

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

TUESDAY

9:00 A.M.

FEBRUARY 21, 2006

PRESENT:

**Charles Woodland, Acting Chairman**  
**Benjamin Green, Member**  
**Philip Horan, Alternate**  
**Diana Pichotta, Member**  
**Steve Snyder, Alternate**

**Nancy Parent, Chief Deputy Clerk**  
**Steven Sparks, Administrative Chairman**  
**Peter Simeoni, Deputy District Attorney**  
**Ron Sauer, Senior Appraiser**  
**Gary Warren, Senior Appraiser**

The Board met pursuant to a recess taken on February 17, 2006, in the Health Department Conference Room B of the Washoe County Administration Complex, 1001 East Ninth Street, Reno, Nevada. The meeting was called to order by Vice Chairman Woodland, the Clerk called the roll, and the Board conducted the following business:

**06-72E      DISCUSSION AND ACTION – POSSIBLE CONSOLIDATION OF HEARINGS**

Thomas Hall, Attorney, requested the consolidation and continuation of the Petitioners from the C list to February 28th, along with five additional Petitioners: Hearing Nos. LT-0515 - McCleary, LT-0391 - Hekmat, LT-0392 - Quiet Waters LLC, LT-0442A - Gaubert, and LT-0442B - Gaubert.

Administrative Chairman Sparks said the Board should add Hearing No. LT-0515 - McCleary to the list on Mr. Hall's letter to Nancy Parent dated February 17, 2006, for a total of 15 Petitioners. He stated there was a letter from Norman Azevedo requesting his Petitioners be rescheduled for this afternoon or another date because of a conflict this morning.

On motion by Member Horan, seconded by Member Green, which motion duly carried, it was ordered that the following hearings represented by Mr. Hall be opened and continued until February 28, 2006 at 8:30 a.m.:

<b>Hearing No.</b>	<b>Petitioner/Property Owner</b>	<b>APN</b>
LT-0291	G. Stuart Yount TR et al	123-151-08
LT-0293	Stanwall Corporation	123-161-29

Hearing No.	Petitioner/Property Owner	APN
LT-0205	Jack N. & Nancy Tedford TR	131-250-09
LT-0351	C. Jay & Susan E. Paynter TR	131-080-28
LT-0451	Wayne P. & Sally K. Fischer TR	131-234-07
LT-0470	Daniel S. & Irene S. Schwartz TR	131-221-11
LT-0472	David A. & Audrey M. Huchital TR	126-272-05
LT-0129	Edward A. Boydston	131-133-04
LT-0290	G. Stuart Yount TR et al	123-151-07
LT-0294	Stanwall Corporation	123-161-30
LT-0515	Larry & Christine B. McCleary	131-223-04
LT-0391	Kambiz & Mahnaz Hekmat	122-181-64
LT-0392	Quiet Waters LLC	122-181-65
LT-0442A	Claude J. & Sandra P. Gaubert TR et al	122-162-24 2005 Reopen
LT-0442B	Claude J. & Sandra P. Gaubert TR et al	122-162-24
LT-0446A	Michael M. & Katherine C. Holland	125-156-04 2005 Supplemental

On motion by Member Horan, seconded by Member Green, which motion duly carried, it was ordered that all of the hearings for petitioners in attendance be heard, and then petitions that have similar facts and issues where no petitioner was present be consolidated under one hearing.

**06-73E            HEARING NO. LT-0396 – CHRISTOPHER A. & SHELLI Z. TILLER – PARCEL NO. 123-162-06**

A petition for Review of Assessed Valuation received from Christopher A. & Shelli Z. Tiller, protesting the taxable valuation on land and improvements located at 270 Wassou Road, Crystal Bay, Washoe County, Nevada, was set for consideration at this time. The property is zoned HDS and designated Single Family Residence.

Josh Wilson, Appraiser III, duly sworn, oriented the Board as to the location of subject property.

Christopher Tiller, Petitioner, was sworn.

Petitioner Tiller testified he was protesting the taxable value of his property based on the pending lawsuits that alleged the Assessor used unfair appraisal methods. He stated property owners in Incline Village and Crystal Bay seemed to be assessed differently than other property owners.

Member Green discussed the purchase price and sale date of the property, and he felt it was in line because it was appraised at 50.17 percent of the purchase price. He stated he did not take into account Petitioner Tiller's views on the lawsuits but was looking at what Petitioner felt the property was worth and what he paid for it.

In response to Petitioner Tiller, Peter Simeoni, Legal Counsel, clarified the status of the Order issued by Judge Maddox. He said the Board was to continue to hear Petitioners that sought similar relief, but the Board would have to weigh the evidence from the Petitioner in support of his position that he wanted to be treated similarly. Mr. Simeoni stated the outcome of the lawsuits could affect the geographic area of Incline Village and Crystal Bay and perhaps more homeowners in the greater Washoe County area. He said that decision would have to be made when it was factually determined that those properties were treated like the 17 property owners that were part of the lawsuit.

Petitioner Tiller said he was here today to preserve his right to be included in the equalization of the tax values.

In response to Member Green, Mr. Simeoni said, if this Board determined the value of a property was determined by one of the methodologies invalidated by Judge Maddox's Order, the Board could make a provisional decision to lower the value on the assessed roll; but it could not implement that decision directing the Assessor's Office to change the rolls. He said the Supreme Court would direct the proper entity to change the rolls consistent with their Decision once rendered.

Administrative Chairman Sparks said the Maddox Decision was not the letter of the law, but was persuasive. He stated the Stay changed what the Board could do. He said the Board was free to weigh the evidence presented by each petitioner. He stated the Petitioner's burden of proof was to show their appeal had similar elements to the Maddox Decision, and then the Board could make the determination that property met the criteria. He said the Board could make a provisional decision to rollback the values.

Member Green felt the Petitioner's testimony needed to be more specific than it had been. Mr. Simeoni said the Petitioner could be as general or as specific as he liked, but the Board needed to make a decision based on the evidence presented.

Petitioner Tiller requested a continuance based on his lack of knowledge concerning the hearing and what was proper evidence. Chairman Woodland stated he was scheduled for today. Mr. Simeoni replied any petitioner could request a continuance, but it was up to the Board to grant it.

Administrative Chairman Sparks suggested the Board ask questions of the Assessor that could address the need for a continuance.

Appraiser Wilson submitted the following documents into evidence:

Exhibit I, Assessor's Fact Sheet(s) including comparable sales, maps and subject's appraisal record, pages 1 through 11.

Exhibit II, Assessor's Exhibits, pages 1 through 91.

Exhibit III, Nevada Department of Taxation, Lake Tahoe Special Study, dated December 9, 2005.

Exhibit IV, Land Allocation Incline Village.

Exhibit V, Assessor's Office Response to the Lake Tahoe Special Study.  
Exhibit VI, Supreme Court Decision State vs. Wells Fargo & Co.

Appraiser Wilson discussed the January 2004 interior inspection that led to the recommendation to the County Board of Equalization to reduce the land value five percent because of the view and the topography of the driveway. He reviewed sales of comparable properties substantiating that the Assessor's total taxable value does not exceed full cash value.

In response to Member Green, Appraiser Wilson replied the cost approach was used in Nevada, which meant the land was at its market value. He stated comparable land sales were used to establish a market value for land, and the cost for improvements was calculated through Marshall & Swift. He said the only time the total sales price came into play was to determine if the property was excessively valued. He stated the sale of a property did not necessarily change its taxable value.

In response to Member Horan, Appraiser Wilson stated vacant land sales were becoming scarce because of build out, but there were four last year in Crystal Bay. He said three land sales were listed in Exhibit I.

In response to Member Green, Appraiser Wilson explained the abstraction and allocation methods that could be used to determine land values if there were no vacant land sales.

Petitioner Tiller contended the view categories were not approved by the State and the taxation process was not equal throughout the State as it should be. He asked if there was a view category outside of the Incline Village and Crystal Bay areas.

In response to Member Green, Appraiser Wilson said view classifications were a way to stratify data into what made sense and what drove value. He said the half classifications were the issue in the Maddox Decision, not the six existing view classifications. He stated the half classifications were not used in Crystal Bay. Appraiser Wilson said other areas had view adjustments based on the percentage of the base, but only Incline Village and Crystal Bay had view classifications.

The Chairman closed the hearing.

Based on the FINDINGS that the taxable value does not exceed full cash value as evidenced by the Assessor's Exhibits, on motion by Member Pichotta, seconded by Member Green, which motion duly carried, it was ordered that the taxable values of the land and improvements on Parcel No. 123-162-06 for the 2006 Roll be upheld.

**9:57 a.m.** The Board recessed.

**10:04 a.m.** The Board reconvened with all members present.

**HEARING NO. LT-0315 – GEORGE & JUDITH A. WEBBER TR**  
**PARCEL NO. 128-052-17**

A petition for Review of Assessed Valuation received from George and Judith A. Webber TR, protesting the taxable valuation on land and improvements located at 966 Cinnabar Court, Incline Village, Washoe County, Nevada, was set for consideration at this time. The property is zoned MDS and designated Single Family Residence.

Rigo Lopez, Appraiser III, duly sworn, oriented the Board as to the location of subject property.

George Webber, Petitioner, was sworn and submitted the following document into evidence:

Exhibit A, 10 Reasons to Invest in Incline Village/Crystal Bay from 1999.

Petitioner Webber testified he bought the property because he was told the taxes would go up around three percent per year, and he outlined the tax history of the property purchased in 1999. He indicated he was paying \$1,000 more a year than he should be paying based on his calculations using a three percent per year increase. He said the property was classified View 2, but there was no view. He requested the view classification be looked at because he wanted relief.

In response to Member Horan, Petitioner Webber said Exhibit A, provided by the Chamber of Commerce, touted the three percent.

Appraiser Lopez submitted the following documents into evidence:

Exhibit I, Assessor's Fact Sheet(s) including comparable sales, maps and subject's appraisal record, pages 1 through 9.

Exhibit II, Assessor's Exhibits, pages 1 through 91.

Exhibit III, Nevada Department of Taxation, Lake Tahoe Special Study, dated December 9, 2005.

Exhibit IV, Land Allocation Incline Village

Exhibit V, Assessor's Office Response to the Lake Tahoe Special Study.

Exhibit VI, Supreme Court Decision State vs. Wells Fargo & Co.

Appraiser Lopez reviewed sales of comparable properties substantiating that the Assessor's total taxable value does not exceed full cash value. He further testified that the Assessor's evidence was prepared based on the reasons submitted on the petition. He stated those reasons did not include the Petitioner's problem with the view classification. He said he was willing to meet with the Petitioner to verify the view classification. He recommended the Board uphold the value and said the Assessor's Office would go to the State Board if an adjustment needed to be made for the view.

Appraiser Lopez explained the view classifications and what changing the view classification to no view would mean for the subject property.

Mr. Horan understood views were considered in any valuation, but he asked if there was there a formal classification in other areas outside of Incline Village and Crystal Bay. Appraiser Lopez replied the view was acknowledged in different market areas, but the view category was used in Incline Village and Crystal Bay.

Josh Wilson, Appraiser III, read excerpts from the August 19, 2003 State Board of Equalization transcript where Member Johnson discussed rating views and the Washoe County Assessor's Office photo book being a good guide and very helpful. He said the reason view classifications existed in Incline Village and Crystal Bay versus anywhere else was the dramatic influence on value they had there, which was supported in the 1993 Ratio Study conclusions conducted on the Assessor's Office by the Department of Taxation.

In response to Member Snyder, Appraiser Lopez said the only cap he was aware of was the one recently passed by the State Legislature capping the tax dollar amount of taxes, not the value, the taxpayer pays from one year to the next as long as there were no changes to the property.

Petitioner Webber confirmed he would be happy to meet with the Assessor regarding his view classification.

Administrative Chairman Sparks discussed how this situation had been handled in previous instances where the Petitioner and the Assessor's Office were in agreement.

The Chairman closed the hearing.

Based on the FINDINGS that the taxable value does not exceed full cash value as evidenced by the Assessor's and Petitioner's Exhibits, on motion by Member Green, seconded by Member Horan, which motion duly carried, it was ordered that the taxable values of the land and improvements on Parcel No. 128-052-17 for the 2006 Roll be upheld. It was noted, if an adjustment for the view was required after inspection by the Assessor's Office, the Assessor's Office would recommend changing the taxable value to the State Board of Equalization.

**06-75E            HEARING NO. LT-0130 – GEORGE & BARBARA FREDERIC TR**  
**PARCEL NO. 131-211-07**

A petition for Review of Assessed Valuation received from George and Barbara Frederic TR, protesting the taxable valuation on land and improvements located at 575 Fairview Boulevard, Incline Village, Washoe County, Nevada, was set for consideration at this time. The property is zoned MDS and designated Single Family Residence.

Rigo Lopez, Appraiser III, duly sworn, oriented the Board as to the location of subject property.

George and Barbara Frederic, Petitioners, were sworn and entered the following documents into evidence:

Exhibit A, Petitioner arguments, comparable sales, and photos, pages 1 through 16.

Petitioner Frederic testified regarding the characteristics and condition of the subject property, concluding the property's view classification was not accurate. He discussed the Tahoe Regional Planning Agency (TRPA) restrictions regarding height and coverage and their impact on the property's value. He also discussed the assessment history of the property, the valuation of the land based on comparable sales he had compiled, why the sales the Assessor's Office used were not comparable, and the property's quality class. He requested the value of the land be adjusted to take into consideration TRPA's restrictions on improvements and because the property did not have a panoramic view as evidenced in the submitted photos. He felt the value of the land should be \$525,000 and the building \$83,541 for a taxable value of \$608,541. He said he had other issues he would like to cover during the rebuttal.

Josh Wilson, Appraiser III, requested the opportunity for the Assessor's Office to clarify any new issues brought up by the Petitioner during the rebuttal.

In response to Appraiser Lopez, Peter Simeoni, Legal Counsel, stated a copy of each document referred to by the Assessor's Office during a hearing in support of their presentation must be supplied to the Clerk's Office. He said all documents relied upon by the Board to make a decision must be supplied to the State Board if there was an appeal.

Appraiser Lopez submitted the following documents into evidence:

Exhibit I, Assessor's Fact Sheet(s) including comparable sales, maps and subject's appraisal record, pages 1 through 10.

Exhibit II, Assessor's Exhibits, pages 1 through 91.

Exhibit III, Nevada Department of Taxation, Lake Tahoe Special Study, dated December 9, 2005.

Exhibit IV, Land Allocation Incline Village.

Exhibit V, Assessor's Office Response to the Lake Tahoe Special Study.

Exhibit VI, Supreme Court Decision State vs. Wells Fargo & Co.

Exhibit VII, Listing for 599 Eagle.

Exhibit VIII, Listing for 551 Alpine View.

Exhibit IX, Washoe County Lake Tahoe View Samples.

Appraiser Lopez reviewed sales of comparable properties substantiating that the Assessor's total taxable value does not exceed full cash value. He further testified regarding the views and coverage on the properties located at 599 Eagle and 551 Alpine View, comparing them to the subject parcel. He said properties were marketed for the view or view potential, and tree growth had an impact on the view. He said curb appeal was not a major factor in selling a property, but view was.

Appraiser Lopez said there was a 20 percent adjustment on the land valuation because of the height restrictions. He said height restrictions and curb appeal go hand-in-hand and could be tied together. He indicated the property at 599 Eagle sat a good 15 feet below the road, which told him there should not be an adjustment for height restrictions and curb appeal because both properties would have the same issues. He discussed the history valuation on the subject parcel; and he said this property did not receive the eight percent factor in 2005, but received a two percent factor because of a mistake by the Assessor's Office that would be corrected.

Appraiser Lopez discussed the sales and characteristics of the properties located at 599 Eagle and 551 Alpine View. He stated the \$200,000 difference in the sales price was because of the difference in the views, not coverage.

In response to Vice Chairman Woodland, Appraiser Lopez said some of the photos in Exhibit IX were taken from inside and some from outside the house, but on the subject parcel they were taken outside.

In response to Member Snyder, Appraiser Lopez stated he was referencing the 2002 Incline Village reappraisal that was done for the 2003/04 Roll. He said the process was two appraisers went into the main living area of the residence and took a photo that was representative of what was on that floor. When a residence could not be entered, he said photos would be taken from either side of the residence or from the deck if it could be entered and was an extension of the living area. He stated the view book was a tool for his office that had been made available to the taxpayers at the Incline Village Library.

Appraiser Lopez discussed additional comparables, and he indicated the view and coverage were looked at because they both play an important role in a parcel's valuation. He said the Petitioner stated the subject property would not sell to a prudent buyer at \$743,841, but the two listings were perfect examples it would. He said the total taxable value of \$743,841 was not close to the market value of this property, and he requested the value be upheld.

Member Green asked Appraiser Lopez to address the improvements because the Petitioner indicated he also had a problem with the improvements.

Appraiser Lopez said a nationwide costing service, Marshall & Swift, was used for valuing improvements that considered replacement costs new less depreciation. He said that was done for the subject parcel, and the quality class was reduced from a



four to a three after the inspection. He stated improvements were revalued yearly, which would have accounted for the increase the Petitioner saw. He discussed the characteristics of the residence; and he indicated they all played a role in the quality class, which was adjusted accordingly.

In response to Member Horan, Appraiser Lopez said to move the quality class to Q2 was a judgment call; and that was why four to five appraisers were kept working in the Incline Village area to remain as consistent as possible. He said the professional experience and judgment of the appraiser was what was relied on.

Appraiser Wilson said the Marshall & Swift handbook had base allowances for fixtures and had pictures of property for reference. He said appraisers look at thousands of properties a year, which gives them a sense of what fits where. He stated the Petitioner indicated his property had a seven to one building ratio, and he believed that was the assessed improvement value to the assessed land value. Appraiser Wilson indicated when he was discussing land allocation and land to building ratios, it was on market value of the total property and a certain percentage was allocated that produced a ratio. He said that was important because the ratio went significantly higher for properties with high amenities, land to building, because the land was now a bigger component of the total value. He stated there would be higher ratios on view and lakefront properties in Incline Village and Crystal Bay.

Petitioner Frederic stated his points for rebuttal were the building was built with substandard materials, and he discussed the problems with using Marshall & Swift; the view was not panoramic; the Assessor's approach to value was not equal throughout the County; using a view classification was not a legal means to assess value; the restrictions should have been applied to the value; and he discussed Judge Maddox's Decision.

Petitioner Frederic discussed the view classification, topography, and the height and coverage restrictions on the property and on other properties.

The Chairman closed the hearing.

In response to Member Horan, Petitioner Frederic said he was trying to point out the fallacy of using the view classifications. He stated by doing that and nothing else, the other adjustments that needed to be made were being missed. He reiterated his points on his view classification.

Member Horan asked if the Petitioner had discussed with an Appraiser why his quality of construction was rated the way it was. Petitioner Frederic replied he had spoken with Appraiser Lopez, and Appraiser Lopez said he was bound by the law to use Marshall & Swift. Petitioner Frederic believed Appraiser Lopez did not use the right information when it was fed into Marshall & Swift, and the rate of increase applied on a yearly basis based on Marshall & Swift was incorrect. He said one similar sale did not make a market.

Peter Simeoni, Legal Counsel, said he was concerned the Petitioner was relating what he thought the Assessor had stated. He stated the Assessor should have the opportunity to correct statements made by the Petitioner if there were factual errors in those statements.

Mr. Horan asked the Assessor to clarify the application of the increased cost on a yearly basis based on Marshall & Swift. Appraiser Wilson replied all of the improvements in the County were recosted for 2006 using the cost manual from the Marshall & Swift. He said replacement costs new were determined and new depreciation was added at the applicable one and a half percent a year resulting in the new recosted number that was equalized with every other residence in the County with the same characteristics. Appraiser Wilson said Lake Tahoe had a different local multiplier, so there might be slight difference. He stated Marshall & Swift provided the base to use, and the Assessor applied the new depreciation that produced the new improvement value. He said the rated average was applied uniformly.

In response to Member Green, Appraiser Wilson said Marshall & Swift was a nationwide costing service and the average quality page would be the same for all locations, but the local multiplier would be different.

Appraiser Wilson discussed the Maddox Decision, Assessor Exhibit II, and the doubling of view classifications from the previously accepted six. He said he wanted to make it clear the view classifications had been used since the early 1980's.

In response to Member Snyder, Appraiser Lopez said tree growth played a major role in determining the view, but it depended on the individual whether the trees were bad or not. He said the view depicted in the photos of the subject property showed a 95 percent view of the lake. He stated having a few trees would not mean an adjustment from V6 to V5, and he considered the property to be a V6. He said it was a market driven valuation as far as the land was concerned. Appraiser Lopez confirmed the impervious coverage was considered in the assessment formula. He stated the property's driveway was steep, but the property had a parking deck.

Vice Chairman Woodland interjected the steepness of the driveway was not an issue that was brought up at this hearing.

Based on the FINDINGS that the taxable value does not exceed full cash value as evidenced by the Assessor's and Petitioners Exhibits, on motion by Member Pichotta, seconded by Member Green, which motion duly carried, it was ordered that the taxable values of the land and improvements on Parcel No. 131-211-07 for the 2006 Roll be upheld.

**12:14 p.m.** The Board recessed.

**12:22 p.m.** The Board reconvened with all members present.

**HEARING NO. LT-0209 – EDWIN M. POSIN TR ETAL**  
**PARCEL NO. 122-162-20**

A petition for Review of Assessed Valuation received from Edwin M. Posin TR et al, protesting the taxable valuation on land and improvements located at 41 Shoreline Circle, Crystal Bay, Washoe County, Nevada, was set for consideration at this time. The property is zoned MDS and designated Single Family Residence.

Gary Warren, Appraiser, duly sworn, oriented the Board as to the location of subject property.

Edwin Posin, Petitioner, was sworn and placed the following documentation into evidence:

Exhibit A, February 2005 comparable sales sheet from the Assessor's Office showing 50 Shoreline Circle.

Petitioner Posin testified that his property was the smallest on the street and was the only one with a driveway onto busy Lakeshore Boulevard. He said his property had two power poles, and he had to remove six trees because of interference with the power lines. He stated the other neighborhood properties all had underground utilities.

Petitioner Posin discussed the property directly across the street, 50 Shoreline Circle, that was part of last year's Assessor's packet, Exhibit A. He stated the home was larger, newer, and had a higher quality, which were all favorable aspects to the value of that comparable property.

Petitioner Posin said his neighbor had a 2,200-gallon diesel generator, which was noisy and sent fumes into his kitchen and dining room detracting from the value of his property. He stated the generator ran for 30 minutes when activated, and it was tested twice a month. He requested a reduction of his values to \$1,220,000.

Appraiser Warren submitted the following documents into evidence:

Exhibit I, Assessor's Fact Sheet(s) including comparable sales, maps and subject's appraisal record, pages 1 through 10.

Exhibit II, Assessor's Exhibits, pages 1 through 91.

Exhibit III, Nevada Department of Taxation, Lake Tahoe Special Study, dated December 9, 2005.

Exhibit IV, Land Allocation Incline Village

Exhibit V, Assessor's Office Response to the Lake Tahoe Special Study.

Exhibit VI, Supreme Court Decision State vs. Wells Fargo & Co.

Appraiser Warren reviewed sales of comparable properties substantiating that the Assessor's total taxable value does not exceed full cash value. He acknowledged

the Board reduced the Petitioner's value in 2004 by \$50,000 because the driveway fronted Lakeshore Boulevard. He stated the power line goes across the front of all the parcels on the south side of Lakeshore Boulevard and extended for several miles on either side. He said the neighbor paid to underground the lines through his property.

Appraiser Warren said 50 Shoreline Circle was not included in this year's package because it sold in 2003, and he used newer sales as being more reflective of current market conditions. He said it was also not included because the property was completely rehabilitated on the inside. He discussed the sale history of the property, and he observed it appreciated only \$10,000 over 11 years. He stated the 2003 sales price reflected the condition of the house and the substantial remodeling required to bring it up to today's standards.

Petitioner Posin said he had been in the home at 50 Shoreline Circle many times, and it was not a hovel. He said it had a lavish living room, a magnificent rebuilt kitchen, and views of the lake from the upper and lower decks. He said frequently when people buy a home they want to make a change, but the home did not have to be entirely gutted. He concluded he had none of the benefits of being on Shoreline Circle other than the address.

The Chairman closed the hearing.

Member Snyder said the noise and fumes were an issue for the Board of Health, and he did not consider the traffic an overwhelming issue requiring a reduction.

Based on the FINDINGS that the taxable value does not exceed full cash value as evidenced by the Assessor's and Petitioner's Exhibits, on motion by Member Horan, seconded by Member Snyder, which motion duly carried, it was ordered that the taxable value of the land and improvements on Parcel No. 122-162-20 be upheld.

**06-77E            HEARING NOS. LT-0538 - THOMAS, LT-0528 - BARNHART, LT-0527 - BENDER, LT-0529 - GANG, LT-0531 - REBANE, LT-0539 - WATKINS, LT-0541 - AUSTIN**

Petitions for Review of Assessed Valuation received from Norman Azevedo, Attorney, representing seven property owners, protesting the taxable valuation on land and improvements on various parcels located in Incline Village, Washoe County, Nevada, were set for consideration at this time. Mr. Azevedo requested Hearings Nos. LT-0538 - Thomas, LT-0528 - Barnhart, LT-0527 - Bender, LT-0529 - Gang, LT-0531 - Rebane, LT-0539 - Watkins, LT-0541 - Austin be combined into one hearing.

Josh Wilson, Appraiser III, duly sworn, said the Assessor's Office had no objection to combining the hearings. He oriented the Board as to the location of subject properties.

Mr. Azevedo thanked the Board for accommodating his schedule today. He said Petitioner Leonard Gang was here to discuss additional issues that were outside the consolidated hearing. Petitioner Gang was sworn.

Mr. Azevedo said today's hearings were about the view classification system. He said the Board had rolled back to 2002/03 previous clients in a manner consistent with the Stay Order issued by the Nevada Supreme Court; and, if the Board decided to take a different action, he requested some delineation why the Board was changing these cases from the conduct of the previous hearings. Mr. Azevedo said the Supreme Court was specific in its Order by stating the Board should proceed with its determination based on the reasoning of the District Court's Order for any additional petitions that seek a rollback to the 2002/03 tax values. He requested the Board rollback these petitioners to 2002/03 based on the Order.

Mr. Azevedo discussed the problem of the Assessor's Office following the Nevada Tax Commission's (NTC) rules from August 2004 during a factor year. He said photos were still being taken from inside the home instead of from the land where the NTC said they should be taken.

Mr. Azevedo referred to the Assessor's packet. Administrative Chairman Sparks interjected that packet had not yet been admitted as evidence. Mr. Azevedo submitted the following documents into evidence:

Exhibit A, Assessor's Exhibits, pages 1 through 89.

Exhibit B, Assessor's Fact Sheet(s) for Hearing LT-0538 including comparable sales, maps and subject's appraisal record, pages 1 through 9.

For Hearing LT-0529, Gang Family Trust:

Exhibit C, Photo - 635 Fairview Boulevard.

Exhibit D, Photo - 645 Fairview Boulevard.

Exhibit E, Assessor's Quick Info - 635 Fairview Boulevard.

Exhibit F, Assessor's Quick Info - 645 Fairview Boulevard.

Mr. Azevedo read from Exhibit A, Assessor's Response to the Maddox Decision. He stated the net impact of the changes for the 2006/07 tax year was there were properly promulgated regulations addressing the disputed methodologies referenced in the Maddox Decision. He said there were inconsistent statements from the Assessor's Office on whether the regulations were followed, and he discussed photos still not being taken from the land. Mr. Azevedo stated the land sales, Exhibit B, were dated June 2002, June 2001, December 2000 and time adjusted forward. He said the August 2004 regulations limited the period of time from which sales could be used. He discussed the regulations regarding sales, concluding the sales predated the 36-month period. He said he was not aware of any decision by the NTC that permitted using sales prior to the period of time authorized by the regulation.

Mr. Azevedo said he would defer Mr. Gang's comments for rebuttal. In response to Josh Wilson, Appraiser III, Administrative Chairman Sparks said, during the

consolidated hearing, the Board must hear any individual comments. He stated the individual petitioner should make any comments regarding issues specific to their property now, before the Assessor makes his presentation, so the Assessor could properly address those issues.

**2:01 p.m.** The Board recessed.

**2:04 p.m.** The Board reconvened with all members present.

Petitioner Gang discussed the differences between his property at 635 Fairview Boulevard and his neighbor that had an almost identical lot at 645 Fairview Boulevard. He indicated where the photos were taken in Exhibits C and D and discussed the views depicted. He stated the assessments between the two lots were very close during that year. He said his property should be rolled back to 2002/03 if the regulations were followed.

In response to Member Snyder, Mr. Azevedo stated Petitioner Gang's view was V5 and his neighbor's was V3.

Appraiser Wilson submitted the following documents into evidence:

Exhibit I, Assessor's Fact Sheet(s) including comparable sales, maps and subject's appraisal record for Hearings Nos. LT-0538 - Thomas, LT-0528 - Barnhart, LT-0527 - Bender, LT-0529 - Gang, LT-0531 - Rebane, LT-0539 - Watkins, LT-0541 - Austin.

Exhibit II, Assessor's Exhibits, pages 1 through 91.

Exhibit III, Nevada Department of Taxation, Lake Tahoe Special Study, dated December 9, 2005.

Exhibit IV, Land Allocation Incline Village

Exhibit V, Assessor's Office Response to the Lake Tahoe Special Study.

Exhibit VI, Supreme Court Decision State vs. Wells Fargo & Co.

Appraiser Wilson stated he would discuss the general consolidation issues and Rigo Lopez, Appraiser III, would discuss the issues specific to Petitioner Gang. He stated the Ratio Study conducted on the Assessor's Office in May indicated the rules were followed, as did the Factor Study conducted by the Division of Assessment Standards staff. He discussed the sales dates in the Assessor's evidence packets, which were used to determine the value. He said all of the valuations for the 2006 Roll were factors applied to the land value and all of the land factor sales submitted to the NTC complied with the 36-month time period. He stated it did not mean the properties had lost all value just because no sales had occurred since the reappraisal. He said the land value changed because it was factored.

Appraiser Wilson stated NRS 361.227 guided what the Assessor did to determine the value of real property. He said vacant land was to be valued at full cash

value, and any regulation subsequently passed that would limit the Assessor's ability to arrive at a full cash value would be in conflict with that statute.

Appraiser Wilson read the transcript about views from Mr. Gang's hearing before the State Board of Equalization, Exhibit II, page 76. He said, when the Assessor's Office asked the Department of Taxation how the regulations impacted what the Assessor's Office did, the draft letter indicated it should be estimated from the ground what the view was like from above. He discussed the point system for views as shown on page 15 of Exhibit III.

Appraiser Wilson discussed the Lake Tahoe Special Study because people wanted to look at its conclusions without looking at what it said, which was land values at Incline Village were drastically undervalued. He stated the study arrived at faulty conclusions because of the market areas used, which were not stratified correctly. Appraiser Wilson discussed the abstraction, allocation, and sales comparison methods. He said the study found the modifier was over two, so the Marshall & Swift cost would need to be doubled to arrive at the market value of those improvements. He stated the allocation study obtained the best results by not modifying Marshall & Swift, and that was why Marshall & Swift was not modified even though the market demonstrated the Marshall & Swift costs had to be doubled. Appraiser Wilson said there might be some validity to the study, but combining lakeshore and non-lakeshore properties into the same market area led to faulty results when it could be demonstrated in the market they sold for drastically different prices. He said a workshop was scheduled for March 2 regarding the study; but, when it was brought before the NTC, no action was taken.

Appraiser Wilson read from Exhibit II, page 89, supporting the Assessor's analysis of the sales cutoff date. He said there was not necessarily a sales cutoff date for any data used to create or support the valuation for this Board. He said the Assessor's Office was not establishing value at this time, but supporting the established value.

Rigo Lopez, Appraiser, duly sworn, oriented the Board as to the location of subject property for Hearing No. LT-0529, Gang Family Trust.

Appraiser Lopez submitted the following documents into evidence:

Exhibit VII, Photo dated March 27, 2003 of APN 131-211-25.

Exhibit VIII, Photo dated March 27, 2003 of APN 131-211-25.

Exhibit IX, Photos 1-6 dated March 27, 2003 of APN 131-211-24.

Appraiser Lopez reviewed sales of comparable properties substantiating that the Assessor's total taxable value does not exceed full cash value. He discussed views and the differences between the two properties as depicted in Exhibits X through XII. He discussed the previous view reclassifications for both properties. He concluded he was comfortable with the view classification used for the property, and he recommended the value be upheld.

**2:32 p.m.** The Board recessed for a short break.

**2:35 p.m.** The Board reconvened with all members present.

Mr. Azevedo said the Assessor's arguments had been rejected based on the January 13, 2006 Order by Judge Maddox and the subsequent instructions by the Supreme Court to follow the reasoning of that Order. He discussed the appraisal history of Petitioner Gang and his neighbor, Exhibits E and F. He said the properties were close in value until the view classification system was used, but now there was an approximate \$300,000 difference. He said the neighbors house was inferior, but the land was being valued not the house.

Mr. Azevedo stated the NTC was very specific on the cutoff date because they felt the reliability of older sales became less as time passed, and every sale in the evidence packet should not have been used. He concluded the Board should follow the reasoning of Judge Maddox and rollback his clients to 2003/03, so they were treated consistently with his other clients.

In response to Member Green, Mr. Azevedo said the Assessor's Office did not follow the regulations and not one of the sales could be considered. He discussed that tear-downs were used for the Championship Golf Course; and he believed there was only one vacant land sale within the July 1 cutoff, which meant Maddox's Decision would apply to the golf course. He said Mr. Thomas was not a plaintiff in that action, and he did not know if there was a golf course plaintiff.

Member Pichotta said she believed the 36 months applied only to factoring. Mr. Azevedo replied the 36 months was applicable if it was a factor year or a reappraisal year.

In response to Member Snyder, Administrative Chairman Sparks said the Board had to wrestle with the question of the weight it should give to Judge Maddox's Decision.

Mr. Azevedo said NTC regulations bind the Assessor and the Board to make a physical determination of the view influence from the land of each respective parcel. He said the Assessor could have petitioned the Court to have this action deemed beyond the statutory confines because of the argument they could not determine full cash value, but they chose not to. He discussed the process used and the approvals needed to change regulations.

Appraiser Wilson said the root of the issue was that NRS 227 said full cash value, and the market had to be followed to get full cash value.

In response to Member Snyder, Peter Simeoni, Legal Counsel, stated the Supreme Court would ultimately determine the issue whether the Board upheld or denied. He said the Supreme Court directive meant this Board had a provisional decision to



make. Administrative Chairman Sparks said this was the first step in an administrative process, and the Board would make a decision that could be appealed up.

The Chairman closed the hearing.

On motion by Member Horan, seconded by Member Snyder, which motion duly carried with Members Green and Pichotta voting “no,” it was ordered that the taxable value of the land and improvements on the following parcels be rolled back to the 2002/03 values pursuant to the Order issued by Judge William Maddox, First Judicial District Court, on January 13, 2006, in Case No. 03-01501A, Bakst, Barnhart, Barta, et al, vs. State of Nevada, State Board of Equalization, Washoe County, Washoe County Assessor, et al. It was noted the Court ruled in favor of the Plaintiffs concerning the valuation methods used by the Assessor regarding view classifications, time adjusted sales, tear-downs and rocky beaches; and view classification was a component of the subject properties’ appraisals by the Assessor. It was noted Leonard I. & Roberta Gang Family Trust, LT-0529, was not given any additional relief for the view.

<b>Hearing No.</b>	<b>Petitioner/Property Owner</b>	<b>APN</b>
LT-0538	Jon S. & Nancy E. Thomas TR	131-261-06
LT-0528	Jane A. Barnhart	128-171-04
LT-0527	Robert B. & Paula S. Bender	126-262-06
LT-0529	Leonard I. & Roberta Gang Family Trust	131-211-24
LT-0531	Margaret A. & Toomas Rebane TR	126-262-08
LT-0539	Lawrence A. & Lillian A. Watkins TR	126-262-09
LT-0541	Thomas Austin TR et al	126-251-08

**06-78E            HEARING NOS. LT-0552A/B – BRUCE A. & MARIAN MCNULTY TR - PARCEL NO. 131-080-24**

A petition for Review of Assessed Valuation received from Bruce A. and Marian McNulty TR, protesting the taxable valuation on land and improvements located at 501 Country Club Drive, Incline Village, Washoe County, Nevada, was set for consideration at this time. The property is zoned MDS and designated Single Family Residence.

Rigo Lopez, Appraiser, duly sworn, oriented the Board as to the location of subject property.

Bruce McNulty, Petitioner, was sworn and submitted the following document into evidence:

Exhibit A, Petitioner’s Letter dated February 7, 2006 with Attachments.

Petitioner McNulty read portions of his letter dated February 7, 2006. He said he was given a 10 percent adjustment in 2003 because of the intersection. He stated

he did not see why an adjustment was not made for his property when 503 Country Club was adjusted, and he was asking for a 10 percent adjustment.

In response to Member Horan, Petitioner McNulty said 503 Country Club was used as the benchmark because of the resale in 1991.

Appraiser Lopez submitted the following documents into evidence:

Exhibit I, Assessor's Fact Sheet(s) including comparable sales, maps and subject's appraisal record, pages 1 through 8.

Exhibit II, Assessor's Exhibits, pages 1 through 91.

Exhibit III, Nevada Department of Taxation, Lake Tahoe Special Study, dated December 9, 2005.

Exhibit IV, Land Allocation Incline Village.

Exhibit V, Assessor's Office Response to the Lake Tahoe Special Study.

Exhibit VI, Supreme Court Decision State vs. Wells Fargo & Co.

Appraiser Lopez said the issues were the same for the 2005/06 and 2006/07 tax years, and he reviewed sales of comparable properties substantiating that the Assessor's total taxable value does not exceed full cash value. He further testified the Roll Change Request in 2003 recommended a reduction of 10 percent because of the traffic influence, which the Board of Equalization followed. He said the Board of Equalization later decided to make a 10 percent traffic adjustment for a parcel on Country Club. He said the Assessor's Office felt the 10 percent should be applied to all of the parcels on County Club to equalize the parcels, which was done. He stated, because Petitioner McNulty's parcel already had the 10 percent reduction and the maximum traffic adjustment was 10 percent, the additional 10 percent was not applied. He also discussed noise levels, and he said the levels on Mt. Rose and other highways were higher than the Petitioner's. Appraiser Lopez requested the value be upheld based on the criteria assessed.

Member Pichotta asked about the view classification. Appraiser Lopez replied GCI indicated it was in close proximity to the golf course. He said parcels located on the golf course had a separate base lot value, and he discussed what being on or near the golf course meant.

In response to Member Snyder, Appraiser Lopez replied Fairway did not have a traffic noise reduction factor.

Petitioner McNulty discussed the comparable properties in relation to the golf course and to traffic, and said he did not feel they were comparables. He stated he did not understand why he was back to where he started in 2002.

The Chairman closed the hearing.

Based on the FINDINGS that the taxable value does not exceed full cash value as evidenced by the Assessor's and Petitioner's Exhibits, on motion by Member Green, seconded by Member Pichotta, which motion duly carried, it was ordered that the taxable value of the land and improvements on Parcel No. 131-080-24 for the 2005 Reopen and the 2006 Rolls be upheld.

**06-79E**      **HEARING NOS. LT-0175, LT-0268, LT-0420A, LT-0420B, LT-0018, LT-0128, LT-0431, LT-0435, LT-0477, LT-0520, LT-0559, LT-0484, LT-0082, LT-0131, LT-0203, LT-0264, LT-0318, LT-0354, LT-0434, LT-0436A, LT-0436B, LT-0443, LT-0459, LT-0462, LT-0158, LT-0414, LT-0521, LT-0008, LT-0223, LT-0413, LT-0153, LT-0447, LT-0448, LT-0449, LT-0450, LT-0085, LT-0288A, LT-0288B, LT-0506**

Petitions for Review of Assessed Valuation received from the following property owners protesting the taxable valuation on land and improvements on various properties located at Incline Village, Washoe County, Nevada, were set for consideration at this time.

The Clerk stated there were no other petitioners present for the balance of the day's hearings.

On motion by Member Snyder, seconded by Horan, which motion duly carried, it was ordered that the remaining petitions be consolidated and heard together.

The Clerk individually called the remaining hearings as listed below.

Josh Wilson, Appraiser III, submitted the following documents into evidence:

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

Exhibit II, Assessor's Exhibits, pages 1 through 91.

Exhibit III, Nevada Department of Taxation, Lake Tahoe Special Study, dated December 9, 2005.

Exhibit IV, Land Allocation Incline Village

Exhibit V, Assessor's Office Response to the Lake Tahoe Special Study.

Exhibit VI, Supreme Court Decision State vs. Wells Fargo & Co.

Appraiser Wilson requested the Assessor's value be upheld because none of the properties' total taxable value exceeded their full cash value.

The Clerk verified there were no petitioners present.

The Chairman closed the hearing.

In response to Member Green, Appraiser Wilson said none of these petitioners were one of the 17 included in Judge Maddox's Decision, but he assumed

there was utilization of tear-downs, views, and time adjustments to the sales cutoff date of July 1, 2002.

Based on the FINDINGS that the taxable value does not exceed full cash value as evidenced by the Assessor's Exhibits, on motion by Member Pichotta, seconded by Member Snyder, which motion duly carried, it was ordered that the taxable values of the land and improvements on the following parcels for the 2006 Roll be upheld.

Hearing No.	Petitioner/Property Owner	APN
LT-0175	Michael A. & Betty D. Fisher	123-071-29
LT-0268	Sam Perry	123-133-11
LT-0420A	Frank Wright	123-022-05 2005 Supplemental
LT-0420B	Frank Wright	123-022-05
LT-0018	David R. McConahay TR et al	131-250-19
LT-0128	George H. Patchett TR	131-012-43
LT-0431	James E. & Billie L. Morris	131-080-20
LT-0435	James F. & Norma J. Eves TR	131-261-27
LT-0477	Maroney Family Trust	131-261-22
LT-0520	Jack R. & Maxime M. Leveille TR	131-080-29
LT-0559	Edward F. & Susan W. Madigan TR	131-012-45
LT-0484	Wayne L. & Carol J. Knyal TR	130-163-35
LT-0082	Gerald M. J. Donovan	128-032-09
LT-0131	Lawrence J. & Linda L. Wodarski	131-223-07
LT-0203	Joseph H. & Geraldine Francis III TR	131-233-09
LT-0264	Kenneth M. & Linda C. Alvares TR	131-213-05
LT-0318	Norman W. & M. Joan Reuter TR	131-213-03
LT-0354	William J. Calhoun III	131-213-15
LT-0434	Guy A. & Joann L. Fortier	131-221-08
LT-0437A	Joan S. & Joseph E. Prudhomme	131-225-18 2005 Reopen
LT-0437B	Joan S. & Joseph E. Prudhomme	131-225-18
LT-0443	Mark & Christina Chew	126-251-07
LT-0459	Judith A. Heinbaugh TR	131-211-15
LT-0462	Allan J. OConnor TR	126-261-06
LT-0158	John T. & Elaine L. Phelps TR	130-083-01
LT-0414	James & Susan Conway	129-280-16
LT-0521	Richard E. Lewis et al	130-082-03
LT-0008	F. James & Marie G. Peterson TR	128-241-14
LT-0223	Jeffrey X. Fisher	128-361-14
LT-0413	James R. & Sandra L. Lane	128-071-03
LT-0153	Max Sobol TR et al	123-101-01
LT-0447	Tahoe Shoreline Properties LLC	123-250-10
LT-0448	Tahoe Shoreline Properties LLC	123-250-09
LT-0449	Tahoe Shoreline Properties LLC	123-250-08
LT-0450	Tahoe Shoreline Properties LLC	123-250-07

<b>Hearing No.</b>	<b>Petitioner/Property Owner</b>	<b>APN</b>
LT-0085	Joan E. Bruzzone	122-181-56
LT-0288A	Harvey E. & Leslie K. Wagner	122-251-01
LT-0288B	Harvey E. & Leslie K. Wagner TR	122-251-02
LT-0506	Philip L. & Billy L. Erickson	130-230-35

**BOARD MEMBER COMMENTS**

In response to Member Green, Administrative Chairman Sparks explained the meeting on February 24, 2006 was to see if there was evidence that there should be an equalization hearing.

**PUBLIC COMMENTS**

There was no response to the call for public comments.

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**3:45 p.m.** There being no further hearings or business to come before the Board, the Board recessed until February 22, 2006 at 1:00 p.m.

**CHARLES WOODLAND**, Acting Chairman  
Washoe County Board of Equalization

ATTEST:

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

*Minutes prepared by  
Jan Frazzetta, Deputy Clerk*