

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

WEDNESDAY

9:00 A.M.

JANUARY 04, 2012

PRESENT:

James Covert, Chairman  
John Krolick, Vice Chairman  
Linda Woodland, Member  
James Brown, Member  
Philip Horan, Member

Nancy Parent, Chief Deputy Clerk  
Herb Kaplan, Deputy District Attorney

ABSENT:

Thomas Krompetz, Alternate

The Board of Equalization convened at 9:10 a.m. in the Commission Chambers located in the Washoe County Administration Complex, 1001 East Ninth Street, Reno, Nevada. Chairman Covert called the meeting to order, Chief Deputy Clerk Nancy Parent called the roll and the Board conducted the following business:

**12-001E      AGENDA ITEM 2**

**Agenda Subject: “Public Comments.”**

There was no response to the call for public comment.

**12-002E      AGENDA ITEM 3**

**Agenda Subject: “Clerk to administer Oath of Office to new or reappointed Board members.”**

Thomas Krompetz, Alternate Member, was not present to accept the Oath of Office.

**ORIENTATION AND TRAINING**

**12-003E      AGENDA ITEM 4A**

**Agenda Subject: “Washoe County Assessor’s Office presentation and overview of assessment process for the 2012/2013 fiscal year.**

Josh Wilson, County Assessor, stated there were 171,285 parcels reappraised this year. He said his staff used the same methods to determine market value and full cash value of

land, per Nevada Revised Statutes (NRS) 361.227. The replacement cost new would then be determined and adjusted by using a depreciation factor of 1.5 percent per year, which resulted in a depreciated replacement cost amount. The depreciated replacement cost would be added to the market value of the land to arrive at the total taxable value for assessment purposes. He said they would then check whether or not that total taxable value exceeded market value, because the law stated the computed taxable value could not exceed market value or full cash value.

Assessor Wilson explained how obsolescence was applied to certain neighborhoods in the County because the computed taxable value was still above market value after re-costing of the improvements and the adjustments to the land. He stated there may be appeals brought forward for a neighborhood sale that had obsolescence applied but still might be over market value. He explained that could happen because his staff did not consider all of the transactions taking place as market value due to properties being offloaded by banks. He reiterated that one sale did not make the market and his staff would look at a combination of sales to determine if a neighborhood was below market value.

Assessor Wilson stated land was the market-based component of the assessment value and there had been some significant land reductions across the County. He said the re-costing of Marshall and Swift actually resulted in an increase to a lot of property values, especially those properties that were not receiving obsolescence.

Member Brown inquired what the exact time frame was for sales that the Board could consider. Assessor Wilson stated his staff analyzed sales from July 1, 2010 through June 30, 2011. He said the Board could consider an additional six months of sales from July 1, 2011 to January 1, 2012, but his staff could not use them to establish a value. He said if a taxpayer brought a sale to their attention that occurred after the assessment notice was sent and it was significant enough to prompt them to review a neighborhood, the Board may see a recommendation from the Assessor's Office to reduce the assessed value based on that information.

Chairman Covert stated he noticed there were a number of appeals brought forward last year that had no sales data in their area. Assessor Wilson replied that may be true again this year because there were insufficient sales to analyze in certain market areas, which would force them to look at competing neighborhoods to determine whether or not the total taxable value exceeded full cash value.

Chairman Covert discussed an article he read in the *Reno Gazette Journal* a few weeks ago which indicated that property values had increased this last year. Assessor Wilson stated the headline was misleading because for that particular homeowner, the improvement value increased but the total taxable value decreased.

Member Horan asked for a layman's explanation of how Marshall and Swift determined replacement cost values since he was certain appellants would ask questions of the Board based on another article that ran in the *Reno Gazette Journal*. Assessor Wilson agreed the replacement cost values from Marshall and Swift would be a major issue for the Board this year. He said he hoped the appraisers would provide a comprehensive explanation and supporting

evidence to support why a property was valued the way it was. He said the Assessor's Office would not defend Marshall and Swift's practice of calibrating cost tables from year to year. The Assessor's Office was forced to use those tables. Assessor Wilson thought this Board did not have to give an explanation to the taxpayer, but should weigh the evidence from the Assessor's Office and the petitioner. He did not want his explanation to be perceived as influencing the Board in any future deliberations. Member Horan stated he understood Assessor Wilson's concern; he just wanted to be prepared and understand the evidence presented relative to Marshall and Swift's costing. Assessor Wilson said he did not have the resources to check if Marshall and Swift's costs were appropriate. He thought there may be evidence brought forward that might contradict comments from those articles regarding construction costs. Member Horan requested that the appraisers present evidence that would be easy for the Board members and the public to understand. Assessor Wilson stated the bottom line was that costs and values were not the same. He said he learned that he had to follow all regulations from the Nevada Tax Commission, even if it meant increasing costs in a declining market.

Chairman Covert wondered if there had been any penalties for banks unloading certain properties for lower prices. Assessor Wilson stated he had not analyzed it to that degree. He said some foreclosure sales were not used in the past because they did not represent true market value. He believed there was legislation passed this year that stalled some foreclosures from being filed, which created a backlog. He noted if there was a bunch of supply thrown into the market and there was no demand, prices would suffer. He said they were finding land was in low demand currently because people were buying homes already built.

Member Horan inquired if the Assessor's Office had any idea how many appeals would come in this year. Assessor Wilson stated he paid close attention to comments from this Board and the State Board of Equalization (SBOE) to prepare and analyze what might take place before establishing values and placing them on the role. He said if his staff determined a commercial property was not receiving substantial depreciation, an appropriate amount of obsolescence would be applied, which may curb some of the representative appeals. He noted he could not determine how many appeals would be filed because there was still about two weeks left to file.

#### **12-004E      AGENDA ITEM 4B**

**Agenda Subject: "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."**

Nancy Parent, Chief Deputy Clerk, discussed the documents presented to the Board. She went through the meeting dates and places currently reserved for the upcoming hearings. Chairman Covert inquired when the first hearing date was anticipated.

Josh Wilson, Assessor, stated the first couple of hearing dates in 2011 consisted of a mixture of appeals that were filed early just to get things started. He suggested the Board could authorize that to happen again this year assuming the Board wished to continue the

practice of trying to give taxpayers ten days written notice. Chairman Covert stated January 30, 2012 could be the projected start date.

Ms. Parent provided the Board with a task list of duties performed by the Clerk's Office and the Assessor's Office. She informed the Board of a few changes to the handouts sent to the petitioners. She explained an important new document which would be included in all the packets to the petitioners regarded submission of evidence with personal information (social security numbers). The document informed petitioners not to submit any evidence with personal information because all documents submitted became public record. She noted if evidence was received with personal information, it would have to be redacted. The information sheet, which the Board authorized to be sent to the petitioners with their Notice of Hearing, was also discussed. She noted the Board's biographies and contact information was present on the website, along with useful hints for the petitioners.

Ms. Parent stated she needed each Board member to review the proposed calendar of hearing dates and let her know if there were any days a member would not be available to allow her to arrange for an alternate if necessary.

Ms. Parent introduced Melissa Ayrault who would be helping in the Clerk's Office during the Board of Equalization season.

Chairman Covert stated he found the Clerk's Office extremely efficient and did a fantastic job for the Board.

**12-005E      AGENDA ITEM 4C**

**Agenda Subject: “Washoe County District Attorney’s Office Presentation. Discussion of Nevada Open Meeting Law, Attorney General’s Nevada Property Tax Manual and Ethics in Government Law.”**

Herb Kaplan, Deputy District Attorney, stated this Board was a public body and fell under the Open Meeting Law. The idea of the Open Meeting Law was that all business should be open to the public, everything done by the Board was subject to an overview and nothing should be done outside the public eye.

Mr. Kaplan discussed the appropriate language to be used for agenda items to inform the public of what exactly would be discussed. He stated in order for this Board to take action, a quorum had to be present. He emphasized that regardless of the number of members present any action taken had to have the approval of at least three members.

Mr. Kaplan stated a major change to the Open Meeting Law was the requirement for public comment. One option was to have public comment at the beginning and end of each meeting, at which time an individual could speak on any issue. Another option was to allow public comment on each item. He explained the Board sat in a quasi-judicial capacity overseeing the hearings for each petition and he did not believe it was practical to have individual comment

on each appeal. He advised the Chairman to choose a public comment period at the beginning and ending of each meeting.

Member Horan asked if individuals other than the applicant could speak on a petition. Mr. Kaplan stated during the course of a hearing a petitioner could present their own case or have other people testify as well (realtor, attorney, appraiser, etc). He stated that would not be public comment, it would be considered testimony and evidence. He explained public comment would be after the Board received all testimony and someone from the public would come forward and comment on the outcome and/or process of that particular hearing.

Mr. Kaplan gave an example of a general petition brought forward by an individual that encompassed several Sun Valley properties. He stated if that petitioner wished to speak during other individual hearings from Sun Valley, the individual petitioner would have to authorize them to do so. Member Horan asked if the Chairman could announce at the beginning of each meeting the basic ground rules regarding public comment. Mr. Kaplan stated he could note that no public comments would be allowed during each individual agenda item. The Board all agreed to have public comments at the beginning and the end of each meeting and would be limited to three minutes.

Mr. Kaplan discussed Ethics in Government and the necessity of disclosure regarding any potential conflicts. He stated each Board member should state at the beginning of a hearing what the conflict was and whether or not the member would be voting. He said it was the member's duty to participate in the hearing unless there was a conflict that would cause the member not to be able to do so.

Member Horan stated on other Boards the Chairman would ask the members if there was the potential of a conflict. Chairman Covert said if there was a specific hearing where a member felt there might be a conflict, he would like the member to state so at the beginning of the hearing. Once the member stated the reason for the conflict, he thought then legal counsel could advise the member if they should recuse themselves. Mr. Kaplan stated each member should determine in their own mind if they felt they could not make an impartial decision. He emphasized he could not make the decision for the members.

Member Woodland inquired if Mr. Kaplan would be providing language for the Board to use when making their motions. Mr. Kaplan said he would and they would be the same as last year. Member Woodland stated she would like them to be reviewed, because they were long and arduous. Mr. Kaplan explained the motions were in their current form based on a request from the State Board of Equalization (SBOE). He said the SBOE heard appeals based on the actions from the County Board of Equalization (CBOE). The new petitions required the appellant to indicate which statute they were filing the petition under and review of that action was dependent on what the petition was based on. He said sometimes it was not clear whether the appellant was filing under the correct statute, because they overlapped to some degree. He stated he would review the motions to see if the language could be cut down or changed to make them easier to read.

**12-006E      AGENDA ITEM 5**

**Agenda Subject:** “Discussion and possible adoption of Rules and Procedures to be used by the Board for hearings during the 2012 Board of Equalization meetings.”

There was no discussion or action on this item.

**12-007E      AGENDA ITEM 6**

**Agenda Subject:** “Public Comment.”

There was no response to the call for public comment.

**12-008E      AGENDA ITEM 7**

**Agenda Subject:** “Board Member Comments.”

Chairman Covert commented on the diligence of the current Board and acknowledged he thought the Board was made up of a great bunch of members to work with.

**AGENDA ITEM 8**

**9:52 a.m.** There being no further business to come before the Board, on motion by Member Krolick, seconded by Member Woodland, which motion duly carried, the meeting was adjourned.

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**JAMES COVERT, 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  
Jaime Deller, Deputy Clerk*