Creek, and the Incline Village Lake Front.

In response to Chairman Sparks, Gary Warren, Senior Appraiser, replied the value shown on LT-97 represented the 2002 value which was the value the CBOE approved last year. He said the case was heard prior to the stay issued by the Nevada Supreme Court, so those values did not get adjusted upward for the 2007/08 roll. Chairman Sparks said Assessor Exhibit I, page 174 stated consequently the district court granted the taxpayer requested relief which reversed the State Board and ordered Washoe County to roll back the tax valuation on these properties to their 2002/03 amounts. He asked how it went from the 2005 to the 2002 amount. Mr. Warren replied the Nevada Supreme Court decision ordered a refund based upon the two different values. He said so staff had not gone back into the rolls and placed the 2002 value on the records to the 2003/04. Mr. Wilson explained the 2004/05 values were still in court, 2005/06 was subject to a remand to the CBOE, and 2006/07 was in limbo before the SBOE.

Member Krolick asked if 2002 was the reappraisal year. Mr. Wilson replied 2002/03 was a factor year prior to reappraisal.

Chairman Sparks referenced the 2004 value and asked where that number came from since that was a factor year. Mr. Wilson replied that would have been a reappraisal value factored at 1.0 percent approved by the Nevada Tax Commission. Chairman Sparks inquired if it was ordered back to a base year value and that base year became applicable for factoring past that base year, could that be raised to what it was before. Mr. Wilson stated he did not have the authority to go back and reduce it when it was still in litigation.

Chairman Sparks said in regard to the appellants not in the original 17 the 2003 remained and changed the 2006 number. Mr. Wilson said that was correct.

Mr. Shea explained that in compliance with the Supreme Court stay order issued in 2006 that affected the number of the roll back decisions by this Board, the stay was in affect until approximately January 25, 2007 when the case was remitted from the Nevada Supreme Court back to District Court in Carson City where the stay order dissolved. He said the Assessor's staff was in the process of preparing to react when the stay order dissolved and that was when the decision of this Board in March 2006 became effective and could be implemented and heard by the SBOE.

Member Schmidt asked if the Assessor's Office had rolled back all 9000 properties to the 2002/03 values. Mr. Wilson replied all residential properties had been rolled back.

In response to Chairman Sparks, Mr. Wilson replied 2006/07 represented the rollback to 2002/03. He said when the Nevada Supreme Court decision was made on December 28, 2006 the value notices had already been sent and published in the newspaper. He indicated staff noticed values prior to the implementation of that roll back because the Supreme Court had not rendered their decision and the Assessor's Office was enjoined from implementing any of this Board's decisions.

Mr. Wilson said the timing of the stay order had produced inequities. He explained this Board rendered a decision to the original 17 petitioners heard prior to February 14, 2006 and the Assessor's Office implemented that decision. Mr. Wilson said the 2003 number was only applicable for the 17 petitioners referenced in the Supreme Court decision. Chairman Sparks said if the 17 were rolled back to the 2003 tax year and the 9000 were rolled back to the 2002/03-tax year why would not all of them be at the 2002/03-tax year. Mr. Wilson reiterated for the 2006/07-tax year they were.

**12:10 p.m.** The Board recessed.

**12:20 p.m.** The Board reconvened.

Chairman Sparks acknowledged he accepted the Assessor's explanation for what the County had done concerning the 36 petitioners and suggested hearing the appraiser's evidence for Hearing Nos. 610, LT-97, and LT-114.

Patricia Regan, Appraiser III, identified the parcel for Hearing No, 610, Donald Mason. She explained Mr. Mason purchased the property and issues arose concerning the development of the property. She reviewed the property and made a recommendation to equalize the property within the area. She said the key issue was access to the property, which was over an environmentally sensitive stream within the bottom of the ravine that had to be bridged. She recommended valuing the land as a 5-acre parcel and making an adjustment to address the access issue. Ms. Regan indicated the petitioner was in agreement with the recommendation.

Mr. Warren explained the issues involved with Hearing No. LT-97. He said the petitioner's evidence contained work logs to 2005, and he did not know what new evidence was being submitted to show additional work. Mr. Warren explained the petitioner requested an additional reduction for that. He said the Assessor's Office was recommending the value be increased to equalization with other properties for the 2007/08 year.

Mr. Wilson concluded factoring was separate and distinctly different than reappraisal. He said all of the sales analyzed by the Washoe County Assessor's Office, subsequent to the adoption of the August 4, 2004 regulations, had complied with the Nevada Tax Commission. He said had the rollback of the CBOE been implemented prior to the factor analysis provided to the Department of Taxation and the Nevada Tax Commission, a separate factor for Incline Village based on the fact that the sales prices were the sales prices, would have been recommended. He said the only change was the number that was started from which would be the assessed value, so by comparing the assessed values of property at a 2002/03 level to the sale price produced a different and significantly higher factor for the Incline Village Basin than what was approved by the Nevada Tax Commission. Mr. Wilson said 14 of the hearings before the Board today were reduced prior to the Supreme Court stay. He said the 14 properties the Assessor's Office made recommendations to increase the values based on equalization of all of these surrounding residential properties were: LT-113, LT-97, LT-128, LT-114, LT-98, LT-99, LT-100, LT-101, LT-117, LT-118, LT-124, LT-125, LT-126, and LT-130. Mr. Wilson said these properties were currently at the 2002/03 while the rest of the Incline Village/Crystal Bay Basin was at 2007/08 levels that represented a 1.15 percent factor applied to the 2006/07 values prior to implementing this Board's decision.

Member Schmidt asked if the factor for Incline Village was significantly greater than was approved by the Nevada Tax Commission. Mr. Wilson clarified if the rollback of the CBOE had been finalized and the Assessor was no longer enjoined from instituting that, and if the 45 land sales compared were provided in the factor study and then you compared those to their 2002 assessed value it would have produced a significantly higher factor.

In rebuttal, Mr. Azevedo said the Court ordered that the 2004 values be set to the 2002/03 levels. He read a portion of the Supreme Court ruling that stated accordingly the District Court properly ordered that their 2003/04 valuations be set to the 2002/03 levels. He stated the materials showed the Assessor's Office still used the same four invalid methodologies. He said based on the court order the Assessor's Office was operating in contempt. Mr. Azevedo said the CBOE heard statements that the passage of time had caused all the problems presented to this Board and the Courts. He acknowledged the judicial process was not a speedy one, but the problems that had occurred from the homeowner's perspective was the continual use of the same methodologies and the Assessor's willingness to utilize those. He said the Board also heard the Assessor could restart the value adjusted by the CBOE the previous year pursuant to 361.345. He commented he listened to the Deputy District Attorney interpret the decision, but he submitted there were no different regulations for reappraisal versus

factoring. He said his clients constitutional rights had been abrogated and violated by the Assessor. He believed there still was an absence of guidance from the Nevada Tax Commission. He said the original 17 taxpayers and those that have come since then should not be caught in the dilemma if the Tax Commission had adopted more regulations. He said the appraisal sheets did not mention that they did not use the four methodologies; they just do not talk about it. Mr. Azevedo requested his client's values be set at 2002/03 until such time as the Assessor and Tax Commission addressed the equalization issues.

Member McAlinden asked for clarification on parcels. Mr. Azevedo explained who owned the parcel's and that the names were correct.

In response to Member Covert, Mr. Azevedo said he requested the Board adhere to the Nevada Supreme Court decision.

Member Schmidt said based on the evidence and the vast array of documentation he suggested a continuance. Chairman Sparks felt that was not necessary.

The Chairman closed the public hearing.

Member Covert commented the Nevada Supreme Court rolled back the property values from the 2003/04 values back to 2002/03 values. He said that was done since the appraisal methods were unconstitutional and not valid, but did not address how the appraisals were done for the 2002/03 year.

Member Schmidt stated he read the Nevada Supreme Court decision and felt it was clear that the State Supreme Court had indicated the four methodologies were unconstitutional. He supported placing the value on all the hearings before the CBOE to the 2002/03 level, disavowing the factor, and handle the improvements separately.

Chairman Sparks remarked that he found the Supreme Court decision poorly crafted in giving the Board direction on how to act. He said of the 17 property owners the decision referred to should have received their reward in which their 2003/04 assessments were rolled back to 2002/03. He said the Assessor stated they had taken 2007/08 and rolled it back to 2002/03 in light of what the CBOE did last year.

Chairman Sparks said based on the evidence presented by the Assessor and the petitioner he moved to adjust the Assessor's appraisal of the 36 landowners, except for the Mason parcel, Hearing No. 610, that the 2007 land valuation be reflected on the Washoe County appraisal record for 2002. Further, that for Hearing 610, find the Assessor's recommended taxable value be \$285,000 and the assessed value be \$99,750. He further moved as to hearing LT-114 the three physical deficiencies described by the petitioner were adequately referenced in the 2002 assessment and therefore no further action was required and would be included with the other 36 petitions. He further moved as to hearing No. LT-97 the information provided had to do with the County personnel or the Incline Village General Improvement District personnel. He said since the CBOE was

rolling it back to 2002 that became moot and that the land value would roll back to the 2002/03 levels.

Member Schmidt said he would second the motion with a clarification concerning the improvements. Chairman Sparks replied only the land value was being rolled back.

Mr. Wilson asked for clarification concerning properties not in existence in 2002 specifically the Tahoe Shoreline Properties, LLC. Mr. Azevedo explained that was a parcel line adjustment. He said there was no net gain; however, the owner was attempting to adjust the parcel line for development.

Member Schmidt explained lot line adjustment parcel numbers did not change and the characterization for parcels that did not exist would not be appropriate to a normal lot line adjustment.

Chairman Sparks said if those properties were not in existence then they could not take advantage of the judicial remedies. He said however, they were part of the consolidation so for LT-110, LT-105, LT-106, and LT-107 Tahoe Shoreline Properties, LLC the land taxable value was set by the assessor at \$988,100 and would be included in the motion.

Member Schmidt reiterated his request for continuance. Chairman Sparks replied he did not want that to occur. Member Schmidt said he would make a motion that this be pulled and continued.

Peter Simeoni, Legal Counsel, acknowledged there was a motion pending so another motion could not be made.

Member Schmidt said he seconded the motion, and he would make a motion to amend the motion to remove the parcels not in existence to be dealt with in a subsequent motion.

Chairman Sparks asked if there was a second to the amended motion. Member Schmidt remarked the chair would have to ask for approval to amend the motion since it was already seconded.

In response to Mr. Simeoni, Chairman Sparks confirmed he had a motion on the table and that Member Schmidt seconded the motion. He said after going through the motion there was a problem brought to attention by the Assessor so clarification was needed. Member Schmidt stated he would prefer two motions. Chairman Sparks stated he would rather not do that.

Chairman Sparks withdraw the motion. He then made another motion.

Based on the evidence presented by the Assessor's office and the Petitioners, on motion by Chairman Sparks, seconded by Member Schmidt, which motion duly carried, it was ordered that the Assessor's appraisals on all of the consolidated hearings except Hearing Nos. 610, LT-110, LT-105, LT-106, LT-107 be adjusted and that the land assessment and taxable value be reflected as set forth for the 2003/04 tax year which was based upon the 2002/03 tax year. It was further ordered that since the parcels involved in Hearing Nos. LT-105, LT-106, LT-107 and LT-110 were not in existence, that the 2007 valuations be recorded as their valuation for the 2007/08-tax year. It was further ordered that the Assessor's recommended valuation for Hearing No. 610 be upheld as had been agreed to between the owner of said parcel and the Assessor's office.

<u>APN NUMBER</u>	<u>PETITIONER/PROPERTY OWNER</u>	<u>HEARING #</u>
122-181-18	EDWARDS CAROL ASSOCIATES	LT-113
122-181-51	BAKST, KENNETH ETAL	LT-97
122-181-64	HEKMAT KAMBIZ & MAHNAZ	LT-108
122-181-65	HEKMAT, KAMBIZ	LT-111
122-192-06	VENTO, NICOLE	LT-128
122-212-13	NAKADA, JAMES & VIRGINIA H TR	LT-114
122-251-11	GLEN, ALAN & SAMANTHA	LT-98
122-530-32	SCHWARTZ, DANIEL S IRENE S TR	LT-115
123-021-02	BUCK, CAROL	LT-99
123-021-03	BUCK, CAROL F ETAL TR	LT-100
123-021-07	CUMMINGS, NANCY TR	LT-101
123-101-14	MASON, DONALD M JR	LT-116
123-151-05	ZANJANI, ESMAIL D ETAL	LT-117
123-161-06	GASTANAGA, EUGENE T TR ETAL	LT-96
123-260-07	WINKLER, AGNIESZKA M TR	LT-118
124-062-17	FREI, DONALD F TR	LT-109
125-134-14	TAYLOR, GARRETT E & JEAN C TR	LT-119
125-156-04	HOLLAND, MICHAEL & KATHERINE	LT-466
125-181-37	MASON ,DONALD M JR	LT-120
125-413-04	WILSON, DONALD T & PATRICIA A TR	LT-121
125-531-24	VENTO, RICHARD	LT-129
126-251-08	AUSTIN, THOMAS TR ETAL	LT-102
126-262-06	BENDER, ROBERT B & PAULA S	LT-104

126-262-08	REBANE, MARGARET A & TOOMAS TR	LT-122
126-262-09	WATKINS, LAWRENCE A & LILLIAN A TR	LT-123
128-071-04	BARNHART, JANE A	LT-103
130-230-06	FFO LLC	LT-124
130-230-07	SMITH, WES	LT-125
130-230-08	SMITH, WES	LT-126
130-312-12	PENDERGRAFT, NEAL	LT-130
131-211-24	GANG,LEONARDI & ROBERTA FAM TRUST	LT-112
131-261-06	THOMAS, JONS & NANCY E TR	LT-127
055-200-82	MASON, DONALD JR ETAL	610
123-250-07	TAHOE SHORELINE PROPERTIES LLC	LT-110
123-250-08	TAHOE SHORELINE PROPERTIES LLC	LT-105
123-250-09	TAHOE SHORELINE PROPERTIES LLC	LT-106
123-250-10	TAHOE SHORELINE PROPERTIES LLC	LT-107

Member Covert asked for clarification that the motion was based on the fact there was pending litigation and administrative issues that had to occur.

Chairman Sparks said the Assessor had taken it upon themselves, with the Supreme Court decision in December 2006, to roll back properties to the 2003/04 level which were based on the 2002/03 before the reappraisal. He explained with that all of the properties should be accorded the same level of equalization.

\* \* \* \* \*

**1:45 p.m.** The Board recessed.

**1:30 P.M. – BLOCK 2**

**07-11aE HEARING NOS. LT-35 – ABRAMSON, LT-36 – JONES, LT- 37 – LUSVARDI, LT-38 – KASSEL, LT-39 – DUNCAN, LT-56 – KIPER FAMILY TRUST**

Petitions for Review of Assessed Valuation received from Robert Angres, Esq., on behalf of the following Petitioners (see table below), protesting the taxable valuation on land and improvements on their parcels located in Incline Village, Washoe County, Nevada, were set for consideration at this time.

In response to Chairman Sparks, Mr. Angres indicated he was sworn in earlier along with Terrance Shea, Deputy District Attorney.



In response to Chairman Sparks, Mr. Angres replied he was requesting his clients' hearings be consolidated because they all addressed the same issues dealt with in hearings held earlier in the day. He indicated Hearing LT-35 had a separate issue also.

On motion by Member Covert, seconded by Member McAlinden, which motion duly carried, Chairman Sparks ordered that the following hearings represented by Attorney Robert Angres be consolidated:

<b>Parcel Number</b>	<b>Petitioner</b>	<b>Hearing No.</b>
122-162-08	Abramson, Irwin TR	LT-35
123-145-19	Lusvardi, Carla T TR	LT-37
123-145-20	Kassel, Robert and Maureen	LT-38
124-032-27	Duncan, Nicholas R	LT-39
125-413-12	Jones, Robert A TR	LT-36
131-211-09	Kiper Family Trust The	LT-56

Rigo Lopez, Senior Appraiser, duly sworn, stated all of the properties were located in the Incline Village/Crystal Bay area.

Mr. Angres stated he was a Trustee or Attorney in Fact for various petitioners. He felt he did not have to belabor the arguments presented earlier by Norman Azevedo, Attorney and responded to by the Assessor's Office. He requested equalization for his clients' parcels with regard to the decision made during this morning's hearings. He said his clients' parcels were similarly situated and were subject to the same influences and the same legal analysis. Pursuant to the Nevada Supreme Court decision, Mr. Angres requested the factor be denied and the rollback to the 2002/03 value be upheld, which had been accorded to the similarly situated properties during the earlier hearings.

For Hearing LT-35, Irwin Abramson TR, Mr. Angres said the true owner for APN 122-162-08 was Edward Fein. He indicated Mr. Fein initially received a 5 percent reduction in the assessed valuation of his property due to an Incline Village General Improvement District (IVGID) sewer easement running across the lakefront portion of the property. He stated Mr. Fein requested a further reduction from the Assessor's Office when he found out his neighbor directly to the left of his property had received a 10 percent reduction. He said Mr. Fein was granted an equal amount, but continuing investigation had determined Mr. Fein's property was more burdened than his neighbor's property.

Mr. Angres submitted Exhibit A, ATLA/ACSM Land Title Survey Map of APN 122-162-09.

Mr. Angres pointed out on the map the location of Shoreline Circle and Lake Tahoe. He explained everyone had the sewer easement along the lakefront, but Mr. Fein's property also had a 10-foot wide easement from the sewer line to the street. He stated Scott Todd, IVGID, had indicated only 85 Shoreline Drive and Mr. Fine's property

at 81 Shoreline Drive were being used to access the sewer easement. He said that semi-unique burden was why the additional reduction was requested.

Chairman Sparks said Hearing Nos. LT-37, APN 123-145-19, and LT-38, APN 123-145-20, did not have assessments for 2002/03, so Mr. Angres relief was asking for something that was not in evidence. Mr. Angres replied APN 123-145-19 existed in 2002/03. Chairman Sparks said the basement was there and there were some yard improvement changes, but he would query the Assessor's Office on why there were no land values for those years. Mr. Angres indicated APN 123-145-20 was built in the last two years.

In response to Member McAlinden, Mr. Angres said he had two Powers of Attorney with him when he submitted the petition, and he submitted the wrong one for Robert and Maureen Kassel, Hearing LT-38. He indicated he did not have a copy of the correct Power of Attorney with him.

Peter Simeoni, Legal Counsel, asked if the Clerk's Office had a copy of the correct Power of Attorney. Mr. Angres replied he did not believe they had the correct one. He said Member McAlinden had just made him aware he had submitted the wrong Power of Attorney. He stated he did have the correct Power of Attorney but it was not in the record. He indicated he would supplement the record if he could.

Member McAlinden said she did not see an authorization in the packet for Hearing LT-39, Nicholas R. Duncan. Mr. Angres replied he had it with him and would give it to the Clerk.

Member Schmidt said Mr. Angres indicated 85 Shoreline Drive also had the ingress and egress to the service street, and he asked if Mr. Angres knew what type of relief the property had and its proximity to the subject property. Mr. Angres replied he did not have those answers. He reiterated 81 and 85 Shoreline Drive were the only two properties, according to IVGID, that were used to service the sewer easement. He said the adjacent property had a manhole cover, but he did not know if that was 85 Shoreline Drive.

Mr. Simeoni read Nevada Revised Statue (NRS) 361.362 that stated authorizations needed to be submitted within 48 hours of last day allowed for filing the appeal. He said he understood Mr. Angres filed the appeal on behalf of the property owner. Mr. Angres replied he filed the appeal on behalf of the property owner with the authorization form signed by himself in his capacity as Attorney of Fact.

Mr. Simeoni asked if the petitioner had signed the authorization form and had Mr. Angres submitted it within 48 hours of the appeal. Mr. Angres replied he signed the authorization form as Attorney of Fact and submitted it within 48 hours. He explained the property owner did not sign the petition because he was out of the country. Mr. Simeoni explained the statute required the property owner sign an authorization allowing the Mr. Angres to represent the property owner. Mr. Angres felt if he had a Power of

Attorney, was a valid Attorney of Fact, and he signed the authorization in that capacity; he complied with the statute. Mr. Simeoni indicated that argument would have to be made to the Board. Mr. Angres further explained he was authorized as a plenary and specific Power of Attorney for the petitioners for about two years. He stated he signed the authorization form for the appeal in that capacity.

Chairman Sparks said it had been the Board's policy to allow a representative to make a call to try to get an authorization before the hearing was concluded. Mr. Angres replied he would try to obtain an authorization by fax from Mr. Kassel. Chairman Sparks indicated the Board might pull the petition out of the hearing if the authorization was not received before the hearing ended.

Member Schmidt said the authorization was signed by the attorney for Robert and Maureen Kassel. He felt the question was if the attorney had the right to sign the document. Chairman Sparks said the only Power of Attorney the Board had was one that dealt with the Internal Revenue Service that was valid until October 15, 2006.

After further discussion, Chairman Sparks reiterated the Board wanted a signed authorization by the end of the hearing.

Regarding Mr. Duncan's petition, Mr. Angres stated he was informed if the property owner signed a petition for review, an authorization was not required. Chairman Sparks and Mr. Simeoni agreed that was fine.

Gary Warren, Senior Appraiser, submitted the following documents into evidence for Hearing Nos. LT-35 - Abramson, LT-37 - Lusvardi, and LT-38 - Kassel:

Exhibit I, Assessor's binder.

Exhibit II, Assessor's Fact Sheet(s) including comparable sales, maps and subject's appraisal record.

Appraiser Warren stated Hearing No. LT-35, Irwin Abramson TR, received a deduction to its assessment because of the sewer easement that ran along the property line. He indicated it was a 10 percent reduction in the current value, which equalized it with the adjoining property. He explained the property was purchased in October 2005 for \$6,895,000, which was over \$2.5 million dollars more than its current assessment. He stated he did not believe an additional reduction to the land value was warranted based on the sales price of the subject property compared to its taxable value.

In response to Chairman Sparks, Appraiser Warren explained there was an upward 5 percent adjustment for the property's location on Shoreline. He said subtracting 10 percent from that resulted in a negative net of 5 percent.

In response to Member Schmidt, Appraiser Warren said the paved easement was not a vehicle easement. He said he was not sure where 85 Shoreline was located, but 122-162-07 was the adjoining property on the other side of the easement. He

understood the easement went across both parcels, but he did not know if it was more on one property or the other.

Member Schmidt asked if all of the parcels in the area received a 10 percent encumbrance reduction for the shoreline easement. Appraiser Warren stated all of the properties along the lakefront had a sewer easement running across the frontage because the sewers all drain down and that was the lowest point on the properties. He explained there was no adjustment because the sewer easement was common to all parcels. He indicated, according to the map, it appeared the paved path was more on the subject property and the manhole was on the adjacent property.

Member Schmidt asked if Appraiser Warren knew of any similar easements that accessed pump stations. Appraiser Warren replied APN 122-181-51, Dr. Bakst, had a similar easement, as did the property adjoining his. He indicated the adjustment for Dr. Bakst was 10 percent, which he believed was the same for the adjoining property. He said the pump station was checked once a week, and he understood maintenance was rare.

Chairman Sparks said there were no land values prior to 2005 for Hearing LT-37. Appraiser Warren said the parcels had a boundary line adjustment and new APN's were created. He explained the values pick up from the time the new parcels were created. He said there was a 2006 FV value on both of the parcels, which was substantially below the 2007 value. He indicated those were the values of the previous parcels that existed in 2002.

Appraiser Lopez submitted the following documents into evidence for Hearing Nos. LT-36 - Jones, LT-39 - Duncan, and LT-56 - Kiper Family Trust:

Exhibit I, Assessor's binder.

Exhibit II, Assessor's Fact Sheet(s) including comparable sales, maps and subject's appraisal record.

Appraiser Lopez stated the Assessor's Office would stand on its presentation made during the morning block because the issues were the same.

In rebuttal, Mr. Angres remarked the Irwin Abramson TR property being purchased for around \$6 million was irrelevant. He said it depended on what the burden was if the other valuable properties were being burdened. He stated IVGID used the pathway down the side of the house once a week. He indicated the path would have to be cut up and the landscape disturbed to access the pipes. He stated only two properties on Shoreline were being burdened in this fashion according to IVGID. He suggested a further reduction was appropriate.

**2:47 p.m.** The Board took a temporary recess.

**2:52 p.m.** The Board reconvened with all members present.

Chairman Sparks said the Power of Attorney for the Kassel's was being faxed, and he asked if the Board had any idea on how they wished to proceed with that hearing. Mr. Covert suggested the Board act as if it had the authorization but make the motion dependent upon its timely receipt. Chairman Sparks said the repercussions of its not being received would be its withdrawal by the Board.

On motion by Chairman Sparks, seconded by Member Krolick, which motion duly carried, it was ordered that the authorization for Robert Angres, Esq., to represent Robert and Maureen Kassel for Hearing No. LT-38, APN 123-145-20, be received at the Clerk's Office by the end of business today. It was further ordered that the petition would be heard with the consolidated hearing; but, if the representation authorization was not received by the Clerk's Office by the end of business February 12, 2007, the petition would be deemed not part of the consolidated hearing and would be denied a hearing.

The Chairman closed the hearing.

Based on the evidence presented by the Assessor's Office and the Petitioners, on motion by Chairman Sparks, seconded by Member McAlinden, which motion duly carried, it was ordered that the Assessor's 2007/08 land valuations for Hearing Nos. LT-35, LT-36, LT-39, and LT-56 be adjusted to the 2002/03 values as recorded on the Washoe County Appraisal Record Residential Card. It was further ordered that for Hearing Nos. LT-37 and LT-38 that the 2007/08 land values be those portrayed under 2006 FV. The Board found that, with these adjustments, the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

Josh Wilson, Assessor, stated he felt the motion should indicate the values be moved back to 2002/03 prior to reappraisal. He said it confused him during the last motion that was made earlier in the block, but I am sure you want the pre-reappraisal value.

Chairman Sparks said he was trying to get back to 2002/03-land values as determined by the Washoe County Assessor except for Hearing Nos. LT-37 and LT-38, which would be rolled back to 2006 FV because they were parcel change numbers.

**07-12E            HEARING NOS. LT-40R06 AND LT-41R06 – GAUBERT, CLAUDE  
J & SANDRA P TR – APN'S 122-162-24 AND 122-193-30**

Petitions for Review of Assessed Valuation received from Thomas Hall, Esq., on behalf of the following Petitioners, protesting the taxable valuation on land and improvements on their parcels located in Incline Village, Washoe County, Nevada, were set for consideration at this time.

<b>Parcel Number</b>	<b>Petitioner</b>	<b>Hearing No.</b>
122-162-24	Gaubert, Claude J. & Sandra P. TR	LT-40R06
122-162-30	Gaubert, Claude J. & Sandra P. TR	LT-41R06

Chairman Sparks indicated the authorization was for 2006/07 instead of 2007/08. Nancy Parent, Deputy County Clerk, replied the Clerk's Office had been given copies of the 2007/08 authorizations but needed the originals from Mr. Hall.

On motion by Chairman Sparks, seconded by Member Schmidt, which motion duly carried, it was ordered the Authorization for Representation dated February 7, 2007 that replaced the one received on January 12, 2007, which had an incorrect tax year, be accepted.

On motion by Member Covert, seconded by Member McAlinden, which motion duly carried, Chairman Sparks ordered that Hearing Nos. LT-40R06 and LT-41R06 be consolidated.

Gary Warren, Senior Appraiser, duly sworn, oriented the Board as to the location of the subject property for Hearing No. LT-40R06. Joe Johnson, Appraiser III, duly sworn, stated the subject property for Hearing No. LT-41R06 was a minimally improved lot on Lakeshore Boulevard that had a tennis court and fencing.

Mr. Hall submitted the following documents into evidence for Hearing Nos. LT-40R06 and LT-41R06:

Exhibit A, Hall's packet to the Board.

Mr. Hall said Page 10 of the packet provided the value history for Hearing No. LT-40R06. He indicated the 2002 FV was \$4,860,000 for APN 122-162-24, then it was reappraised, and it was put back to 2002 FV in 2006. He said the improvement values were accepted as accurate, so the only question was to the land values. He requested the land's taxable value for 2007/08 be rolled back to 2002, which was also the 2006 value.

Mr. Hall said Page 8 of the packet provided the value history for Hearing No. LT-41R06, which was the same story. He said the 2002 FV was \$124,320 for APN 122-193-30, and it was put back to the 2002 FV in 2006. He said the improvement values were acceptable, and he requested the land value for 2007/08 be rolled back to 2002 FV.

Appraisers Warren and Johnson submitted the following documents into evidence for Hearing Nos. LT-40R06 and LT41R06:

Exhibit I, Assessor's binder.

Exhibit II, Assessor's Fact Sheet(s) including comparable sales, maps and subject's appraisal record.

Appraiser Warren said the Assessor's Office would stand on the written record with the inclusion of the above exhibits for Hearing LT-40R06.

In response to Chairman Sparks, Appraiser Warren explained the lakefront parcels did not receive the 1.15 factor but the interior parcels at Lake Tahoe did.

In response to Member Schmidt, Appraiser Warren said the same arguments and methods applied as were discussed earlier.

Appraiser Johnson said the Assessor's Office would stand on the written record with the inclusion of the above exhibits for Hearing LT-41R06.

In rebuttal, Mr. Hall requested the Board adopt the 2002/2006 land values for both parcels, which would square everything up.

The Chairman closed the hearing.

Member Schmidt said he must have missed the explanation on why, for APN 122-193-30, the 2006 taxable land value went from \$648,000 to \$124,320 because it shows 2003, which was 2003/04. He stated that should have been adjusted to 2002/03 at \$600,000. He stated he was confused as to the figures.

Chairman Sparks said he understood that the Supreme Court decision set the 17 appellants back to 2002/03. He said, it was the Assessor's understanding the methodologies prescribed were not followed in light of that decision, and the Supreme Court was asking the Assessor to rollback in relation to the Board's decision last year that the properties needed to be equalized. He said the Board was only dealing with 2007/08 land values and the Assessor's Office was going back to the 2002/03-land value assessment, which was the number the Board needed to get to.

Member Schmidt said the Board did not have the 2002/03 numbers in front of it, but the \$600,000 was for 2003/04. Chairman Sparks stated the land-assessed value for 2002/03 was \$43,512. Member Schmidt felt the 2006/07 taxable land value of \$124,320 was based on the County Board's action last year.

Member Schmidt said he thought Assessor Wilson indicated that all 9,000 parcels had been rolled back to the 2002/03 as of January 21, 2007 but the numbers did not get into the paperwork. Chairman Sparks said that was what the Board was hearing. He said based on this Board's decision if that was the decision, the Board would roll it back consistent with what had been done so far.

Based on the evidence presented by the Assessor's Office and the Petitioners, on motion by Chairman Sparks, seconded by Member Krolick, it was ordered that the Assessor's 2007/08 land valuations for Hearing Nos. LT-40R06 and LT-41R06 be adjusted to the 2002 FV land values as recorded on the Washoe County Appraisal Record Residential Card. The Board found that, with these adjustments, the land and

improvements are valued correctly and the total taxable value does not exceed full cash value.

### **BOARD MEMBER COMMENTS**

Member Schmidt stated, in light of the Board's actions today, he was requesting an item be placed on an agenda toward the end of this session regarding the general equalization of Incline Village and for the general equalization within the County. He indicated last year there was a motion, which failed by a 6-3 vote of the combined panels, that the entire County be moved down to the 2002/03 level. He recalled several people voted against the motion because the District Court Orders were still under appeal to the Nevada Supreme Court, which they no longer were.

In response to Chairman Sparks, Nancy Parent, Deputy County Clerk, replied there were hearings scheduled for the last three days of the month, and she informed the Board of the schedule for the February 28, 2007.

Member Schmidt said if the item was scheduled on February 28th, it could be continued to March 1st or 2nd while still complying with State laws and regulations.

Chairman Sparks asked if any Board members had a problem with scheduling an equalization hearing on February 28th, which could be continued until March 1st if necessary.

Ms. Parent asked if the March 1st date would have to be published. Peter Simeoni, Legal Counsel, replied he would look into that and provide his answer by Friday, February 16th.

Member McAlinden requested a discussion on who reviewed the packets and who was responsible for verifying petition authorizations were provided.

Chairman Sparks said until the Petitioner showed up and the Board started going through the hearing, it was a Board decision. He said he had directed the Clerk to notice everything received because the Clerk had no way of knowing what the Board would want to do. He felt the Board would just have to go with what it had because there was nothing in place.

Member Schmidt agreed the issue should be discussed, and he felt there was nothing that indicated the Board had to get the packet in whole. He said the appeals and the authorizations could be received earlier for review. He stated an organizational meeting could be scheduled to review them as long as it was properly agendized. Chairman Sparks said that was understood, but there would still be problems with a prior owner or a non-owner signing the petition. Member Schmidt agreed, but felt getting the petitions first would allow representation issues to be handled prior to the meeting.



**PUBLIC COMMENTS**

Josh Wilson, Assessor, thanked the Board members for their participation in the hearings. He appreciated the rollbacks were taking place to land because they were easier to implement than trying to recreate improvement values. He said he planned on bringing the packet discussion through the Board of Equalization regulation making process. He stated the State Tax Board had addressed the State regulations but had not yet addressed the County regulations, which was necessary so the most expedited hearings could be presented to the Board.

Mr. Wilson explained the Assessor’s Office could not implement this Board’s decision until January 25th or a certain number of days after the remitter period, which was why the rollback did not take place for 2006/07. He said the values went back on the role because the Supreme Court stay was lifted and it was back in the District Court’s jurisdiction.

Member Schmidt congratulated Mr. Wilson on his successful election to the office of County Assessor. He looked forward to Mr. Wilson’s sincere effort to solve the quagmire of problems involved in the current disputes.

\* \* \* \* \*

**3:26 p.m.** There being no further hearings or business to come before the Board, the Board 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  
Stacy Gonzales and Jan Frazzetta, Deputy Clerks*