BOARD OF EQUALIZATION
WASHOE COUNTY, NEVADA

WEDNESDAY 9:00 A.M. JANUARY 17, 2024

PRESENT:

Daren McDonald, Chair
Eugenia Bonnenfant, Vice Chair
James Ainsworth, Member
Dennis George, Member
Rob Pierce, Member, via Zoom

Janis Galassini, County Clerk
Trenton Ross, Deputy District Attorney

The Board of Equalization convened at 9:00 a.m. in the Caucus Room of the Washoe County Administration Complex, 1001 East Ninth Street, Reno, Nevada. Following the Pledge of Allegiance to the flag of our Country, Chair McDonald called the meeting to order, County Clerk Jan Galassini called roll, and the Board conducted the following business:

24-003E **AGENDA ITEM 4** Public Comment.

There was no response to the call for public comment.

24-004E **AGENDA ITEM 5** Election of Vice-Chair: Possible election of a vice-chair for the 2024 Washoe County Board of Equalization.

There was no response to the call for public comment.

On motion by Member Ainsworth, seconded by Member George, which motion duly carried on a 5-0 vote, it was ordered that Member Bonnenfant be elected as Vice Chair.

24-005E **AGENDA ITEM 6** Swearing In: County Clerk to administer oath to appraisal staff.

County Clerk Jan Galassini swore in all the Assessor's staff that was present.

ORIENTATION AND TRAINING:

24-006E **AGENDA ITEM 7A** Washoe County Assessor's Office presentation and overview of assessment process for the 2024/2025 fiscal year.

Chief Property Appraiser Steve Clement welcomed the Board. He noted that this year's members were the same as the previous year and commented that most of the information he would present would be a repeat of last year's information. Mr. Clement reminded that Nevada was the only state in the union that did not appraise property for taxation purposes based on the market. He said the process for Nevada was to appraise the land at market value, with improvements to the land based on what it would cost to build the improvements at current construction prices. Per Nevada Revised Statute (NRS), one and a half percent depreciation, per year, up to 50 years or 75 percent would be applied. The overlying NRS was that the taxable value should not exceed the full cash or market value of the property. He explained the legal definition of improvements included any structures affixed to the land, which could include wells, septic systems, corrals, paving, mobile homes, utility hookups, and common areas. The Assessor's Office used three primary approaches to value the land. The first approach involved using comparable land sales to adjust the value of the subject property based on how it compared to other land sales. This approach would only be used if there were enough comparable vacant land sales.

The second and most familiar approach was the allocation process. Mr. Clement explained this process involved the Assessor's Office using the median sales prices of homes in a synonymous neighborhood, with similar improvements and age of the homes, to create a study. He noted the allocation ratio study for that year was 18 percent for newer homes. He clarified that the study showed that 18 percent of the land on an improved sale for homes built between 1998 and 2023 would show the contributory value of the land. For homes built between 1973 and 1997, the amount was 22 percent. Lastly, for homes that were 51 years or older, built prior to 1972, the ratio was 24 percent. He explained that one of the appraisal theories was that as a home got older and depreciated, more value could be attributed to the land. He noted that allocations would be based on those different percentages.

Abstraction, Mr. Clement noted, was the third method used by the Assessor's Office. Abstraction involved staff removing the full contributory value of the fully depreciated improvements from the sale price of an improved parcel to derive a residual base lot land value. The base lot land value was then adjusted upwards or downwards to account for the differences, such as traffic easements. He explained this involved the staff looking at properties that were mostly fully depreciated with the intent to demolish the improvements and build a new structure. Therefore, the value of the improvements on the property would be removed and the residual was what the Assessor's Office considered the land value.

County Assessor Chris Sarman added that the staff of 20 appraisers was valuing 190,000 parcels; therefore the process was done on a mass basis to start. He explained that staff looked at different neighborhoods' land values. He stated adjustments could be made for things like traffic or golf courses. When a person appealed their value, staff looked at the parcel on a more unique, individual basis. He said when the Assessor's Office presented values to the Board, it referred to base lot values which were the most

common type of value for a neighborhood. He noted there could be pluses or minuses depending on what the detriments were.

Member George said his reaction to the information from the Assessor's Office was that it was a possibility that the Board could make more adjustments than it had in previous years. Mr. Sarman stated that sometimes people came forward with information about easements or detriments to their property. He believed that, oftentimes, the Assessor's Office had already accounted for those issues and made adjustments using current sales analysis. He noted when people filed appeals, the Assessor's Office contacted them to discuss the issues. He explained that when appeals went to the Board, it was because the Assessor's Office's opinion differed from the petitioner's. When that happened, it was up to the Board to be the arbitrator.

Mr. Clement explained one of the common adjustments used was a traffic adjustment. For example, it was difficult to do a paired sales analysis that showed there was a detrimental effect to being on Double Diamond Parkway or McCarran Boulevard. Oftentimes, there were differences in the sales prices that made it hard to extract that traffic was the only thing affecting the house's value. He said a traffic adjustment for being on a busy road usually ran between 5 and 10 percent, and that amount was applied to the parcels on that busy road. He mentioned that an internal parcel would not have that reduction. Other adjustments the Assessor's Office made were view adjustments and size adjustments. He commented that size adjustments were common and involved the Assessor's Office looking at the differences in the sizes of the parcels. Member Ainsworth thought residences on high-traffic streets would have a reduction, whereas businesses would have an increase. Mr. Clement noted the Assessor's Office did not do traffic adjustments on commercial properties. He said a reduction for access could be seen on residential properties if access to the property was poor. He explained the underlying concept was that the Assessor's Office did mass appraisals in an attempt to treat everyone the same because equality was a big deal when it came to taxable value. He acknowledged that taxes in Nevada were not fair regarding real property. However, when there were depreciated improvements, the sale price of a property built 20 years ago could be the same as a new property but have extremely different taxable values.

Mr. Clement said that over the last month, staff interacted with many taxpayers to address concerns. Taxpayers met with staff to get an explanation of the taxable value system. He noted taxpayers commonly wondered why their taxes were more than other houses that were similar to theirs. He believed staff was able to successfully answer many of the questions the taxpayers had. He thought once people understood Nevada's taxable value system, they would understand why their taxable value was the amount it was; however, sometimes, those people still chose to appear before the Board of Equalization. He said residential appeals did not look too bad for that year, but there were a lot of commercial appeals. He assured the Board that staff was bringing the appellants in and listening to their concerns. Member George asked if the amount of people felt heavier or lighter than previous years. Mr. Clement responded that it felt about the same. Mr. Sarman informed that the Assessor's Office received 75 appeals, which included some exemptions and personal property. Mr. Clement said there were currently 70 real property

appeals, with 204 parcels. He mentioned there was a subdivision that had 107 parcels; however, he thought that would be resolved prior to a hearing. He noted a lot of the appeals the Assessor's Office received were from out-of-state tax representatives who were not familiar with Nevada's taxable value system. Sometimes, explaining the values to the representative was enough to resolve the appeal, he noted.

Mr. Sarman thought the Assessor's Office could end up with 100 appeals; however, the Assessor's Office was working with people to reach stipulations or withdrawals, so he thought the actual number could be closer to 50. He believed that number showcased the effort put in by his office. Vice Chair Bonnenfant said she appreciated the staff. Mr. Clement noted that when he first started at the Assessor's Office 22 years ago, the Assessor's Office never felt they were wrong and the taxable value system was very conservative. He recalled that staff fought every appeal back then. He opined the Assessor's Office was very different now and wanted people to come in and talk with them about their values. Staff worked to resolve the issues the petitioners had; however, they also had to ensure everyone was treated fairly. He noted that the petitions that went in front of the Board were issues that could not be worked out with the taxpayers and acknowledged that a difference of opinion was fine. He asserted the analysis the Assessor's Office gave on the petitions that went before the Board was what it believed represented the market value and was its opinion on why the taxable value should be upheld.

Mr. Clement noted that quite a few appeals were filed the previous year, but very few of those appeals went to hearings. He noted that with mass appraisals, things could be missed, and those were the things that resulted in stipulations. Mr. Sarman said occasionally things went to the Board because the Assessor's Office did not have the correct information. He noted that, oftentimes, staff did not see some of that information until the day of the hearing and then had a limited time to review it. In looking over the appeals that morning, Mr. Clement noted there were a few residential properties where people thought their property was over market value. He believed there were less than six improved single-family residence (SFR) appeals. He said most of the appeals were regarding tax bills being different than other similar properties. He thought many of the appeals could be resolved once staff explained the differences to the appellants. Mr. Sarman said staff had done a time adjustment analysis and noted the market was somewhat stable. Regarding the commercial side, he stated things were beginning to flatten a bit and there was a bump in cap rates. He said higher interest rates affixed the cap rates. While 5 or 6 percent cap rates were used in the past, he thought those rates would bump up this year. Mr. Clement added there were not many transactions right now with a cap rate because a lot of the transactions were owner-occupied since the interest rates had gone up. He noted there were also a lot of 1031 transaction exchanges where the person had to get rid of money quickly.

Mr. Clement commented that the median in Reno was back over $600,000 and thought it was not that the market was declining but that the number of sales was declining. Mr. Sarman noted that the median number was as high as it was even with the interest rates where they were currently at. Mr. Clement informed that there were tract homes that were easily $1 million. He was astounded by the property values and noted the

properties he valued 17 years ago for $200,000 were transacting for between $800,000 and $900,000 now. He said a downward time adjustment of half a percent per month was done on SFR allocation neighborhoods. A time adjustment on the Incline Village neighborhoods was done by an appraiser because of the large increases in the median sales prices there. He commented that a lot of people had moved to Incline Village in the past 3 to 4 years. Mr. Sarman explained that a time adjustment was done when a sale that occurred in the past was used in analyses by the Assessor's Office. Because the sale happened in the past, staff had to adjust the past sales to bring them to the current value. This adjustment could be made either upward as the market increased or downward as it decreased. Member George acknowledged that the market was crazy and said the newspaper mentioned the most expensive property in the County that recently sold. Mr. Sarman said that looking at the changes in the median sale prices over the years, the Assessor's Office did some small downward time adjustments.

Mr. Clement recalled there would only be two Incline Village appeals that year. He informed that those appeals were more of a question from the appellants as to how the value of the property could go up when the market was flat than they were an actual appeal. Each year, the Assessor's Office used Marshall & Swift to recalculate costs. He reminded the Board about the one-and-a-half percent depreciation and said with commodities, such as construction material and labor, rising over the past 3 or 4 years, the recosting had outstripped the one-and-a-half percent depreciation. He noted that staff tried to explain to the taxpayers that their improvement values would go up or down based on the cost of construction. Member Bonnenfant said Marshall & Swift had a lag so the County would see inflation on the construction prices even if there was a decline in inflation over the next couple of years. Mr. Sarman noted one of the toughest things to explain was when the Assessor's Office's value went up when the market went down. He thought it was so difficult to explain because people usually tied property values to what was happening in the market; however, the Assessor's Office's values were not based on what was currently happening in the market. He thought staff could be dealing with that confusion for the next year or two.

Mr. Clement noted that the increase could be a substantial amount of dollars for the industrial and commercial properties. He gave the example of the new industrial warehouses at the end of Mill Street where the university farms used to be. He mentioned those warehouses were approaching $100 million in taxable value, so the improvement costs went up $6 million that year. Member George noted those warehouses were not completely occupied yet. Mr. Clement stated industrial properties in Northern Nevada were doing very well. He mentioned an appraisal conference that staff went to a few months back and said he found out that one of the reasons why industrial properties were selling for so much in this region was because rental rates in Los Angeles and San Francisco were very high. He recalled that 16 years ago, a person would be lucky to get 25 cents per square foot for an industrial space in the McCarran Boulevard area and Sparks. He noted that the amount was approaching $1 per square foot. He opined it was much more expensive in the Bay Area and thought it could be $2 per square foot there. He mentioned that multi-tenant office buildings were a tougher market, and it was usually owner-occupied buildings that saw strong sales. He thought multi-tenant buildings were a hard market because there were

still people working from home. He noted there was only one office building they received an appeal on and said staff would look at that one closely.

Member George asked how many of the Board's appeals from the previous year went to the State board. Mr. Clement thought there were three appeals that moved to the State board. Mr. Sarman recalled one of those being the apartments at the marina. Member George asked how the State board ruled on that appeal, and Mr. Clement stated it was upheld. He said the appeal was regarding the Water Bar, the downstairs offices on the second floor, and the apartments and condos on the third floor. He opined a lot of the confusion came from the occupancy the Assessor's Office used for that property. He informed that the Assessor's Office used a blended rate of occupancy because the property was multiple residential with commercial on the bottom. Mr. Sarman recalled there was a question regarding the grade of the property. Mr. Clement reminded the Board that it made an adjustment to the property, but the owners got a further reduction from the State board. He was unsure if the Board would see that matter again this year and noted the Assessor's Office did not agree with the State board's decision. He said the State board lowered the quality of the building to a one-and-a-half. Mr. Sarman noted that was below average. Vice Chair Bonnenfant recalled the appellant showed the Board pictures of exposed pipes at the hearing. Mr. Sarman said it could be argued that the property was a one-and-a-half, but the Assessor's Office looked at the property as an overall blend of occupancy. Mr. Clement noted that petitioners typically submitted photos that focused on what they wanted the Board to see. He said more research on the property by the Sparks Marina had been done since the last Board of Equalization (BOE) season, so if that matter came before the Board again, there would be more information to provide.

Mr. Sarman said the packets would look different this BOE season. Mr. Clement commented the Assessor's Office had the benefit of having the Washoe Regional Mapping System (WRMS) to view aerial photography. He noted the State board did not have that system and had previously asked for aerial photography and better maps of the properties. He said that if the Washoe County BOE wished to see something interactively on the map, staff could pull it up. He said the packets provided to the Board would include screenshots of the aerial photography of the subject property and its comparables. Photos of the subject property and its comparables would also be included in the packet. He opined all of those materials would establish a better record for the Washoe County BOE and the State board. He relayed that one question staff received from the Board was the cost of the commercial buildings. He informed that staff came up with a report that broke down the cost per square foot of the commercial buildings based upon things like the wall and heat type. He reminded the Board that some of the tax representatives would come to the Board with items priced out per square foot. Mr. Sarman stated now staff would be able to show a side-by-side comparison of the Assessor's Office's information and the information from the representatives. Mr. Clement noted there were a lot of things that went into the pricing and the report would help break things down to give a replacement cost instead of just the taxable value. He said another big thing to take into account was the improvements to the land. He thought improvements were typically missed when doing a re-costing.

Mr. Clement said the addition of those three things was an attempt to establish a better record in case any appeals went to the State board. Chair McDonald asked if the aerial photography was dated. Mr. Clement stated the snapshots provided to the Board would be from 2023. Mr. Sarman said there would not be a date on the pictures, but there was a date tied to it if the aerials were shown on a screen. County Clerk Jan Galassini wanted to ensure that there would be no aerial video shown at the BOE meetings. Mr. Clement said WRMS would be available for the Board to view if they wanted to see something that was not included in the packet. He asked the Board to let staff know during the meeting if they wanted to see comparables or a different angle of something on WRMS. Ms. Galassini stated her concern was how to attach that information to the record.

Mr. Sarman explained that when the Assessor's Office previously went to the State board, it did not have the capability to show aerials on WRMS. He said one of the tax representatives questioned the Assessor's Office and stated staff could not display the aerials on WRMS because it was not part of the record. Mr. Sarman informed that was why the Assessor's Office chose to change the packets for this year. He said some of the WRMS information would be shown as aerial photos and pictures. Ms. Galassini stated she was not concerned about the packets; however, she did have concerns about what would be presented at the meeting. She asked that if the Assessor's Office decided to show any live aerial photos they take screenshots of them. Mr. Sarman asked what procedure was in place for previous years when this happened. Vice Chair Bonnenfant stated that the Assessor's Office had always shown the Board WRMS and explained that WRMS was similar to Google Maps but with more capability. She said staff previously showed WRMS during the meetings, but the system was not capturing live footage. She thought the Assessor's Office staff was simply displaying WRMS and snapshots of what they showed would be included in the packet. Mr. Sarman said that if the Board requested to see something that was not included in the packet, staff would make a note of it. He opined if the record showed the aerial was pulled up at the Washoe County BOE, then staff should be able to pull up the aerials at the State board.

Mr. Clement asked if staff could read something into the record that stated they were using an internet website to view the property. Ms. Galassini said it could be read into the record; however, if the matter went to the State board, they would want to see the same thing presented at the County level. Mr. Sarman thought staff might have to do screen captures as photos were shown to the Board. Deputy District Attorney (DDA) Trenton Ross advised if the Assessor's Office thought they would be showing extra photos, they should include those in the packet as often as possible. He said he could give his recommendations, although he was unsure what the State would accept. He noted if staff simply stated for the record that they showed WRMS at a certain angle, it would be difficult to capture exactly what angle was shown. He thought a screenshot would be the best option because it reflected exactly what was shown. He advised the Assessor's Office to be careful about how creative they got during their presentations to the Board. He said if staff thought an item could be controversial, it would be best if they included more information in the packet.

Mr. Sarman informed that staff brought the WRMS website up at the State board hearing and an attorney objected to the use of the aerial photography. He said that was the reason why the Assessor's Office included that information in the packets this year. He noted the Assessor's Office had always used WRMS. Mr. Jonathan Lujan, Business Technologist 3, explained that the way the laptops were configured in Chambers, the display bypassed straight into the projectors and the Clerk's Office staff would not have access to screenshot that information. He said the appraiser or the presenter would have to create the screenshots. Mr. Sarman believed if there was something that staff wanted to show that was not in the packet, staff would be able to verbally put it on the record by stating specifics of what was being shown. DDA Ross was open to staff trying that method, but said he could not guarantee it would be accepted by the State. Chair McDonald thought it would be best if the presenter could remember to take screenshots during the presentation. DDA Ross advised that staff do the best they could to get screenshots and try to give descriptive comments so the image could be recreated again, if called upon to do so. Mr. Clement believed that, for the most part, staff would include the photos in the packets. He thought it would only be extreme cases where the Board would need to see something not included in the packet and if that came up, staff could take screenshots. He noted the appraisers were told, when making screenshots for the packets, to make them the best representation of the property they could. Ms. Galassini informed the meeting could be paused to take screenshots and distribute them to the Board or Appellants.

Vice Chair Bonnenfant asked staff to clarify what WRMS stood for. She mentioned that all of the WRMS information could be seen prior to the meeting by going to the Assessor's Office's website. Mr. Clement informed the Board that WRMS was public-facing and encouraged them to visit the site while they reviewed the packets.

Recalling the previous conversation in which he discussed the three appeals that went to the State board, Mr. Clement said the shopping center where C-A-L Ranch and a new furniture store were located, had been upheld by the Washoe County BOE and the State board. He mentioned the Board would see that property again. The Water Bar property was reduced even more after going to the State board. The State board chose to reduce the quality class to a one-and-a-half. He mentioned the Assessor's Office did not agree that the property was a one-and-a-half. He thought that making the property a one-and-a-half threw it out of equalization with other properties that were already at 2 to 3's and were higher quality classes. He noted the property was a 2-and-a-half before and the Assessor's Office made it a 2 this year after analysis of the property. He wanted the Board to know the history of that property in case it made it to a hearing that year.

Mr. Clement said two years ago the BOE heard from Mr. Wayne Tannenbaum from Pivotal Tax Group. After his appearance at the Washoe County BOE, Mr. Tannenbaum took his appeals to the State board. Mr. Tannenbaum then withdrew all of his hearings because he was not a licensed appraiser in Nevada. Last year, Pivotal Tax Group did not appeal any properties in Washoe County. Mr. Clement informed that this year, Pivotal Tax Group appealed every property that it appealed two years ago, plus additional properties. Member George asked if Mr. Tannenbaum was still working for Pivotal Tax Group. Mr. Clement responded that he was unsure but noted there was a

different representative listed on the appeal forms. He assured that staff would research the appeals and said it was the property owners that the Assessor's Office was trying to work with. He believed Pivotal Tax Group had a database of clients that generated appeals because there was no data provided to the Assessor's Office from Pivotal Tax Group. When the Assessor's Office received those appeals, they contacted the representative and reviewed the packet with them. He reminded the year that the Washoe County BOE saw Pivotal Tax Group, the Assessor's Office did not agree with any of their appeals which is why those appeals went to the State board. He said Findlay Automotive Group, Lithia on Kietzke Lane, the Home Depots, the Walmarts, the Kohls stores, and RC Willey had all appealed again this year. Member George opined that, from the owner's standpoint, they had to take a shot at an appeal. Mr. Clement thought the companies also appealed because they wanted the Assessor's Office to review the properties. He acknowledged there had been some increases in land values and overall values. He noted staff would look at the properties this year, as it did every year. He said that cost came into effect because the properties were multimillion-dollar properties. He explained when the cost of inflation on commodities was taken into account, the improvement values had probably gone up a million dollars on those properties. He mentioned these were very tough appeals because cap rates could change and comparable sales were tough to figure out. He noted that the Assessor's Office had a great team and the senior appraisers would research the multimillion-dollar properties. If adjustments needed to be made on those properties, staff would do so.

Mr. Clement stated that the residential side looked fairly slim for the year. He informed that rental subdivisions were popping up all over the country and asked if the Board was familiar with them. Member George recalled that investors were buying buildings to rent them out. Mr. Sarman said AMH Homes was the big company that had rental subdivisions. Mr. Clement explained the company had many properties in Las Vegas, as well as subdivisions in Reno, which included a 58 homes subdivision off of Mae Anne Avenue. Member George asked if the subdivision was by the church and Mr. Clement replied that was correct. Mr. Clement said they were all tract homes with 2 different floor plan models. He informed that AMH Homes built the homes and then rented them out. AMH Homes had another group of 102 homes in the North Valleys. He mentioned there was an appeal on those properties, and the representative was an attorney from Chicago. He noted staff had not contacted the attorney yet because there was a sale on the rental subdivision; it sold for $39 million, or about $385,000 per home. He noted the same type of homes were in an adjoining neighborhood, except those homes were not rental subdivisions but instead were sold to the public. An analysis was done by the Assessor's Office to show that AMH Homes got a bulk sale price.

During the analysis, the Assessor's Office wondered if there was a detriment to owning a home in a rental subdivision versus buying the same home in a non-rental subdivision. The question the Assessor's Office came up with was: if you could buy a home in the middle of the rental subdivision, would you pay the same price for the same home if it was not in a rental subdivision? The conclusion was that the average person would not want to be in a rental subdivision because most people wanted their neighboring

properties to be owner-occupied, although Washoe County had many neighborhoods that were 40-50 percent rental homes.

Chair McDonald said he could understand that and noted the subdivision he lived in had a limit on the number of units that could be rented out. Mr. Clement said, fortunately, the Assessor's Office had the sale of one property that it could look at, so they were able to calculate how much the rental property sold for versus how much the non-rental property sold for. After their analysis, the Assessor's Office gave a downward land adjustment of 10 percent for homes in the rental subdivisions. Staff then compared the adjusted number to the comparables' sale price per unit which was about $385,000 per home. The total taxable value of each home in the rental subdivision was below $385,000, so the Assessor's Office believed the homes did not exceed market value. He wanted to let the Board know the Assessor's Office had researched the properties.

Mr. Clement said staff worked closely with someone from AMH Homes who had previously worked in the Assessor's Office. That person agreed with the analysis the Assessor's Office did and would not proceed with an appeal for the subdivision on Mae Ann Avenue. The Assessor's Office looked closely at the quality of the 102 homes in the subdivision on Mae Ann Avenue. Mr. Clement noted that those homes were all built the same and did not have upgrades. He anticipated that the subdivision appeal would be resolved without going to the Board.

Chief Deputy Assessor Rigo Lopez believed it was the eighth or ninth year that the Assessor's Office met with two representatives in Incline Village. He explained the representatives came to the Assessor's Office and received an overview from staff on how the appraisals were approached that year. He thought that action helped with the number of appeals the Assessor's Office saw. Mr. Clement opined the Board would have all the residential properties done in one meeting, so they could focus on the harder properties the rest of the days. He thought the commercial properties, such as the Walmart properties, would be tougher. He said it was about looking at the differences and determining if one location of the same store was more valuable than another location. He noted it was especially difficult when looking at market value because depreciation and improvement values had to be taken out because the buildings were constructed in different years. For example, he thought the South Virginia Walmart was worth more than the Kietzke Lane location.

Mr. Clement explained these were the things staff looked at when evaluating commercial properties. He said different locations of the same store would not have the same dollar amount per square foot. He noted the records for those types of properties were very clean because the Assessor's Office researched them every year. Over the years of looking at the properties, staff made adjustments for improvements and determined types of buildings. He hoped that previous work would answer a lot of similar questions so staff could focus on the market values of the repeat appeals.

Mr. Clement said the Assessor's Office had a really young crew and was in the process of doing a lot of training for the 18 appraisers. He asked the Board to bear with

the staff if they misspoke or left anything out. He commented that senior appraisers would be present to help the newer appraisers. Member George inquired if the Assessor's Office had turnover. Mr. Clement said a lot of retirements had happened and noted the office did not get a lot of turnover because the Assessor's Office was a great place to work. He said people retired which allowed for promotions to happen. He thought the Board would find that although the staff was still learning, they were very professional. He recalled that he got his experience as an appraiser during the Great Recession when there were 100-150 commercial appeals each year.

Member George asked about the ratios of appraisers to appraisals. Mr. Sarman said the Assessor's Office was close to 11,000 parcels per appraiser. Mr. Clement noted the office had the same staff but more parcels, more personal property accounts, and more front-counter phone calls. He said the Assessor's Office was working very efficiently and everyone was doing a great job. Mr. Sarman commented that he was happy to not have appeals, but at the same time, he wanted staff to get experience with the process. Mr. Clement explained that if staff did not know an answer to a question they were instructed to tell the Board they did not know the answer but would find it out. He noted there were some difficult properties in the County, such as casinos. He did not believe there were any casino appeals that year. The media claimed casinos were doing quite well, Mr. Clement said. Many of the inquiries the Assessor's Office received from the casinos were due to the downtown improvement district. He noted that was tied to taxable value, and there was not a cap on it. When values went up, the assessments went up for the downtown improvement district. He said all of the casinos wanted to join the downtown improvement district which included the city ambassadors and graffiti cleanup. The Assessor's Office met several times with the casinos and told them they should not have tied that assessment to the taxable value because of the fluctuations in the taxable value and due to the fact it was all on cap. Staff recommended the casinos tie it to consumer price index (CPI) to make it fairer. He mentioned the tax caps on casinos were fairly low because they were tax-capped during the Great Recession.

Member George complimented Mr. Sarman on his appearance on television regarding high caps on personal residences. Mr. Sarman replied that the Assessor's Office was trying to get the message out on things like that because it was difficult for people to understand the convoluted tax system. He was amazed by the amount of information that was not understood by taxpayers, real estate agents, and lenders. In an effort to make things more understandable, the Assessor's Office changed their valuation notices that year to explain things better.

Mr. Sarman noted there would also be personal property and exemption appeals that year and asked Assessment Services Coordinator Lora Zimmer to speak regarding those. Ms. Zimmer explained that people could file an appeal if the Assessor's Office denied their exemption. She said there were three exemption appeals for the 2023/2024 tax year that were denied because the appellants missed the deadline. Member Ainsworth asked for clarification on the types of exemptions the appellants applied for. Ms. Zimmer replied the exemptions were all personal exemptions. She believed they were veteran exemptions, with possibly one being a surviving spouse exemption. She explained

the exemptions had to be renewed by a certain deadline and if a person missed that deadline, they had to appeal to the BOE to request an extension. Member George said the notice a person who had an exemption received stated they did not have to do anything to renew it. Ms. Zimmer informed that for real property, a person had to renew the exemption by signing the form and returning it to the Assessor's Office or filling out the form online. She thought the Department of Motor Vehicles (DMV) did not require exemptions to be renewed.

Member George opined the appeal hearings were all about who the Board believed and thought it was crucial to understand how each party got to the values they had. He said it was very important to have the information provided that day by the Assessor's Office. Mr. Clement stated the Assessor's Office's packets would be their opinion and the evidence as they saw it. He noted there was nothing wrong with a difference of opinion. He thought the commercial side was easier for staff because there was no emotion involved.

24-007E **AGENDA ITEM 7B** Washoe County Clerk's Office presentation and overview by Washoe County Clerk's Office of statutory responsibilities as Clerk of the Board and administrative and clerical practices; distribution of State Guidelines to County Board of Equalization Members.

County Clerk Jan Galassini welcomed the Board to the new Board of Equalization (BOE) season. She noted that the Clerk's Office also had a new crew. She introduced herself and her staff, including Chief Deputy Clerk Cathy Smith, Board Records and Minutes Division Manager Evonne Strickland, Department Programmer Analyst Jonathan Lujan, and Deputy Clerks Taylor Chambers, Danielle Howard, and Heather Gage. She noted that the other deputy clerk, Kendra DeSoto-Silva, was absent that day.

Ms. Galassini said the Board member roster showed the members' addresses listed as the County offices, so the public would not have the members' personal information. The Clerk's Office kept the actual contact information for the Board members private. She asked the members to inform her if any changes to their contact information had occurred. She said Member George's term would expire in June. The County implemented a new board member appointment process, and she said Member George would be informed of that process. Member George replied he had enjoyed the Board of Equalization (BOE) experience but would probably not ask to be reappointed. Ms. Galassini informed the Board of their term expirations, which included two members expiring in 2026 and two in 2027. She asked the members to encourage anyone interested in being on the Board to come to one of the upcoming meetings.

Ms. Galassini reviewed the February calendar provided to the Board and noted eight days were reserved, the same number as the previous year. She asked the members to check their calendars and let the Clerk's Office know if any of the dates did not work for them. Member Pierce asked to be provided with the calendar. Ms. Smith noted the information was posted online but said she would ensure Member Pierce received it.

Ms. Galassini mentioned that Friday, April 5 was reserved for a final meeting to approve the minutes.

The next page in the packet provided to the Board was the list of the tasks performed by the Clerk and the Assessor. Ms. Galassini explained the work before the meetings was completed by the Assessor's Office and the work done after the meetings was the responsibility of the Clerk's Office. She further explained that what happened at the BOE meetings was the collaboration of the two departments. She reviewed the list of tasks with the Board. She mentioned April 28 had been reserved for continuances. County Assessor Chris Sarman noted there were always a couple of continuances requested. She informed the Board there would be no alternate members because there would still be a quorum even if one member was absent. She believed an alternate member had only been used one time in the past, so the Board of County Commissioners (BCC) decided not to open the alternate member position. She explained the Clerk's Office kept track of the Board members' attendance and reminded that each member was paid $125 for each hearing date, including the organizational meeting and the meeting in April. The final payments would be issued after the final meeting in April.

Ms. Galassini explained that the Clerk's Office was legally designated to be the record keepers for the BOE, which included keeping audio recordings of each meeting. She noted that appeal forms would be provided to the petitioners, should they decide to appeal the BOE's decision to the State board. She recalled the Clerk's Office sent 10 hearing files to the State the previous year. Notice of Decision letters were sent to the petitioners after the meetings and had to be sent within 10 days after the meeting date. She said the Board was diligent in reading the meeting minutes prepared by the Clerk's Office staff, and she appreciated that the members notified her office of any changes. She informed the Board that the BOE records had to be preserved forever.

Ms. Galassini noted only two members had biographies on the Clerk's Office's BOE website. She explained that people liked to know who represented them on the Board and said her staff could assist the members with their biographies. She asked the Board to visit the BOE website and commented it was good for the Clerk's Office to get an outside opinion on the site. She appreciated feedback from the members regarding the incorrect or confusing information on the website. Member Ainsworth asked if the Clerk's Office had his application from the previous year when he was reappointed. Ms. Galassini replied the applications were kept on file for one year. Member Ainsworth requested that the information from his application be put on the website for his biography.

Ms. Galassini reviewed the State guidelines for BOE that were included in the packet. She said she reviewed the guidelines and could not find any notable differences from the last set of guidelines provided by the State two years ago. She noted the guidelines could also be found on the State's website. Included in the packet provided to the Board was the motion language for the Board's decisions. The motions were vetted by the District Attorney (DA) and had not changed from the previous year. She believed the motion language was helpful for the Board in the past and said it would be provided to the Board again. She explained it was helpful to the deputy clerks when the Board used the motion

language provided because it kept the motions standard and clean. The last item in the packet was the document titled The Life of a Petition that had been put together by the previous manager, Ms. Lauren Morris. Ms. Galassini believed it was useful information regarding how the petition started and its journey from the Assessor's Office to the Clerk's Office, and beyond.

Ms. Galassini asked if anyone on the Board needed to borrow a laptop. Members George and Pierce replied that they did. Ms. Galassini said Mr. Lujan could provide Member George with a laptop after the meeting, and Member Pierce noted he would stop by the following week to get his laptop. The Clerk's Office would provide thumb drives for the members again that year, although, all the material could be accessed on the Clerk's Office's website as well. The next meeting's thumb drives would be provided prior to the meetings. Anything received after the agenda was posted would require paper copies from the petitioner or the Assessor's Office for the Clerk's Office to distribute to the Board during the meeting. She relayed that the Clerk's Office would provide a station with snacks, coffee, water, or anything else the Board desired. She asked the Board to let her know what they preferred.

24-008E **AGENDA ITEM 7C** Washoe County District Attorney's Office training on Nevada Open Meeting Law and Ethics in Government Law.

Deputy District Attorney (DDA) Trenton Ross understood the Board was familiar with the process and his previous presentations about the law. He believed his advice could be summed up to four words: stick to the agenda. He noted that the Assessor's Office and Clerk's Office would handle the agenda creation and posting. He said if the members had any questions or concerns, they should put those concerns on the record. If they found a decision to be tough and wanted to say so, it was best to say it on the record and not after the meeting had adjourned. He advised the Board to refrain from discussing the hearings or decisions outside of the meetings. If a member discovered they knew someone involved in an appeal, DDA Ross asked that they let himself or DDA Herbert Kaplan know ahead of time so they could advise how to disclose that on the record. He noted there was a high bar for recusal, so it was likely that a member would only have to disclose a conflict. He emphasized that it was best to let the attorneys know this information prior to the hearing. He said he was not there to teach the Board open meeting law (OML) but wanted to help the members follow the rules. He reiterated the importance of sticking to the agenda.

Chair McDonald mentioned it was important to avoid hitting reply all to the emails they received. DDA Ross thought Chief Deputy Clerk Cathy Smith did a good job of reminding the Board of that in her emails. He noted the members would need to sign the ethics agreement that day so it could be sent to the State. Member George recalled a previous meeting when he discussed a hearing with a former DDA during a recess, and the attorney immediately stopped him. Member Pierce said he would sign the ethics statement when he picked up his laptop.

24-009E **AGENDA ITEM 8** Discussion and possible adoption of rules and procedures to be used by the Board for hearings during the 2024 Board of Equalization meetings, including but not limited to: discussion and direction to staff on petitions filed after deadline date; and determination of method of holding future meetings (in-person, virtual, or hybrid options).

Chair McDonald recalled that the Board typically decided on whether to offer Zoom attendance. He opined Zoom usually bogged down the meeting substantially because most of the appellants provided paperwork the day of the hearing. Member Pierce thanked the Board for allowing him to appear by Zoom that day due to his surgery; however, he agreed Zoom was not needed going forward. Chair McDonald commented that the organizational meeting was easy to do by Zoom, but Zoom was much harder when appellants were present. Vice Chair Bonnenfant agreed with Chair McDonald and said there was too much information being discussed and Zoom interruptions bogged down the meetings. County Clerk Jan Galassini said if the Board chose to not offer Zoom, then that would need to be noted when creating the agendas. Member Ainsworth believed it was important that the appellant be present for the meeting. Member Pierce agreed.

Assessment Services Coordinator Lora Zimmer said there were one or two untimely petitions that year and wondered how the Board and Deputy District Attorney (DDA) Trenton Ross wanted to address those. DDA Ross asked Ms. Zimmer to send those petitions to the District Attorney's (DA) Office. He advised the Board that in the past the DA's Office would send a letter to the people who filed untimely and explain the statute and why the petition would not be considered. Member George asked if the Board had an option to amend that rule and DDA Ross said it was State law. Chair McDonald commented the process would be the same as it was the previous year. Ms. Galassini reminded the members to let her office know if they would be unable to make any of the meeting dates so she could ensure there was a quorum. Chief Property Appraiser Steve Clement noted the Assessor's Office's staff sat down with the people who came into the office and filed untimely petitions. He said many times there were things that the Assessor's Office could do, such as a role change request (RCR) or discuss other options with them. Chair McDonald asked if those were the same RCR decisions the Board made toward the end of the season. Mr. Clement responded yes and said many of the RCRs went to the Board of County Commissioners (BCC) throughout the year. Ms. Galassini noted she would let the Board know at the beginning of each meeting what items were withdrawn, stipulated, or continued, based on the information the Clerk's Office received from the Assessor's Office. She commented the agendas for the Board would be color-coded, which made it easier to distinguish between those items.

There was no response to the call for public comment.

On motion by Vice Chair Bonnenfant, seconded by Member Pierce, which motion duly carried on a 5-0 vote, it was ordered that Zoom be excluded from the Board of Equalization meetings.

24-010E **AGENDA ITEM 9** Board Member Comments.

Chair McDonald stated he was looking forward to a very productive year and thought it would be more interesting and complex than previous years. Chief Property Appraiser Steve Clement clarified that the Board preferred to have more hearings during a meeting than one or two hearings a day over several days. Member Ainsworth said he never had a problem with the scheduling. County Clerk Jan Galassini said it was helpful if certain types of petitions were heard on one day and others on another day. She thought longer meetings and fewer days would be best. County Assessor Chris Sarman said his staff was working with the Clerk's Office to schedule the days like Ms. Galassini suggested. He noted the Assessor's Office tried to confine the days into classifications of use. Member George did not recall ever having a meeting go past lunchtime. Chair McDonald believed everyone would be happy if the meeting could be completed by lunchtime.

24-011E **AGENDA ITEM 10** Public Comment.

There was no response to the call for public comment.

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10:24 a.m. There being no further business to discuss, the meeting was adjourned without objection.

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DAREN MCDONALD, Chair
Washoe County Board of Equalization

ATTEST:

_____
JANIS GALASSINI, County Clerk and
Clerk of the Washoe County Board of
Equalization

Minutes Prepared by:
Evonne Strickland, Deputy County Clerk