

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

FRIDAY

1:00 P.M

FEBRUARY 24, 2006

PRESENT:

Steven Sparks, Chairman  
Pat McAlinden, Vice Chairman  
Thomas Koziol, Member  
John Krolick, Member  
Gary Schmidt, Member

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

Amy Harvey, County Clerk  
Nancy Parent, Chief Deputy Clerk  
Peter Simeoni, Deputy District Attorney

The Boards met pursuant to a recess taken on February 22, 2006, in the Washoe County Administration Complex, Health Department Conference Room B, 1001 East Ninth Street, Reno, Nevada. Chairman Sparks called the meeting to order, the Clerk called the roll, and the Board conducted the following business:

**06-91E      DISCUSSION – EQUALIZATION OF INCLINE**  
**VILLAGE/CRYSTAL BAY AREAS**

Chairman Sparks stated public comment would be allowed on this agenda item, but only on the weighing of the evidence and testimony that had been received by this Board in this hearing season.

**\*1:08 p.m.**      Member Woodland arrived at the meeting during the following speaker's comments.

Maryanne Ingemanson, Incline Village resident, referenced the letter she submitted and reviewed it for the Board. She commented on the lack of equalization for properties in the Incline Village and Crystal Bay areas, and she went over the Order issued by District Court Judge William Maddox on January 13, 2006.

H.G. Fisher, Incline Village resident, remarked equalization was not possible without set standards among the 17 Washoe County appraisers. He said there was no consistency in the area where he lived, and it was impossible to have equalization without consistency.

Kathryn Carter, Incline Village resident, said it was important for government to be fair in deciding how to tax; and it was important for people to have faith and trust in their government. She thanked the Board for their efforts to make the situation right.

Suellen Fulstone, Attorney representing The Village League to Save Incline Assets, voiced her objections to the Notice and said it violated the Open Meeting Law because it did not suggest it would be limited to the testimony and evidence the Board had heard to date. She went over the materials she presented to the Board and addressed the specific legal issue of Judge Maddox's Order. Ms. Fulstone said the Board must roll back the values of all the assessments in Incline Village and Crystal Bay to the 2002/03 year, which was pursuant to the direction of Judge Maddox. She stated two issues of equalization were as follows: the possibility of 17 different valuations on similar properties, and the Board rolling back some properties in Incline Village and Crystal Bay and not all of the properties that suffer from the same situation.

Member Schmidt stated he did not believe the Chairman could limit the discussion on the agenda item. He said the intent of the agenda item was for the Board to discuss the possibility of agendizing a hearing at a future time to act upon the possibility of equalizing.

Chairman Sparks explained the BOE had the responsibility to equalize within Washoe County. He said, at one of the first hearings of this season, it was alleged by a petitioner and the Deputy District Attorney for the Assessor that there could be an equalization problem within Incline Village, Crystal Bay, and the entire County due to the Maddox Order. He commented at that meeting there was a denial of the Motion to Stay by the Assessor's Office of the Judge Maddox's decision. He further explained he asked that this agenda item be put forward because of that denial of Stay. Chairman Sparks clarified he invited Norman Azevedo, Attorney, and Terrance Shea, Deputy District Attorney, to come forward to testify at this meeting because they both brought forward issues of equalization before the BOE this hearing season.

Mr. Azevedo submitted and reviewed a handout dated February 24, 2006. He stated the BOE had been consistent in the 2006 hearings with respect to the Order by Judge Maddox and the Supreme Court Order Granting in Part Motion for Stay. He said his clients were in equalization from his perspective, and he remarked what the BOE had completed to this point was correct.

Terrance Shea, Deputy District Attorney, commented on the Supreme Court Order Granting in Part Motion for Stay. He said the Supreme Court nullified Judge Maddox's Order by invalidating the assessment of respondents' taxes for 2003/04 tax year, and they nullified the resetting of the taxable values of the properties in accordance with the 2002/03 assessment. He said, for the 17 parcels that were the subject of litigation, they were still at 2006/07 values on this Assessment Roll. He stated it was his view that rolling back the values, based on Judge Maddox's rationale, would be against what the Supreme Court did because they would not allow the rollback of the 17 parcels

that were part of the litigation. Mr. Shea confirmed the Supreme Court allowed the BOE to go about their business with the idea that the rollbacks may be appropriate based on the reasoning of Judge Maddox. He said the Board needed to consider whether or not the reasoning of Judge Maddox was still valid. He stated, in a separate Order that was decided by the Supreme Court on Feb 2, 2006 that involved a case addressing the removal of the Assessor, one main issue concerned NRS 233B. Mr. Shea said the Supreme Court made it clear that NRS 233B did not apply to County employees, and this impacted the continued validity of the Order by Judge Maddox. He suggested the discussion of equalization had to be impacted by the fact that the reasoning of Judge Maddox's Order was also invalid. Mr. Shea stated the Board would be artificially placing many parcels out of equalization if the reasoning was invalid. He said the job of this Board was to leave the valuations the way they were or reverse their decisions on the previous parcels to bring those back up to equalization because the 17 parcels in the Judge Maddox case had been set at the 2006/07 level in accordance with Supreme Court Order.

Member Horan referenced the Stay and quoted, "The Board is enjoined from implementing any rollbacks during the pendency of this Court's stay." He stated that implied the Board should be considering rollbacks, and it would not be out of line to do that.

In response to Member Snyder, Mr. Shea clarified one way to equalize would be to rollback or reverse previous actions by the Board to previous levels. He said the BOE should be undoing the decisions that were already made because they were artificially out of equalization.

Chairman Sparks commented this Board had the duty to equalize, and that could be done by increasing or decreasing portions of properties to bring them into equalization.

In response to Member Schmidt, Mr. Shea confirmed he had discussed the cases with Legal Counsel Peter Simeoni.

In response to Member Schmidt and Ms. Fulstone, Chairman Sparks stated the Board was not here to validate or invalidate any of Judge Maddox's rulings or reasoning, but to see if an equalization problem existed.

Ms. Fulstone stated it was not true that the Supreme Court had nullified the ruling of Judge Maddox. She said the Order was stayed, not nullified or invalidated. She acknowledged it was as good today as it was before the Supreme Court's Order. She emphasized the BOE was directed to follow the reasoning of Judge Maddox. She disagreed with Mr. Azevedo and said his parcels could not be in equalization.

Mr. Simeoni confirmed the Board had followed the Court's Order. He stated the BOE had a duty, pursuant to NAC 361.624, to equalize within a geographic area and Washoe County as a whole. He said the BOE had performed that to the best of

its ability. He clarified a geographic area was not limited to one or two parcels nor was it limited to a neighborhood.

In response to Member Koziol, Mr. Simeoni clarified the last sentence of the Stay. He said the BOE could rollback the values; however, no further action could be taken pending the appeal to the Supreme Court.

In response to Member Green, Mr. Simeoni said he did not know what the Supreme Court would do in this situation. He stated, in the event that the Supreme Court determined that the Order was not validated or confirmed, the values would return to the 2006/07 level. He verified that would be determined by the Supreme Court's Order in addressing this issue.

Member Green said taxpayers in Reno and Sparks would be looking for the same type of equalization if properties in the Incline Village and Crystal Bay areas were rolled back to the 2002/03 values. He said it was important to address Washoe County in its entirety.

Chairman Sparks stated there was enough evidence to hold a hearing concerning the equalization issue. He said he called the Nevada Tax Commission (NTC) and asked if there were any procedures to follow to under take this task; and he was informed there were no procedures.

Ms. Fulstone remarked the BOE needed to complete their business by the 28th day of February per statute. Discussion ensued among the Board members and attorneys concerning the deadline, and Mr. Azevedo pointed out the deadline had been extended beyond that date for counties who had difficulties concluding their business. Mr. Simeoni and Mr. Azevedo acknowledged that property owners had until March 10th to submit their appeals to the State of Nevada, and it would be important not to place property owners in a position that they missed the deadline due to an action of this Board. Member Schmidt commented it was important to move cautiously and to not rush the process.

Chairman Sparks moved that the BOE set a date to hold a procedures meeting, that the Board obtain input from any and all participants and the public, and that an equalization hearing of the Washoe County BOE be held after procedures had been adopted. Member Green seconded the motion.

Member Horan requested the meeting address only the Incline Village and Crystal Bay areas, and Chairman Sparks stated he did not want to limit it to only those areas within the County.

Member Koziol stated he would support the motion as long as it was understood that any action by the Board would not put any taxpayer in jeopardy of losing their right to appeal to the State of Nevada.

Chairman Sparks confirmed he would work with the Clerk's Office to send a letter to the NTC telling them the Board had an issue, and the Board would be going beyond the February 28th deadline. He recognized the taxpayer's right to appeal must be protected, and he stressed the importance of being prudent in this process. Chairman Sparks clarified the meeting would include the entire BOE for 2006.

Member Schmidt pointed out Panel B members would be serving for one fiscal year, while the members from Panel A served for four years. He said he was concerned about holding a joint meeting of the two boards to establish procedures that would carry forward from year to year. Member Schmidt commented he did not think it was appropriate for the second panel to meet and discuss those procedures.

Member McAlinden stated she would support the motion as long as no property owner would lose his or her ability to appeal to the State of Nevada.

Member Horan commented the motion was premature because he was not sure if there was an equalization problem. He said the Board did not know at this time what issues should be addressed.

On call for the question, the motion passed on a 9-1 vote, with Member Horan voting "no."

Member Horan remarked he did not hear any testimony from petitioners regarding equalization outside of the Incline Village and Crystal Bay areas, and he believed the equalization issue was specific to those areas and not to other parts of Washoe County.

### **PUBLIC COMMENTS**

Gary Schmidt, Washoe County resident, commented the current Board of County Commissioners (BCC) were derelict in their duties because they did not provide full boards, commissions, and alternates in other areas. He said BCC Chairman Bob Larkin had stated he impaneled the second board because there were many volunteers, and it was to be used as a training ground for new board members. Mr. Schmidt remarked that was not fair to petitioners who had complicated issues that had been developed over the years. He stated he believed that Chairman Larkin and others assigned two-thirds of the work this year to the new board in an effort to "shop" for a different result from last year's. He acknowledged the new BOE members served honorably and admirably.

Ted Harris, Incline Village resident, commented the issue of equalization came down to people being treated equally; and that was what the Incline Village residents were requesting. He said workshops were held, it was acknowledged that regulations needed to be changed, and they were changed. He stated the Assessor did not follow the regulations, and a court agreed with the Village League that equalization was

not valid. He suggested it was the obligation of the Board to roll the values back to 2002/03 to bring the area into equalization.

Richard Paul, Incline Village resident, encouraged the Board to look at equalization in a proper manner and make it fair for all people.

**BOARD MEMBER COMMENTS**

Member Schmidt requested there be an action item on the agenda for possible selection of a date to proceed with an equalization hearing when the Board meets to discuss procedures. He suggested the meeting should be held in the main Commission Chambers to facilitate compliance with the Open Meeting Law.

Member Horan asked that the Board not get caught up in trying to balance all of Washoe County before the issues for Incline Village and Crystal Bay were addressed.

Chairman Sparks noted the end of his term for serving on the Board would be June 30, 2006. He thanked his fellow Board members and the Clerk's Office for their assistance and support in his position as Chairman of the BOE.

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**2:37 p.m.** There being no further business to come before the Board, the Board recessed until February 28, 2006, at 8:30 a.m.

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

ATTEST:

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

*Minutes prepared by  
Lori Rowe, Deputy Clerk*