

BOARD OF EQUALIZATION, WASHOE COUNTY, NEVADA

THURSDAY

9:00 A.M.

FEBRUARY 28, 2008

PRESENT:

Patricia McAlinden, Chairperson
Benjamin Green, Vice Chairman
John Krolick, Member*
James Covert, Member
Linda Woodland, Member

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

The Board convened in the Silver and Blue Room, Lawlor Events Center, University of Nevada, Reno, 1664 North Virginia Street, Reno, Nevada. Chairperson McAlinden called the meeting to order, the Clerk called the roll and the Board conducted the following business:

08-1475E WITHDRAWN PETITIONS

The following petitions scheduled on today's agenda were withdrawn by the Petitioners prior to the hearing:

Assessor's Parcel No.	Petitioner	Hearing No.
123-250-07	Tahoe Shoreline Properties	08-1501
123-250-08	Denio Family, LLC	08-1500
123-250-09	Tahoe Shoreline Properties	08-1503
126-570-14	Reiley, David H.	08-0755
161-213-24	Blanchard, Robert E. Tr.	08-0664

08-1476E SWEARING IN OF ASSESSOR'S STAFF

There were no staff members from the Assessor's Office to be sworn in.

***9:04 a.m.** Member Krolick arrived.

08-1477E PARCEL NO. 131-180-19 - CROW, PENNY E TR - HEARING NO. 08-0168B

A Petition for Review of Assessed Valuation was received from Penney E. Crow protesting the taxable valuation on land located at 949 Harold Drive, #19, Incline Village, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A, Letter in support of appeal, 2 pages.

Assessor

Exhibit I, Assessor's objection to hearing pursuant to NRS 361.340(11), 1 page.

Petitioner Andy Crow was sworn in by Chief Deputy Clerk Nancy Parent.

Chairperson McAlinden explained to Mr. Crow that the appeal form was received after the statutory deadline of January 15, 2008. The appeal form was postmarked February 14, 2008 and signed by the Petitioner on February 13, 2008.

Based on NRS 361.340(11) and the finding that the appeal for Parcel No. 131-180-19 was filed after January 15, 2008, on motion by Chairperson McAlinden, seconded by Member Krolick, which motion duly carried, it was ordered that the Board had no jurisdiction to hear the petition for the 2008-09 tax year.

**08-1478E PARCEL NO. 538-081-03 - HEMMINGSEN, NIELS M & MARY
JANE P - HEARING NO. 08-1652**

A Petition for Review of Assessed Valuation was received from Niels M. and Mary Jane P. Hemmingsen protesting the 2008-09 taxable valuation on land and improvements located at 12320 Ocean View Drive, Sparks, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A, Petitioner's argument and documentation in support of appeal, 62 pages.

Assessor

Exhibit I, Aerial map showing location of power pole, 1 page.

Exhibit II, Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 6 pages.

Petitioner Jane Hemmingsen was sworn in by Chief Deputy Clerk Nancy Parent.

Appraiser Julie Culver, previously sworn, oriented the Board as to the location of the subject property.

Ms. Hemmingsen believed the County received the wrong information on her appraisal. She indicated the appraiser did not use like properties and listed items that

were not in the house. She said her property was the only one in the Pebble Creek Subdivision with a power pole located behind the fence, about 20 feet from the property line. She referenced Exhibit A, which included a fee appraisal for her property and information about other properties. Based on her line of credit and homeowner's policy, Ms. Hemmingsen noted the value of her home had gone down by \$60,000. Member Covert clarified with the Petitioner that the appraisal she was referring to was not done by the County.

Ms. Culver discussed the characteristics of the subject property. She stated all of the improved sales provided in Exhibit III were from the same development and floor plan as the subject. She identified IS-2 as most comparable to the subject. She indicated there were no view adjustments within the Subdivision. She pointed out the subject property was receiving a downward adjustment for traffic on the Pyramid Highway, but there was no market evidence to support an adjustment for the power pole and they were common to the area. She observed the power pole existed when the Petitioner purchased her property.

Ms. Hemmingsen indicated she purchased the property for its view of the mountain behind it and paid a \$24,000 lot premium. She pointed out the power pole was not there when she purchased the lot and she was pursuing litigation.

In response to a request by Chairperson McAlinden, Ms. Hemmingsen identified the location of the power pole on an aerial map display.

Member Covert asked whether there was any electronic interference from the power pole. Ms. Hemmingsen replied that she had some difficulty getting Internet service and satellite television service.

Member Woodland inquired whether the Board could address issues that were being litigated. Herb Kaplan, Deputy District Attorney, said he did not know what type of legal process the Petitioner was involved in, but the Board was entitled to consider evidence that affected value. He explained to Chairperson McAlinden it was up to the Petitioner to decide whether or not she wished to disclose any details concerning the litigation, although he was not sure if it would be relevant for her to do so. Ms. Hemmingsen indicated she did not wish to disclose any details.

Based on her measurements from the aerial map, Ms. Culver said the power pole bordered the Pyramid Highway and was located approximately 150 feet from the back of the Petitioner's house and 50 feet from her back fence.

Chairperson McAlinden questioned whether adjustments were typically made for power poles. County Assessor Josh Wilson, previously sworn, said adjustments were sometimes made for major transmission lines on lots with view premiums. He indicated the power pole would not typically be addressed for the subject property's valuation because there was no adjustment for view influence. Member Covert wondered whether the Assessor's Office would make an adjustment if a power pole was located

directly on a piece of property. Mr. Wilson replied it would depend on whether or not it was typical for the neighborhood. Ms. Culver reiterated there was no market evidence to demonstrate the power pole had any effect on value.

Ms. Hemmingsen said she had acknowledged power poles located two miles away from her property when she purchased the lot. She emphasized her property was the only lot in the Subdivision with a power pole located behind it.

Member Woodland asked what kind of view premium might be assigned if there was one. Ms. Culver explained that most of the residences had a 270-degree view of the mountains surrounding the Subdivision. Although the Petitioner paid a lot premium to the developer, she said no view premiums were assigned to the neighborhood by the Assessor's Office.

Ms. Hemmingsen inquired about the interior features of her home listed in the appraisal. Chairperson McAlinden clarified that the Petitioner's private fee appraisal was not used by the Assessor's Office to determine valuation. Senior Appraiser Rigo Lopez, previously sworn, commented that the Assessor's Office inspected the models at Pebble Creek in order to count fixtures and collect data, and then used building permits to verify the specifics about each house. He stated the Assessor's Office would be happy to set up an appointment to verify the appraisal data if the Petitioner believed it to be incorrect. Mr. Lopez explained to Member Covert that Pebble Creek was a semi-custom neighborhood and, in such cases, the Assessor's Office usually asked the developer what features were typical when assigning the quality class. Member Green asked if upgrades were typically reflected in the sales price and Mr. Lopez indicated that was not necessarily the case in the current market. Member Covert pointed out that builders were giving away upgrades in the current market just to move the homes.

Ms. Culver questioned whether the appellant was arguing that the fee appraisal should have come in at a higher value so that her line of credit would be higher. Ms. Hemmingsen said the outside fee appraisal came in at a value higher than what the house was worth. She stated she worked for Hamilton Homes in Pebble Creek and the models typically had \$55,000, \$65,000 or \$85,000 worth of upgrades. She said she purchased a "plain Jane" home with standard flooring and fixtures. She disagreed with the practice of doing blanket appraisals based on the model homes.

When asked by Member Krolick, Ms. Hemmingsen indicated she thought her house was worth \$70,000 less than the fee appraisal of \$630,000, based on her research of comparable properties in other developments by R&B Homes.

Member Krolick confirmed with Ms. Culver that the typical home in the Pebble Creek Subdivision was assigned a 4.0 quality class. Ms. Culver stated the same quality class would generally apply to all of the homes within a Subdivision.

Chairperson McAlinden closed the public hearing.

Member Green said he was very familiar with the subject property's neighborhood. He noted the developer built good homes with big garages, and pointed out the flat part of the valley in the area was not considered view property. When compared with the 2007 purchase price of \$627,000, he thought the Petitioner's estimate of value at \$560,000 was very close to the Assessor's total taxable value of \$585,656. Member Green said he did not believe the power pole issue supported a reduction. Member Covert said he was surprised the Petitioner did not know there was an easement for the power pole, since she worked for the builder. Member Krolick indicated he supported Member Green's position.

Member Woodland commented that the comparable sales were very close to the Assessor's value.

Based on the evidence presented by the Petitioner and the Assessor's Office, and the finding that the land and improvements were valued correctly and the total taxable value did not exceed full cash value, on motion by Member Woodland, seconded by Member Covert, which motion duly carried, it was ordered that the taxable value of the land and improvements for Parcel No. 538-081-03 be upheld for the 2008-09 tax year. The Assessor's Office offered to schedule an appointment with the Petitioner to inspect the home and verify the accuracy of the appraisal record.

08-1479E PARCEL NO. 538-081-03 - HEMMINGSEN, NIELS M & MARY
JANE P - HEARING NO. 08-1652R07

A Petition for Review of Assessed Valuation was received from Niels M. and Mary Jane P. Hemmingsen protesting the 2007-08 taxable valuation on land and improvements located at 12320 Ocean View Drive, Sparks, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Assessor

Exhibit I, Appraisal Record Card, 2 pages.

Exhibit II, Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 9 pages.

Appraiser Julie Culver, previously sworn, oriented the Board as to the location of the subject property.

Petitioner Jane Hemmingsen, previously sworn, referred to the arguments she already presented (see minute item 08-1478E). She said she had nothing to add, other than to clarify she was not employed by the builder when she purchased the property.

Ms. Culver described the characteristics and comparable sales for the subject property during the 2007-08 tax year. She recommended the Board uphold the Assessor's taxable values.

Ms. Hemmingsen questioned how her property could have the same value as her neighbors' properties when she was the only one with a power pole in her backyard.

Chairperson McAlinden closed the public hearing.

Based on the evidence presented by the Petitioner and the Assessor's Office, and the finding that the land and improvements were valued correctly and the total taxable value did not exceed full cash value, on motion by Member Woodland, seconded by Member Krolick, which motion duly carried, it was ordered that the taxable value of the land and improvements for Parcel No. 538-081-03 be upheld for the 2007-08 tax year.

08-1480E PARCEL NO. 123-145-04 - RONNING, GRABLE B - HEARING NO. 08-0111

A Petition for Review of Assessed Valuation was received from Grable B. Ronning protesting the taxable valuation on land located at 400 Gonowabie Road, Crystal Bay, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A, Arguments and comparable property information, 13 pages.

Exhibit B, 13 photographs.

Exhibit C, Information pertaining to litigation and previous State Board of Equalization decision, 15 pages.

Exhibit D, Request for information, 1 page.

Exhibit E, Incline Village/Crystal Bay form letter and additional documentation, 25 pages.

Assessor

Exhibit I, Assessor's response to Non-Equalization – residential, 34 pages.

Exhibit II, Chart of adjustments for 2008 reappraisal of Gonowabie Area, 1 page.

Exhibit III, Appraisal Record Card, 2 pages.

Exhibit IV, Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 11 pages.

Petitioner Grable Ronning and her son, Eric Ronning, both previously sworn, waived the Assessor's PowerPoint presentation regarding non-equalization of similarly situated properties. They indicated they heard the presentation during a previous hearing.

Appraiser Pat Regan, previously sworn, oriented the Board as to the location of the subject property. She asked that the Assessor's response to appeals based

on non-equalization of similarly situated properties, which was previously presented to the Board, be placed into the record as Exhibit I.

Ms. Ronning read the points supporting her appeal from pages 1 and 2 of Exhibit A. She requested a reduction of \$110,000 in taxable land value for partial pier ownership and a discount of 5 to 10 percent for difficult access to the property.

Mr. Ronning described photograph 4 of Exhibit B to illustrate the access problem. He explained that vehicles negotiated a steep hairpin turn and then backed down the driveway. Ms. Ronning pointed out both her driveway and her lot were steeper than others in the area, and her lot was strewn with large boulders. She discussed the following photographs in Exhibit B: (1) Gonowabie Road descending from State Route 28, (2) cabin, (3) hairpin turn on Gonowabie Road, (4) driveway entrance, (4.5) height of road compared to driveway, (5) stairs descending from Gonowabie Road to driveway and cabin, (6-9) boulders, (10) decommissioned tram, and (11-13) boulders.

Ms. Regan related the story of a homeowner who brought 18- and 30-ton boulders into his living area to support a staircase. Chairperson McAlinden remarked, "Boulders are in the eye of the beholder." Ms. Regan acknowledged there were few improved sales in Crystal Bay. She pointed out some of the sales provided by the Petitioner that were extremely dated and said statutes did not allow the Assessor to consider comparable sales from 1998. She characterized the subject property and the neighborhoods in Crystal Bay as very unique. Ms. Regan discussed the comparable improved sales on page 1 of Exhibit IV and indicated the most weight was given to I-21 because, although it was located in Incline Village, it had similarly steep topography and boulders. She pointed out I-21 was inferior in terms of size and was located directly on a highway. She reviewed the land analysis provided in Exhibit IV, which determined a base lot value of \$1.7 million for the Gonowabie Area based on abstracted sales. She noted a single abstracted sale on Gonowabie Road that was inferior to the subject.

Ms. Regan indicated it was the Assessor's recommendation to remove the pier premium of \$110,000 on the subject property, based on previous decisions of the Board. She noted a 10 percent upward adjustment on the subject property for size, and explained the notation on the appraisal record of a 10 percent downward adjustment for easement was an attempt to acknowledge the difficult access.

With respect to concerns expressed by the Petitioner about the comparables used in the Assessor's land analysis, Ms. Regan pointed out that 444 Gonowabie Road was an extremely odd-shaped, narrow lot with minimal lakefront impact. She said, unlike most of the adjacent houses, it did not enjoy a clear accessible lakefront area. She agreed the access road to the subject property was steep and narrow, but remarked any type of driveway was an amenity for homes in the Gonowabie Area.

Ms. Regan recommended a taxable land value on the subject property of \$1.7 million after reduction for the pier premium and asked the Board to uphold the taxable improvement value.

Member Covert asked whether there were any comparable sales with steep topography and large boulders similar to the subject property. Ms. Regan replied that steep rocky terrain was typical for all of Crystal Bay. She identified I-21, which was located at Rocky Point in Incline Village, as being most similar to the subject.

Senior Appraiser Rigo Lopez, previously sworn, noted the subject property had benefitted from previous Board decisions, wherein the taxable land value was rolled back to its 2002-03 level and then factored forward to the 2006-07 tax year.

In response to questions by Member Covert and Chairperson McAlinden, Ms. Regan reviewed the 10 percent upward adjustment for lot size and 10 percent downward adjustment for access. She characterized the topography of the subject property as typical for Crystal Bay and Rocky Point. She observed that most of the neighborhood properties had access directly from the road to a parking platform or garage, and there were few true driveways in the area.

Member Krolick commented that Gonowabie Road predated Tahoe Regional Planning Agency (TRPA) guidelines. He wondered if the property's coverage was used up by a County right-of-way. Ms. Regan said the County was in the process of trying to gain an access road. Appraiser Gary Warren, previously sworn, believed the subject property's coverage would be grandfathered in based on what was in existence prior to the TRPA. He said he did not know whether or not the roadway on the subject property would be included in the coverage calculation.

Ms. Regan clarified for Chairperson McAlinden that the improvements for the subject property were receiving 75 percent depreciation.

Ms. Ronning did not agree that all of the lots in the area were as steep as her property or that they had as many boulders. She stated it was not possible to physically scale her property up to the road because of the steep grade. She remarked that the extra lot size was of no use to her because of the number of boulders on the property. She agreed that other properties did not have driveways but asserted it was a detriment to have to back vehicles into her driveway, particularly in the winter months. Other than the deck and stairs, she pointed out there was no area to walk around and she could not just stroll along her property to the lakefront. She questioned the Assessor's comparison using a property at Rocky Point when there were sales that were more comparable on Gonowabie Road.

Mr. Ronning referred to the Assessor's notes on page 5 of Exhibit IV and objected to the terminology that suggested an easement. He emphasized there was no easement on the property and asked that the notation be removed from the record. He referred to Exhibit C and stated the Petitioner was currently involved in settlement negotiations over litigation with Washoe County.

Member Covert inquired about the tram on the subject property. Mr. Ronning stated it was an old decommissioned tram that went from the driveway to the lakefront, and it represented a large removal expense. In response to Chairperson McAlinden, Ms. Ronning said there were other properties in the area with private trams.

Ms. Ronning confirmed for Member Krolick that she acquired the property in 1993.

Member Krolick expressed concern that the request to remove an easement over which the Board had no control could be a means of using the Board as a platform to further a legal dispute. Mr. Ronning explained that removal of an easement was not the issue. He pointed out the word "easement" was used to refer to a 10 percent downward adjustment for access, and he did not want the semantics on the appraisal record to affect the settlement process. Chairperson McAlinden asked the Assessor's Office to clarify the issue. Ms. Regan stated there was a road running across the subject property and the adjustment was designed to address the usability of that portion of the property. She said she had no problem with calling it a roadway rather an easement.

Chairperson McAlinden inquired about view adjustments. Ms. Regan explained the view was considered part of the base lot value for lakefront property.

Ms. Regan characterized the tram as an amenity that was typical for Crystal Bay. She talked about another property whose owner had recently installed a new tram at great expense. Member Covert stated the tram was not new and was a detriment due to its age and condition. Ms. Regan replied there was 75 percent depreciation on the improvement value of the tram. Member Krolick commented that no TRPA coverage would be gained by removal of the tram, and he agreed it was a detriment. Ms. Ronning remarked that the homeowner who had installed a new tram all the way from the highway to the Lake owned a 23,000 square foot home and she just lived in a little cabin.

Chairperson McAlinden closed the public hearing.

Member Green asked legal counsel whether the Board had the ability to have the word "easement" removed from the appraisal record. Herb Kaplan, Deputy District Attorney, said he did not believe the Board had the authority to dictate how the Assessor's Office kept their records. He noted it was understood by the Board that the adjustment referred to a lack of access.

Member Green referred to a comment by the Petitioner that she might want to reactivate the tram when she was older. He stated the tram was fully depreciated and it was unclear as to whether it needed to be removed from the property. Member Covert believed the tram was a detriment even though it was fully depreciated, because it would require a considerable amount of money if the Petitioner ever wanted to bring it up to code. Chairperson McAlinden agreed with Member Green's position that the tram was covered by its depreciation.

Member Green asked Member Krolick, who was more familiar with the area, whether he thought the subject property's steep topography warranted an adjustment. Member Krolick referred to the presentation by the Assessor's Office. He acknowledged that Gonowabie Road was very steep. Member Covert said the access concerned him. Member Krolick stated the narrowness of the road would probably impact the salability of the property. Member Green suggested a 10 percent downward adjustment for access, as well as removal of the pier premium.

Based on the evidence presented by the Petitioner and the Assessor's Office, on motion by Member Woodland, seconded by Member Krolick, which motion duly carried, it was ordered that the land value for Parcel No. 123-145-04 be reduced to \$1,530,000, removing the pier premium of \$110,000 and adding a 10 percent decrease for limited access to the property. The improvement value of \$58,085 was upheld, resulting in a total taxable value of \$1,588,085. The Assessor was directed to make the appropriate adjustments and the Board found, with these adjustments, that the land and improvements were valued correctly and the total taxable value did not exceed full cash value.

11:07 a.m. Chairperson McAlinden declared a brief recess.

11:20 a.m. The Board reconvened with all members present.

**08-1481E PARCEL NO. 131-211-24 - GANG, LEONARD I & ROBERTA
FAMTRUST - HEARING NO. 08-0447**

A Petition for Review of Assessed Valuation was received from Leonard I. and Roberta Gang protesting the taxable valuation on land located at 635 Fairview Boulevard, Incline Village, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A, Exhibit to Petition, 6 pages.

Exhibit B, Amended Exhibit to Petition, 17 pages.

Exhibit C, Second Amended Exhibit to Petition, 45 pages.

Exhibit D, Hearing Exhibits, 266 pages.

Assessor

Exhibit I, Assessor's response to Non-Equalization – residential, 34 pages.

Exhibit II, Appraisal Record Card, 2 pages.

Exhibit III, Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 9 pages.

Petitioner Leonard Gang was sworn in by Chief Deputy Clerk Nancy Parent.

Appraiser Pat Regan, previously sworn, oriented the Board as to the location of the subject property. She asked that the Assessor's response to appeals based on non-equalization of similarly situated properties, which was previously presented to the Board, be placed into the record as Exhibit I.

Based on photographs provided by the Petitioner and previous decisions of the Board, Ms. Regan said it was the Assessor's recommendation to change the subject property's view classification from superior to average, which would result in a reduction of taxable land value to \$840,000. She requested the Board uphold the taxable improvement value.

Mr. Gang stated he was in agreement with the Assessor's recommendation to reduce the view classification.

Chairperson McAlinden closed the public hearing.

Chairperson McAlinden commented she saw no evidence submitted by the Petitioner to demonstrate that taxable value exceeded full cash value or that inequity existed pursuant to NRS 361.356.

Based on the evidence presented by the Petitioner and the Assessor's Office, and the recommendation of the Assessor's Office, on motion by Member Green, seconded by Member Covert, which motion duly carried, it was ordered that the land value be reduced to \$840,000 and the improvement value of \$456,774 be upheld, resulting in a total taxable value of \$1,296,774. The Assessor was directed to make the appropriate adjustment and the Board found, with this adjustment, that the land and improvements were valued correctly and the total taxable value did not exceed full cash value.

**DISCUSSION – CONSOLIDATED HEARINGS FOR
PETITIONERS REPRESENTED BY NORMAN AZEVEDO (ALSO
SEE MINUTE ITEMS 08-1482E THRU 08-1485E)**

On motion by Chairperson McAlinden, seconded by Member Woodland, which motion duly carried, the Board consolidated the following hearings, which were all represented by Norman Azevedo:

Assessor's Parcel No.	Petitioner	Hearing No.
126-251-08	Austin, Thomas Tr Etal	08-1532
126-262-06	Bender, Robert B & Paula S	08-0758
126-262-08	Rebane, Margaret A & Toomas Tr	08-1522
126-262-09	Watkins, Lawrence A & Lillian A Tr	08-1518

Appraiser Pat Regan, previously sworn, oriented the Board as to the location of the subject properties. She indicated that all of the subject properties in the

consolidated group were located in the East Slope neighborhood, as shown on the maps provided on the last two pages of Exhibit III for each property.

Norman Azevedo, previously sworn, was present on behalf of the Petitioners. He stated he would rest on the written evidence already submitted. He said new regulations were being contemplated at an upcoming meeting of the Department of Taxation and it was his understanding that the County had requested the regulations be retroactive.

County Assessor Josh Wilson, previously sworn, observed there was nothing in the record to indicate the Washoe County Assessor recommended retroactivity of regulations, although he could not attest to what might have been requested by the District Attorney's Office. He pointed out the Assessor followed regulations adopted by the Department of Taxation on August 4, 2004. He expressed concern about some of the statements made in Mr. Azevedo's written evidence, which he said were likely to end up in the courts. He stated the regulation-making process began in June 2007 and three workshops were scheduled by the Department of Taxation to work on land valuation regulations and administrative code. Consequently, he indicated there was some knowledge of the direction being taken when the workshops were conducted.

Mr. Wilson emphasized that multiple regression analysis was not used to establish land values. He explained the Assessor's Office used the abstraction approach to establish land values because of an absence of vacant land sales. In the abstraction approach, he stated the land value was obtained by subtracting the full contributory value of improvements from the sales price of improved property. He described regression analysis and paired sales analysis as techniques used to provide the verifiable market evidence required under NAC 361.118(1)(d), which stated: "The elements of comparison used and adjustments made by the county assessor must be identifiable and supported by verifiable market data."

Mr. Wilson referred to page 3 of Petitioners' Exhibit C, which contained a section entitled "The Unconstitutional 2004 Regulations of the Nevada Tax Commission." He said he was not aware that any court of law had found the regulations to be unconstitutional. He read the following statement from page 7 of Exhibit C: "...The Assessor purportedly utilized these 2004 regulations to determine the 2008/2009 taxable values, even though he knew he should not." Mr. Wilson commented that he found the statement troublesome because it seemed to imply he could selectively decide which regulations to follow and which regulations not to follow. He noted the Assessor's Office was required to comply with a regulation as soon as it was adopted by the Tax Commission.

Mr. Wilson responded as follows to four questions on page 8 of Exhibit C:

1. *Why the Assessor utilized the 2004 regulations "if in fact he did" when he knew they were inadequate?*

Mr. Wilson explained he had no choice but to follow the regulations. He indicated he participated in all regulatory workshops concerning land valuation that occurred over the past year, and met with the Department of Taxation to seek guidance on how to carry out and implement the regulations. He said his Office sent letters to the Department of Taxation to clarify what they thought was appropriate and received a response that was less than what he had hoped for.

2. *Why the Assessor never requested the Department, in writing, to complete its regulatory work prior to the time the Assessor was required to do his reappraisal work for the 2008/2009 tax year?*

Mr. Wilson emphasized that he participated and was very vocal in the workshops. He was certain that State officials realized his Office wanted to have regulations promulgated before the 2008-09 tax roll was closed. He remarked it was unfortunate that did not occur.

3. *Why the Assessor is the only Assessor in Nevada who believes taxable values are increasing in a down turn real estate market?*

Mr. Wilson pointed out his predecessor adopted a very conservative approach to land factoring in Washoe County and, in his opinion, that resulted in a lag time for the taxable value to catch up with the full cash value of land. He stated significant land factors, based on those supplied to the Department of Taxation and approved by the Nevada Tax Commission, were applied to 2008-09 values for much of the residential property in the Valley. In the few instances where taxable value was found to have exceeded full cash value, he noted the Assessor's Office had recommended reductions to the Board.

4. *Why the Assessor believes he is "given" litigation, when in fact, it is his undaunting desire to utilize unconstitutional and illegal methods of valuation which brings upon the litigation?*

Mr. Wilson remarked the statement was a mischaracterization. He assured the Board he had no undaunting desire to utilize unconstitutional and illegal methods of valuation, and wanted to comply with all applicable regulations and statutes. He referred to his participation in regulatory workshops and discussions in an effort to seek resolution and clarification. He indicated he did not want to continue the fight and stated he had a young appraisal staff who all wanted to do the right thing. He said he would continue to work with the Department of Taxation and the Nevada Tax Commission.

Mr. Wilson stated he had been asked by the Chairman of the Nevada Tax Commission to participate in a blue ribbon committee, along with members of the Village

League to Save Incline Assets, taxpayer representatives and members of the legislative community. He emphasized he would do anything he could to clarify and resolve the pending issues.

Mr. Wilson referred to a discussion of regression analysis in Exhibit C, which quoted from the *Appraisal of Real Estate*: “To apply statistical analysis, the appraiser must be familiar with (and properly apply) fundamental statistical concepts as well as the particular methodology selected.” He cautioned that the *Appraisal of Real Estate* was a publication that was more appropriate to fee appraisals. He identified the International Association of Assessing Officers (IAAO) as the governing body for mass appraisal. He introduced Dr. Ron Shane, who, along with other appraisers from the Assessor’s Office, was sent to classes conducted by IAAO experts about how regression was utilized in property valuation modeling. He stated the classes specifically focused on SPSS statistical modeling software. He noted the Nevada Tax Commission listed discussion of multiple regression analysis as an appropriate method to value land under NAC 361.119 on its March 3, 2008 agenda.

Appraiser Ron Shane, previously sworn, identified his role in the Assessor’s Office as that of a technician/appraiser. His impression of the legal criticism was that the issue revolved around what was considered a methodology and what was considered a tool. He called attention to the following statements from page 9 of Exhibit C: “Thus, the Assessor openly admits the adoption and utilization of appraisal methodologies that are not set forth in NAC or NRS...It is unfortunate that the Assessor has returned to his old ways, only this time attempting to hide his unconstitutional conduct by utilizing statistical terminology...the Nevada Tax Commission never contemplated assessors using statistical valuation methodologies...the Assessor chose to determine the Taxpayers land value by utilizing an unauthorized statistical appraisal methodology.”

Given the lack of land sales, Mr. Shane explained the Assessor’s Office sat down with its legal counsel before approaching the problem of how to value land. He said they were directed and subsequently tried to follow NAC 361.119, which provided a list of alternative methodologies but did not discuss how they were to be carried out. He commented that the *Bakst* decision was often presented and discussed but appeared to come down to how it was viewed and interpreted. Mr. Shane pointed out, in terms of what was a tool and what was a methodology, it appeared a case was being made that what was omitted was not permitted. He remarked that tools such as computers, pencils, cars and calculators were omitted from regulation, as well as the addition, subtraction and division used in statistical analysis. He indicated abstraction was the methodology, and statistical analysis was a tool used by the Assessor’s Office to determine replacement cost new and depreciation, which went together to represent the full contributory value of improvements.

Mr. Shane emphasized that the Assessor’s Office was not trying to hide anything by utilizing statistical terminology. He observed the approach taken in responding to inquiries from property owners at Lake Tahoe was to be as up front as

possible in supplying a written response and to invite taxpayers to come into the office for further explanation.

Mr. Shane said the Assessor's Office utilized multiple regression to analyze market data and ask what weight the market placed on replacement cost new (RCN). He noted Nevada probably had the best estimate of RCN of any of the 50 states, so that was used as a variable in the model to obtain a weight of 1.874 for the non-lakefront properties at Lake Tahoe. He defined the taxable improvement value in the appraisal record as a depreciated value. He explained the depreciated value was "backed up" to its RCN, the RCN was multiplied by 1.874, and market depreciation was then subtracted, resulting in the total market contributory value of improvements as estimated by the statistical model. He indicated the Assessor's Office was very careful and the model was not used to estimate equations that predicted land values based on sales, nor was it used to predict sales prices for estimating the abstracted values. He pointed out the model used actual sales prices, subtracted the RCN, and adjusted for depreciation to obtain abstracted land value.

Mr. Shane read the following from page 9 of Exhibit C: "To apply statistical analysis, the appraiser must be familiar with (and properly apply) fundamental statistical concepts as well as the particular methodology selected." He stated he had estimated a multiple regression equation relative to agricultural land while obtaining his masters degree and estimated a labor-supply equation utilizing multiple regression analysis while earning a doctorate with a dissertation in economics. He said his minor in statistics provided him with some knowledge in the application of the technique and he had also published some journal articles on the subject. Additionally, Mr. Shane noted that he was a retired certified general appraiser. He commented that one could be criticized for what was and was not included in a model each time statistical tools were applied, so the Assessor's Office allowed the data to dictate the outcome to a large extent. He explained the appraisers used their background and their understanding of the market to select the variables to be considered, they ran the model, and then looked at the results to make sure they were reasonable.

Mr. Wilson referred to page 9 of Exhibit C: "The Washoe County Assessor did not value any of the residential property in Incline Village and Crystal Bay by a uniform method of valuation as required in *Bakst*. Accordingly, the Assessor's determination of taxable value during the 2008/2009 reappraisal must be set aside and returned to the 2002/2003 taxable value." He indicated the uniform method of valuation, as utilized in Incline Village, Crystal Bay and the rest of Washoe County, was full cash value of land plus replacement cost new less 1.5 percent depreciation on the improvement side, which rendered a total taxable value. He stated the appraisal textbooks referred to that as the modified cost approach, wherein the land and improvements were isolated and valued separately but added back together to arrive at a total taxable value. He emphasized there was no evidence presented to indicate the Assessor's full cash value estimate of land was excessive or out of equalization. In his opinion, he said it was simply an argument of whether or not the Tax Commission's regulations were appropriate or not. He noted he had no choice but to follow the regulations and that is

what his Office attempted to do based on their understanding of the intent and the language contained in the regulations.

Ms. Regan indicated the Assessor's Office would stand on its written presentations and asked that the Assessor's response to appeals based on non-equalization of similarly situated properties, which was previously presented to the Board, be placed into the record as Exhibit I.

Mr. Azevedo said he participated at length in establishing the existing regulations of the Tax Commission, specifically NAC 361.118 and 361.119. He noted multiple regression analysis and paired sales analysis were not discussed or addressed in the regulations adopted August 4, 2004, which were intended to be a rule book on how to derive taxable value. He pointed out the Maddox District Court and Supreme Court decisions struck down paired sales analysis and it was no longer applicable until such time as the Nevada Tax Commission identified it as an acceptable tool.

In his exhibits, Mr. Azevedo said he included material from the January 2007 meeting of the Nevada Tax Commission and the subsequent joint meeting of the Nevada Tax Commission and the State Board of Equalization in March 2007, where the August 4, 2004 rules were discussed and addressed by Dino DiCianno, the Executive Director of the Department of Taxation. Although the reference was not included in his exhibits, he suggested the following statement by Commissioner Barengo, a member of the Nevada Tax Commission, was relevant: "I don't think the assessors have the authority they think they had prior to the rendering of the decision by the Supreme Court." Mr. Azevedo indicated there was a white paper offered at the March 2007 joint meeting that contained an interpretation of the rules by Mr. DiCianno who, in addition to being Executive Director of the Department of Taxation, was also Secretary to the Nevada Tax Commission and Secretary to the State Board of Equalization. He paraphrased the following comments made by the Tax Commission's Chair at the conclusion of that meeting: "Mr. DiCianno, make this happen, address these issues." Mr. Azevedo stated he was troubled that the Tax Commission did not conclude their work and did not address the issues referenced by their Director. He asserted it would not have taken 13 months to get regulations on the books for multiple regression analysis or statistical analysis if those were approved methods that were originally contemplated in the rules. He pointed out the Tax Commission had the ability to do emergency regulation and could easily have put such methodologies on the books.

Mr. Azevedo commented that maybe the blue ribbon commission could address the topic of what was a methodology, what was a tool or what was an approach. He noted he had been involved in a January 2008 discussion before the Supreme Court about how Mr. Wilson's predecessor utilized the correct approach, not a conservative approach, to determine the land factor for the 2004-05 year. He stated it would be reversing the *Bakst* decision and turning the system upside down if the Tax Commission were to adopt retroactive regulations on March 3, 2008. He pointed out the Supreme Court made it very clear that Nevada's system of taxation was top-down. He thought it was important for the Board to know there had also been discussions with the Douglas

County Assessor, who did not use statistical methodologies at Lake Tahoe. He remarked that no taxpayer could ever bring a case forward if the Tax Commission could just retroactively regulate to address what had already occurred.

In response to a question by Chairperson McAlinden, Mr. Azevedo indicated the 2002-03 tax year was the only one he knew of that was not subject to pending litigation and he asked that the Petitioners' land values be returned to that level.

Chairperson McAlinden closed the public hearing.

Member Covert said he was disappointed by the inflammatory language used in Mr. Azevedo's written presentation, which was unfair and bordered on an attempt to criminalize the Assessor's actions. Member Woodland agreed.

Chairperson McAlinden commented she saw no evidence submitted by the Petitioner to demonstrate that taxable value exceeded full cash value or that inequity existed pursuant to NRS 361.356.

Member Green noted he could not recall Mr. Azevedo ever demonstrating that the taxable value of the properties he represented exceeded their full cash value. He indicated that was the Board's main concern and, until the courts instructed that the Board must find less than full cash value, he did not see any choice but to uphold the Assessor's valuations.

Please see 08-1482E through 08-1485E below for details concerning the petition, exhibits and decision related to each of the properties in the consolidated group.

08-1482E PARCEL NO. 126-251-08 - AUSTIN, THOMAS TR ETAL -
HEARING NO. 08-1532

A Petition for Review of Assessed Valuation was received from Thomas Austin protesting the taxable valuation on land and improvements located at 711 Cristina Drive, Incline Village, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A, Exhibit to Petition, 6 pages.

Exhibit B, Amended Exhibit to Petition, 17 pages.

Exhibit C, Second Amended Exhibit to Petition, 45 pages.

Exhibit D, Hearing Exhibits, 266 pages.

Assessor

Exhibit I, Assessor's response to Non-Equalization – residential, 34 pages.

Exhibit II, Appraisal Record Card, 2 pages.

Exhibit III, Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 9 pages.

The Board considered arguments for four petitioners represented by Norman Azevedo at the same time. Please see above for a summary of the discussion concerning the consolidated group of hearings.

Based on the evidence presented by the Petitioner and the Assessor's Office, and the finding that the land and improvements were valued correctly and the total taxable value did not exceed full cash value, on motion by Member Green, seconded by Member Woodland, which motion duly carried, it was ordered that the taxable value of the land and improvements for Parcel No. 126-251-08 be upheld.

08-1483E PARCEL NO. 126-262-06 - BENDER, ROBERT B & PAULA S - HEARING NO. 08-0758

A Petition for Review of Assessed Valuation was received from Robert B. and Paula S. Bender protesting the taxable valuation on land located at 733 Champagne Road, Incline Village, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A, Exhibit to Petition, 6 pages.

Exhibit B, Amended Exhibit to Petition, 17 pages.

Exhibit C, Second Amended Exhibit to Petition, 45 pages.

Exhibit D, Hearing Exhibits, 266 pages.

Assessor

Exhibit I, Assessor's response to Non-Equalization – residential, 34 pages.

Exhibit II, Appraisal Record Card, 2 pages.

Exhibit III, Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 9 pages.

The Board considered arguments for four petitioners represented by Norman Azevedo at the same time. Please see above for a summary of the discussion concerning the consolidated group of hearings.

Based on the evidence presented by the Petitioner and the Assessor's Office, and the finding that the land and improvements were valued correctly and the total taxable value did not exceed full cash value, on motion by Member Green, seconded by Member Woodland, which motion duly carried, it was ordered that the taxable value of the land and improvements for Parcel No. 126-262-06 be upheld.

08-1484E PARCEL NO. 126-262-08 - REBANE, MARGARET A & TOOMAS
TR - HEARING NO. 08-1522

A Petition for Review of Assessed Valuation was received from Toomas Rebane protesting the taxable valuation on land and improvements located at 745 Champagne Road, Incline Village, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A, Exhibit to Petition, 6 pages.

Exhibit B, Amended Exhibit to Petition, 17 pages.

Exhibit C, Second Amended Exhibit to Petition, 45 pages.

Exhibit D, Hearing Exhibits, 266 pages.

Assessor

Exhibit I, Assessor's response to Non-Equalization – residential, 34 pages.

Exhibit II, Appraisal Record Card, 2 pages.

Exhibit III, Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 11 pages.

The Board considered arguments for four petitioners represented by Norman Azevedo at the same time. Please see above for a summary of the discussion concerning the consolidated group of hearings.

Based on the evidence presented by the Petitioner and the Assessor's Office, and the finding that the land and improvements were valued correctly and the total taxable value did not exceed full cash value, on motion by Member Green, seconded by Member Woodland, which motion duly carried, it was ordered that the taxable value of the land and improvements for Parcel No. 126-262-08 be upheld.

08-1485E PARCEL NO. 126-262-09 - WATKINS, LAWRENCE A & LILLIAN
A TR - HEARING NO. 08-1518

A Petition for Review of Assessed Valuation was received from Larry Watkins protesting the taxable valuation on land and improvements located at 751 Champagne Road, Incline Village, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A, Exhibit to Petition, 6 pages.

Exhibit B, Amended Exhibit to Petition, 17 pages.

Exhibit C, Second Amended Exhibit to Petition, 45 pages.

Exhibit D, Hearing Exhibits, 266 pages.

Assessor

Exhibit I, Assessor's response to Non-Equalization – residential, 34 pages.

Exhibit II, Appraisal Record Card, 2 pages.

Exhibit III, Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 9 pages.

The Board considered arguments for four petitioners represented by Norman Azevedo at the same time. Please see above for a summary of the discussion concerning the consolidated group of hearings.

Based on the evidence presented by the Petitioner and the Assessor's Office, and the finding that the land and improvements were valued correctly and the total taxable value did not exceed full cash value, on motion by Member Green, seconded by Member Woodland, which motion duly carried, it was ordered that the taxable value of the land and improvements for Parcel No. 126-262-09 be upheld.

08-1486E PARCEL NO. 232-471-10 - MORRISON, ROBERT W JR & JO ANN M TR - HEARING NO. 08-0165

A Petition for Review of Assessed Valuation was received from Robert W. Jr. and JoAnn M. Morrison protesting the taxable valuation on land and improvements located at 2370 Trail Ridge Court, Reno, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A, Letter in support of appeal, 2 pages.

Exhibit B, Owner's opinion of improper valuation, 1 page.

Assessor

Exhibit I, Appraisal Record Card, 2 pages.

Exhibit II, Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 9 pages.

Petitioner Rob Morrison was sworn in by Chief Deputy Clerk Nancy Parent.

Appraiser Ginny Dillon, previously sworn, oriented the Board as to the location of the subject property. She referred to the Assessor's recommendation in Exhibit II, which was to reduce the taxable land value to \$240,000 and to reduce the taxable improvement value by \$1,145.

Mr. Morrison complimented several appraisers in the Assessor's Office for being very cordial and helpful. He said he was predominantly interested in reduction of the property's land value. He discussed the value of custom lots in Somersett that were three times larger than his lot, which ranged from \$210,000 to \$240,000 at the time he

submitted his petition, but were now listed for prices as low as \$154,000. He discussed a home located on the same street as his property, with the same builder and the same view, which was currently listed at \$699,000 for 4,462 square feet. He pointed out that was 29 percent less than the total taxable value of his home, when calculated on a per square foot basis. Mr. Morrison estimated his land value using three different approaches. He obtained values of \$70,000 to \$80,000 using the list price of custom lots in the area and comparing cost per acre, \$150,000 based on an estimate he obtained from a real estate agent who specialized in selling unimproved land, and \$125,000 based on comparison to the current list price for similar lots in the area. He requested the Board reduce his taxable land value to \$196,500, which was 10 percent less than the Assessor's 2007-08 taxable land value.

Ms. Dillon reviewed the comparable improved sales provided in Exhibit II. She explained there was an Assessor's recommendation to reduce the base lot value to \$160,000 for all lots in Phase I of the Mountain Crest Subdivision. She indicated there was an upward adjustment for lots adjacent to the golf course, resulting in the Assessor's recommended taxable land value of \$240,000 for the subject property. She stated there was no intercom system in the house, so it was also recommended that the taxable improvement value be reduced by \$1,145.

Chairperson McAlinden asked whether the recommendations were consistent with other adjustments already made by the Board. Appraiser Steve Clement, previously sworn, said he would be presenting the recommendation for the rest of the Phase I Mountain Crest Subdivision under Agenda Item 9. He explained to Member Woodland the recommended base lot value was \$160,000 with a 50 percent premium on lots adjacent to the golf course. Ms. Dillon pointed out there had been a recommendation previously upheld by the Board for one of the Petitioner's neighbors, which received the same golf course premium.

In response to a question by Member Green, Ms. Dillon indicated this was not a reappraisal year and the Somerset area would be reappraised next year.

Member Covert inquired as to whether the improved comparables used by the Assessor were also located on the golf course. Ms. Dillon responded that they were. Member Covert asked why there was a wide variance in the values. Ms. Dillon clarified the comparables were located in different subdivisions. Member Covert observed that the square-foot values for IS-2 and IS-3, provided on page 1 of Exhibit II, seemed more comparable than those of IS-1. Ms. Dillon indicated all three comparables had 50 percent upward adjustments for golf course locations and IS-1 also had a 5 percent downward adjustment for shape.

Member Green wondered whether the three comparable properties were also receiving adjustments based on the Assessor's recommendation. Ms. Dillon indicated they were not receiving adjustments because they were not Coleman-Toll homes. Member Green noted all three comparable properties had a 5.0 quality class. He inquired as to whether Coleman-Toll homes would sell for a higher price than those of

other builders. Appraiser Cori Delguidice, previously sworn, said she had done most of the Somerset appraisals. She explained the Coleman-Toll homes were initially assigned a 6.0 quality class but were reduced to 5.0 based on market data. She thought homes built by the Toll Brothers would bring a higher market price than those of other builders with similar attributes.

Chairperson McAlinden pointed out that the subject property's price per square foot was comparable to the values for IS-2 and IS-3 after the Assessor's recommended adjustments.

Mr. Morrison commented that, while Toll Brothers had a reputation for building quality homes, he had experienced several problems with his home over the last two years and some buyers in the neighborhood were involved in litigation with the builder. He talked about a house three doors down from his that had been on the market for over a year and was recently reduced to a list price of \$699,000. Based on that price per square foot, he estimated the value of his home to be \$423,000.

Member Green questioned why the Petitioner had been willing to pay the lot premium when he purchased the property. Mr. Morrison said he was there the first day lots were offered for sale when there was nothing to look at but a copy of a floor plan. He indicated he and his wife were "house rich" at the time, having recently moved from California. His wife wanted to live on the golf course and there were 34 buyers that day but only 12 lots available.

Member Covert observed that any builder who mass produced homes was bound to have some repair issues. Mr. Morrison indicated he had purchased five new homes from five different builders over the years, and the subject property was the biggest headache he had ever dealt with. He did not believe a golf course view warranted a 50-percent premium and pointed out the builder currently had no premiums on golf course lots. Chairperson McAlinden clarified that the premium under discussion was a factor assigned by the Assessor's Office and had nothing to do with the builder. She indicated the Board could ask the Assessor to explain how they arrived at the premium.

Member Krolick confirmed with Mr. Morrison that buyers were required to use a specific builder when they purchased one of the lots in the subdivision. Mr. Morrison observed there had been quite a few adjustments made in many of the Somerset subdivisions.

Chairperson McAlinden closed the public hearing.

Member Green indicated he did not think the comparables were that great and he would be willing to take the land value back to its 2007 level of \$218,000. Member Covert agreed.

Member Krolick pointed out the subject property was part of a subdivision and a bigger adjustment would create equalization problems. Based on the \$160,000 base

lot value, Member Green did not believe there would be an equalization problem if an adjustment were based on the comparable sales. Member Covert commented that rolling the value back to \$218,000 would effectively tell the Assessor the golf course premium was incorrect, which would affect all other properties with a golf course view.

Chairperson McAlinden said she would support the Assessor's recommendation. Member Krolick stated the Board typically looked for unique attributes to distinguish a parcel from others around it. Based on testimony, he did not believe that to be the case for the subject property. Members Covert and Woodland agreed.

Based on the evidence presented by the Petitioner and the Assessor's Office, and the recommendation of the Assessor's Office, on motion by Member Covert, seconded by Member Woodland, which motion duly carried, it was ordered that the land value for Parcel No. 232-471-10 be reduced to \$240,000 and the improvement value be reduced to \$361,830. The Assessor was directed to make the appropriate adjustments and the Board found, with these adjustments, that the land and improvements were valued correctly and the total taxable value did not exceed full cash value.

**08-1487E PARCEL NO. 124-082-04 - EGGERAAT, CONRAD J JR & TEENA
F TR - HEARING NO. 08-1004**

A Petition for Review of Assessed Valuation was received from Conrad J. Jr. and Teena F. Eggeraat protesting the taxable valuation on land located at 560 Lucille Drive, Incline Village, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A, Letter in support of appeal, 1 page.

Assessor

Exhibit I, Assessor's response to Non-Equalization – residential, 34 pages.

Exhibit II, Petitioner's letter of agreement with Assessor's recommendation, 1 page.

Exhibit III, Appraisal Record Card, 2 pages.

Exhibit IV, Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 7 pages.

The Petitioner was not present to offer testimony.

Appraiser Cori Delguidice, previously sworn, oriented the Board as to the location of the subject property. She outlined the Assessor's recommendation to reduce the taxable land value by 20 percent to \$400,000 because the property was affected by a stream environment zone of which the Assessor's Office was previously unaware. She stated the appellant was in agreement with the recommendation.

Chairperson McAlinden closed the public hearing.

Based on the evidence presented by the Petitioner and the Assessor's Office, and the recommendation of the Assessor's Office, on motion by Member Covert, seconded by Member Woodland, which motion duly carried, it was ordered that the land value be reduced to \$400,000 and the improvement value of \$140,746 be upheld, resulting in a total taxable value of \$540,746. The Assessor was directed to make the appropriate adjustment and the Board found, with this adjustment, that the land and improvements were valued correctly and the total taxable value did not exceed full cash value.

12:54 p.m. Chairperson McAlinden declared a brief recess.

1:47 p.m. The Board reconvened with all members present.

DISCUSSION – CONSOLIDATED HEARINGS FOR PARCEL NOS. 037-320-07, 037-320-08 AND 037-320-09 – KELLER, BURTON TR (ALSO SEE MINUTE ITEMS 08-1488E THRU 08-1490E)

Petitioner Burton Keller, and his son, David Keller, were sworn in by Chief Deputy Clerk Nancy Parent. Mr. David Keller was present to summarize the proceedings for his father, who was hard of hearing.

On motion by Chairperson McAlinden, seconded by Member Woodland, which motion duly carried, the Board consolidated the following hearings: Parcel No. 037-320-07 (Hearing No. 08-0661A), Parcel No. 037-320-08 (Hearing No. 08-0661B) and Parcel No. 037-320-09 (Hearing No. 08-0661C).

Appraiser Van Yates, previously sworn, oriented the Board as to the location of the subject properties.

Mr. Keller stated the best legitimate offer he had received for his property had been \$1 million for all of the buildings and all three parcels. He indicated he was unable to sell the property because it had been tied up in litigation for 10 to 12 years. He submitted two ordinances (Exhibit A), the first one requiring two access points to the property and the second concerning slope/grade limitations for new construction. He explained the value of his property was reduced because there was no way to obtain a second access through the surrounding properties. With respect to the slope limitations, Mr. Keller indicated there was approximately a 5-acre area on one of his parcels that had a relatively steep slope. He said the adjacent property to the east required about \$350,000 worth of site preparation before a medical center could be built there. He mentioned there was litigation involving a lease contract that had been pending since 1997 and a section of the land was subleased to the hospital located above his property. Mr. David Keller clarified that the sublease to the hospital involved a portion of the property that had vacant land. He said there had been four separate lawsuits since 1997 and there were two cases pending before the Nevada Supreme Court.

Chairperson McAlinden asked the Petitioner what he was requesting from the Board. Mr. Keller requested that his values be reduced to the 2007-08 assessment. He said his income from the property was about \$30,000 per year and last year's property taxes were \$21,000.

Mr. Yates stated Parcel No. 037-320-07 (Hearing 08-0661A) was very large at 16.5 acres. He explained the northwest portion of the property was bordered by East Prater Way, the east side of the property was bordered by Northern Nevada Medical Center, and there was a road along the border of the property with secondary access to the subject's home from that. He identified a road on the west side of the property that went through a retirement home.

Mr. Keller said the access on the east side was via a road that was not located on his property. He clarified the road leading to his home from that side was put in for the newspaper delivery boy, but the hospital had the option of denying access.

Mr. Yates pointed out the vast majority of the subject property's value was in the land. He stated the improvements, which were built in 1950, were all fully depreciated. He explained he compared improved sales with respect to price paid per square foot and selected properties that had a lot of land in comparison to building size. He also looked at sales prices divided by acreage, which he thought produced a better indication of value. He reviewed the comparable improved sales and the vacant land sales, as provided on page 1 of Exhibit III. Based on the sales data, he indicated the total taxable value did not exceed full cash value and the property was equalized with similarly situated properties in Washoe County.

Mr. Yates pointed out that all three of the Petitioner's parcels were currently zoned residential, but that was a nonconforming use and the City of Sparks' preferred use was Office Professional. He said the three parcels combined made up a rectangular area of approximately 20 acres. He noted that some of the old buildings on the parcels were producing income but their residential use was considered interim until the property could be developed to its highest preferred use as an office professional complex.

Mr. Yates referred to the supplemental information provided in Exhibit I, which contained calculations for the income approach to value on Parcel No. 037-320-07 (Hearing 08-0661A). He called attention to the chart on page 4, which showed monthly rents for the four older houses located on the property. He pointed out there had been no change in rents since 2001. He said one of the Petitioner's sons used one of the buildings as an auto shop and there were two large barns that were used for storage. Although the Petitioner was not collecting any rents from his son, Mr. Yates had done a survey to calculate annual market rents for the shop and barns. Mr. Yates estimated the combined annual market rents for all of the buildings at \$83,160, which was more than the combined rents being charged by the Petitioner and produced a value of \$1,414,000 using the income approach. Because the buildings utilized only about one-quarter of the site, he

determined an additional land value of \$921,500 based on vacant land sales. He indicated the Assessor's total taxable value of \$1,355,016 was far below the \$2,336,000 value determined by the income approach.

Member Krolick asked about the usability of the remaining three-fourths of the unimproved land. Mr. Yates replied it went from flat to gently sloping to a moderate slope to somewhat steep. He said the majority of the property was fairly usable, although about one-quarter of the acreage was a fairly steep area at the south end of the property that would need work in order to allow development. Mr. Yates indicated the value already took into account any easement for the residents located on Parcel No. 037-320-09 (Hearing No. 08-0661C). He stated the properties used as comparable land sales also had areas of fairly steep land.

Member Krolick inquired if litigation rendered the property unusable at the current time. Mr. Yates was not certain. He recalled the person leasing the property had initial plans to build some sort of a retirement home, and he did not believe the lease payments were to start until something was actually built. He said appraisers had to look at the property as fee simple and take real encumbrances into account. Mr. Yates said it was possible the property had no value as an office professional site because of the lease.

Member Covert asked whether the structures on the properties used to calculate the gross income multiplier (GIM) provided in Exhibit I were similar in age to those of the subject. Mr. Yates replied that they were and pointed out the buildings on GIM-1 were built in 1936, GIM-2 in 1955, and GIM-4 in 1942. He said the average GIM of 17.0 was adequate. He indicated there were a fair number of both residential and commercial sales that seemed to have the same proportions as the subject.

In response to Member Green, Mr. Yates stated that comparable improved sale IS-1, provided in Exhibit III, was zoned for industrial use.

Mr. Keller remarked that the comparisons did not compare, although LS-3 was closest and most similar to his property. He observed the larger the acreage, the smaller the price per acre. Since his property was tied up in a lawsuit, he commented that none of the zoning or use changes would do him any good. He pointed out the age of each of the buildings and stated the income projected by the Assessor's Office was much higher than what he was actually getting. He said he had not raised the rent because he rented to low income individuals. Although it was possible to charge more rent, he said his renters took good care of the house and paid their rent on time. He said he did not collect any rent from his son for the use of the garage and usually did not collect rent from a grandson who lived in one of the houses.

2:51 p.m. Member Green temporarily left the meeting.

Mr. Keller said it had been his experience that people stayed in the houses longer and he saved money on maintenance if he charged below market rents. He said his actual income was \$36,000 per year and he preferred to rent for less money in order to

have permanent tenants. He believed the actual rents should carry more weight in the valuation.

2:52 p.m. Member Green returned to the meeting.

Member Krolick asked about the terms of the lease and the pending litigation. Mr. Keller stated it was a 99-year lease. He said the individual with whom he had the contract sublet part of the property to the hospital. He stated the hospital made lease payments for a few months and then filed a lawsuit. Member Krolick asked what the income was from the lease. Mr. Keller said it was currently nothing. Mr. David Keller explained the original value of the lease was to have been \$6,000 per month for the undeveloped 12.9 acres, but his father only received lease payments for about three months before the property became tied up in the courts.

Member Covert asked whether the lawsuit was considered a detriment from the Assessor's standpoint. Mr. Yates said that would mean every property that was involved in a lawsuit could have valuable land and buildings with a theoretical value of nothing. He likened it to an office building that was not rented and said he did not believe that zero occupancy necessarily equated to zero value. County Assessor Josh Wilson, previously sworn, emphasized the Assessor's Office traditionally appraised property on a fee simple basis. He said the presence of a leasehold interest did not necessarily mean there was no value.

Following some discussion, it was determined that the Board would consider each of the three properties in a separate motion.

3:01 p.m. Member Green left the meeting.

Mr. Keller pointed out that the two barns contained his personal property.

Chairperson McAlinden closed the public hearing for Parcel No. 037-320-07 (Hearing 08-0661A).

Member Krolick talked about valuation based on current use in time. With respect to the leases and the litigation issues, he said there was no provision in the statutes and regulations if the Board was to grant a reduction and the owner later prevailed in court and collected the lease payments that were owed. He said it was unfortunate, but the value in the property was still there and it was difficult to make a decision. Member Covert agreed.

Chairperson McAlinden agreed the value of the land was still there and wondered if the Board could look at income. Member Krolick observed that the old structures on the property were obsolete and were a detriment to the ability of the property to produce income. He thought looking at the current income would be a fair way for the Board to look at it. He commented the taxpayer would have to do substantial improvements in order to increase rents and justify a higher value of the property going

forward. Member Covert said he understood that the income approach utilized theoretical income rather than actual income. Member Krolick thought something needed to be taken into account for the rent not being paid by family members. Member Covert characterized it as looking at the arms-length economic benefit of the property.

Chairperson McAlinden reopened the public hearing.

Mr. Yates clarified that the \$83,000 figure was the best estimate of market rent and it was based on actual rents for buildings very similar to the subject property in terms of age. A discussion ensued about how to reduce the amount of theoretical market rent value because of the Petitioner's circumstances. Mr. Yates suggested using the GIM of 17 and an income of \$73,160, or \$10,000 less per year. Member Covert proposed a value of \$1,190,000 based on rents of \$70,000 and a GIM of 17. Mr. Yates noted the Board must still decide if the unused portion of the land had a value. Member Covert said he was prepared to reduce the taxable land value to \$1,190,000. Chairperson McAlinden clarified the land value would be based on income alone and the improvement value would remain the same. Member Covert agreed.

Please see minute item 08-1488E below for details concerning the petition, exhibits and decision related to Parcel No. 037-320-07 (Hearing No. 08-0661A).

Mr. Yates reviewed the location and features for Parcel No. 037-320-08 (Hearing No. 08-0661B). He indicated the property had a 1,200-square-foot home and a 1-acre lot. He discussed the comparable sales provided in Exhibit III and the alternate valuation approach based on income provided in Exhibit II.

In response to a question by Member Covert, Mr. Yates stated the properties used for comparable land sales had topography similar to that of the subject.

Mr. Keller said he did not know how he would get \$1,000 per month in rental income, as suggested by the Assessor's analysis of market rent. Member Covert pointed out the property tax cap would apply in spite of the valuation. Mr. Keller stated he could not be sure how long the property tax cap would be in effect. Mr. Yates indicated the current taxable value was less than the figure obtained if one used the Petitioner's current rent of \$800 per month and the GIM obtained in Exhibit II.

Chairperson McAlinden asked if the rental homes used to obtain the GIM were low income rentals and if he had any information about what constituted a low income rent. Mr. Yates said he did not know. Member Covert inquired if low income rentals were exempt from property taxes. Chairperson McAlinden pointed out NRS 361.082, which addressed low income qualification; and NRS 361.086, which addressed housing for elderly or handicapped persons. Appraiser Gary Warren, previously sworn, explained a property tax cap of 3 percent applied to properties that were rented below the amount established by the Department of Housing and Urban Development (HUD), and those above the HUD amount qualified for a tax cap of 8 percent. He said the Assessor's Office supplied a form for taxpayers to fill out. He indicated the HUD amount was based

on several factors such as the number of bedrooms and whether or not utilities were included in the rent. Mr. Keller indicated the property was already qualified for the 3 percent property tax cap.

Chairperson McAlinden closed the public hearing for Parcel No. 037-320-08 (Hearing No. 08-0661B).

Please see minute item 08-1489E below for details concerning the petition, exhibits and decision related to Parcel No. 037-320-08 (Hearing No. 08-0661B).

3:38 p.m. Member Krolick temporarily left the meeting.

Appraiser Van Yates explained that Parcel No. 037-320-09 (Hearing No. 08-0661C) included a 1,980-square-foot home that was built in 1982 on a 2.5-acre lot.

3:39 p.m. Member Krolick returned to the meeting.

Mr. Keller stated access to the property was based on an easement through the adjoining parcel. Mr. David Keller clarified there was an access road to all three parcels from the public street located at the northwest corner. He said the second access referred to by the Assessor's Office was via a private road that was maintained by the hospital and located on their property. He stated there was no official easement for the dirt road leading from the hospital's road to the subject property. He indicated there was a legal easement through private property on the west side of Parcel No. 037-320-09 (Hearing No. 08-0661C) that allowed access to the Petitioner's driveway.

Mr. Yates pointed out the subject property was receiving a 50 percent downward adjustment because of the access problem. He stated the Petitioner's home was somewhat newer than the rental houses previously discussed. He talked about the comparable sales provided in Exhibit II and identified IS-1 as being most similar to the subject. He said the home was located on top of a bluff and had a panoramic view of the valley. He recommended the Board uphold the taxable values.

In response to a question by Member Covert, Mr. Yates explained the home was the Petitioner's primary residence and was subject to the 3 percent property tax cap.

Chairperson McAlinden said she did not see any adjustment for the view. Mr. Yates identified the view evaluation form on page 5 of Exhibit II. He said there was no adjustment on the property for the view, although there probably should be one. He confirmed for Chairperson McAlinden that the improvements were receiving 39 percent depreciation.

Mr. Keller suggested the value on the house was way off because it had a wood foundation and the roof was corrugated iron.

Chairperson McAlinden noted the home was assigned a 2.5 quality class. Mr. Yates commented the appraisal record showed a fair to average quality class and a composition shingle roof. He said he had not been aware of a wood foundation. Chairperson McAlinden asked if those items would result in a different value. Mr. Yates stated the metal roof would cause the improvement value to increase. Senior Appraiser Rigo Lopez, previously sworn, explained the *Marshall and Swift* handbook used to evaluate improvements did not specify what specific type of metal, so the value would probably increase. He said the Assessor's Office could take a closer look at the foundation, although he was not sure what effect a wood foundation might have on value.

In response to a question by Member Covert, Mr. Keller said he was not aware of any problems with termites.

Chairperson McAlinden asked the Petitioner if he would allow the Assessor's Office to take a look at the roof and foundation. She explained there was a possibility the metal roof could increase the improvement value. Mr. Keller responded that he was willing to allow an inspection.

Member Covert commented he had never heard of a wood foundation. County Assessor Josh Wilson, previously sworn, indicated the home was built in 1982 and there was a significant basement. He said the best course of action was to have the Assessor's Office inspect the building. Mr. Keller indicated there was no real access to the foundation but he had the building plans. Mr. Yates commented to Member Covert that it sounded very unusual and he would want to inspect the home and the plans.

Chairperson McAlinden closed the public hearing for Parcel No. 037-320-09 (Hearing No. 08-0661C).

Please see minute item 08-1490E below for details concerning the petition, exhibits and decision related to Parcel No. 037-320-09 (Hearing No. 08-0661C).

08-1488E PARCEL NO. 037-320-07 - KELLER, BURTON TR - HEARING NO. 08-0661A

A Petition for Review of Assessed Valuation was received from Burton Keller protesting the taxable valuation on land and improvements located at 6800 East Prater Way, Sparks, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A, Copies of ordinances, 3 pages.

Exhibit B, 2006 tax return, 5 pages.

Assessor

Exhibit I, Supplemental evidence, 5 pages.

Exhibit II, Appraisal Record Card, 2 pages.

Exhibit III, Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 23 pages.

The Board consolidated arguments for Parcel Nos. 037-320-07, 037-320-08 and 037-320-09. Please see above for a summary of the discussion concerning all three parcels.

Based on the evidence presented by the Petitioner and the Assessor's Office, on motion by Member Woodland, seconded by Member Covert, which motion duly carried with Member Green absent, it was ordered that the land value for Parcel No. 037-320-07 be reduced to \$1,190,000 and the improvement value of \$117,516 be upheld, resulting in a total taxable value of \$1,307,516. The Assessor was directed to make the appropriate adjustment and the Board found, with this adjustment, that the land and improvements were valued correctly and the total taxable value did not exceed full cash value.

**08-1489E PARCEL NO. 037-320-08 - KELLER, BURTON TR - HEARING
NO. 08-0661B**

A Petition for Review of Assessed Valuation was received from Burton Keller protesting the taxable valuation on land and improvements located at 6800 East Prater Way, Sparks, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A, 2006 tax return, 4 pages.

Assessor

Exhibit I, Appraisal Record Card, 2 pages.

Exhibit II, Supplemental evidence, 3 pages.

Exhibit III, Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 11 pages.

The Board consolidated arguments for Parcel Nos. 037-320-07, 037-320-08 and 037-320-09. Please see above for a summary of the discussion concerning all three parcels.

Based on the evidence presented by the Petitioner and the Assessor's Office, and the finding that the land and improvements were valued correctly and the total taxable value did not exceed full cash value, on motion by Member Woodland, seconded by Member Covert, which motion duly carried with Member Green absent, it was ordered that the taxable value of the land and improvements for Parcel No. 037-320-08 be upheld.

08-1490E **PARCEL NO. 037-320-09 - KELLER, BURTON TR - HEARING NO. 08-0661C**

A Petition for Review of Assessed Valuation was received from Burton Keller protesting the taxable valuation on land and improvements located at 6800 East Prater Way, Sparks, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A, 2006 tax return, 4 pages.

Assessor

Exhibit I, Appraisal Record Card, 2 pages.

Exhibit II, Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 12 pages.

The Board consolidated arguments for Parcel Nos. 037-320-07, 037-320-08 and 037-320-09. Please see above for a summary of the discussion concerning all three parcels.

Based on the evidence presented by the Petitioner and the Assessor's Office, and the finding that the land and improvements were valued correctly and the total taxable value did not exceed full cash value, on motion by Member Woodland, seconded by Member Covert, which motion duly carried with Member Green absent, it was ordered that the taxable value of the land and improvements for Parcel No. 037-320-09 be upheld. The Assessor's Office offered to schedule an appointment with the Petitioner to inspect the home and verify the accuracy of the appraisal record.

4:03 p.m. Member Woodland temporarily left the meeting.

08-1491E **PARCEL NO. 122-162-10 - COOPER, J CARL & LORELEI M TR - HEARING NO. 08-0186**

A Petition for Review of Assessed Valuation was received from J. Carl and Lorelei Cooper protesting the taxable valuation on land located at 73 Shoreline Circle, Incline Village, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A, Arguments and documentation submitted by Petitioner's representative, 180 pages.

Exhibit B, 4 audio cassette tapes from 02/21/2008 County Board of Equalization hearing.

Exhibit C, Petitioner's authorization for representation, 1 page.

Exhibit D, Petitioner's request for information, 1 page.

Assessor

Exhibit I, Assessor's response to Non-Equalization – residential, 34 pages.

Exhibit II, Appraisal Record Card, 2 pages.

Exhibit III, Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 11 pages.

Appraiser Pat Regan, previously sworn, oriented the Board as to the location of the subject property.

4:05 p.m. Member Woodland returned to the meeting.

Suellen Fulstone, previously sworn, represented the Petitioners. She referred to Exhibit A, which contained her previously presented legal arguments concerning equalization and the methodologies used by Assessor's Office. She indicated she wanted to address the additional issue of the Assessor's use of front-foot value as a methodology for the subject lakefront property, which she stated was inappropriate and not authorized in regulations approved by the Nevada Tax Commission. She submitted tapes from hearings held on February 21, 2008 as Exhibit B, and asked that the arguments for Petitioners Todd Lowe and Dean Ingemanson be incorporated into the record for the subject property. She said her arguments were an attack on the basis for the Assessor's base lot value and she did not have issues to present that were unique to the subject property.

In response to Member Covert, Ms. Fulstone pointed out the *Bakst* decision required the Tax Commission to implement regulations governing valuation. She explained there could be no uniformity of taxation and assessment in a taxable value system unless there was uniformity of regulation. She asserted the front-foot value as the basis for determining a base lot value was clearly a methodology and there should be a regulation governing how it was to be used. She argued that the front-foot value approach was not authorized.

She referred to the three lakefront land sales on page 3 of Exhibit III and said they were not three sales showing the consistency of the front-foot value, but one sale of two properties listed three times. She suggested it was inappropriate to consider anything on page 3 as evidence of value. Since the Assessor previously stated there were insufficient vacant land sales upon which to base a valuation, she indicated the one lakefront land sale was unreliable as evidence of value. She stated the fully obsolete sale listed on the same page could not be used as a vacant land sale under the regulations, and she observed that its sales price was less than the Assessor's base lot value.

Ms. Fulstone pointed out the Assessor's analysis divided the comparable sales prices by the number of front feet, although people did not buy or sell property at Lake Tahoe based on front-foot value. She noted the wide variance in front-foot values among the comparable sales provided by the Assessor. She emphasized that front-foot

value was not factually appropriate as a unit of measurement in determining base lot value for lakefront properties.

Ms. Fulstone referred to a map display of lakefront properties (also provided on pages 10 and 11 of Exhibit III for each property). She explained that all of the lakefront properties had a base lot value of \$5.8 million. She pointed out the taxable land value for the Assessor's improved comparable sale I-8 was only \$30,000 more than the subject property, although I-8 was a substantially larger lot.

She requested that the \$550,000 pier premium be removed from the subject property, consistent with the Assessor's recommendation.

Ms. Fulstone called attention to the notes section of the appraisal record card on page 4 of Exhibit III. She observed the following adjustments: 15 percent upward for 100 front feet, 10 percent downward for a rocky beach, 10 percent downward for lot depth, 10 percent downward for lot size and 5 percent upward for location. She said she had seen analysis from the Assessor's Office for front footage, depth and size but had seen no such analysis for the rocky beach or location adjustments. She stated the adjustments were based on multiple regression analysis, which assigned more value to a wider shorter lot than it did to a narrower longer lot, and that made no sense to her.

Ms. Fulstone reiterated that multiple regression analysis was not authorized by regulation and did not work in the context used for the subject property. She said multiple regression analysis would need to have parameters for its use if it was to be authorized. She did not believe the lakefront properties at Incline Village and Lake Tahoe justified such a use.

County Assessor Josh Wilson, previously sworn, said it sounded as if Ms. Fulstone was suggesting a site value might be more appropriate for the subject property, and he indicated he was willing to discuss that. He clarified that a front-foot value was not a methodology; it was a unit of comparison similar to dollars per acre or dollars per square foot. He pointed out appraisers always tried to determine the most appropriate unit of comparison by analyzing the sales and looking at them in different ways, and this went along with the sales comparison approach under NAC 361.118(1): "Except as otherwise provided in NAC 361.119, a county assessor shall determine the full cash value of land by applying the sales comparison approach as follows: (a) The county assessor shall adjust the sales prices or unit values of comparable properties as necessary to eliminate differences between the comparable properties and the subject property that affect value...". He emphasized that every assessor in the State of Nevada that used a mass appraisal process established base lot values, and the base value simply represented a comparable sale or typical property to which adjustments could be made.

Mr. Wilson stated multiple regression analysis was used to obtain verifiable market data upon which to base adjustments, as required under NAC 361.118(1)(d), but the premise for valuation of the lakefront properties was the abstraction method. He explained the abstraction method was applied by taking the total

sales price and subtracting the full contributory value of the improvements to obtain the remaining land value. In the particular model used for the lakefront properties, the full contributory value of the improvements was determined by adjusting the replacement cost new by a factor of 1.764 and then subtracting market depreciation. He noted that the land value determined by the abstraction model and the market value for the fully obsolete property used for comparison were both higher than the taxable value established for the subject property. He indicated the abstraction model took the actual sales price, subtracted out the contributory value of the improvements, and what was left was the residual land value, which was then converted to a front-foot value. He indicated he could look to see whether a site value was more appropriate than a front-foot value, but he believed the Incline Village lakefront properties had been valued on a front-foot basis for a significant period of time.

Mr. Wilson said he hoped to have the blue ribbon committee address the issue of whether appraisers were to rely on one indicator of value or on any and all indicators of value. He acknowledged Ms. Fulstone was correct in saying there was one vacant land sale transaction provided, with a value of roughly \$49,000 to \$50,000 per front foot. He agreed that sale by itself would not be considered a sufficient sample to estimate the land value for the remaining 100 or so properties on the lakefront, but said it was his opinion that it only served as one indicator of value. He pointed out the abstraction value and fully obsolete sale were provided as additional indicators. He likened it to a fee appraisal, where the comparable sales approach was clearly the preferred method but other approaches were used to look at any and all data in order to arrive at the best estimate of value. He emphasized that any appraisal was only an estimate of value as of a specified date. He stated it was nearly impossible to limit appraisal to a single formula, which was why appraisers were required to go through continuing education and ultimately had to rely on their opinion of value for ad valorem purposes.

With respect to the utilization of a site value, Mr. Wilson pointed out that approach might create problems between flag-shaped lots of the same size when one of the lots had significantly more lakefront area. He noted there were comparable sales available to demonstrate that properties with more Lake Tahoe frontage sold for significantly more dollars. He remarked it was this type of verifiable market evidence that led the Assessor's Office to believe the front foot was an appropriate unit of comparison for valuing lakefront properties. Although the computer model was capable of providing such estimates, he reiterated that multiple regression analysis was not utilized to estimate land values. He indicated his Office used the components of the model that were necessary to provide verifiable market evidence, as required by NAC 361.118(1)(d). He said he wanted to explore site valuation and to seek resolution, but he also wanted to make sure the values were appropriately established.

Mr. Wilson observed that "teardowns," which were defined in the regulations as the complete obsolescence of improvements, were often referenced in the Petitioners' written evidence. Based on testimony he had heard over the past five years, he explained the County assessed improvement value and received tax on improvements

until the buildings were torn down, at which time there was no longer any improvement value. He said he thought an improvement that had to be destroyed at some cost to the owner was somewhat of a liability rather than an enhancement to the property. In an effort to seek compromise or at least to address the contributory value of the improvement that was torn down at an expense to the owner, he indicated his Office decided to subtract the depreciated replacement cost on which the property owner was paying tax in the year the teardown took place.

Mr. Wilson stated it was his intent to utilize regression modeling and/or abstraction modeling to estimate land values. He said the contention was, if there was an abundance of improved sales, why not use those improved sales to estimate land value. He remarked there was no doubt in his mind there would always be more improved sales than vacant land sales, and he believed it was a good way to go. He noted his appraisers were looking at the use of statistical modeling for a lot of areas in the County, not just for Incline Village and Crystal Bay. He explained that statistical modeling was used by large jurisdictions with over one million parcels to manage their mass appraisal systems and provide verifiable market evidence.

Mr. Wilson referred to the assertion in Exhibit A that a teardown could not be used as a vacant land sale. He pointed out that the Assessor's exhibits placed fully obsolete sales in a separate category to provide a different indication of value. He said he had heard the contention at various workshops that no other approaches should be considered when abstraction was used, but he believed that was a closed-minded analysis. He said it was his opinion that all approaches should support a generalized estimate of value and other approaches should serve as a means of calibrating the models. Mr. Wilson believed the *Marshall and Swift* modifier encompassed the full contributory value of the improvements. He indicated items such as soft costs, indirect costs and entrepreneurial profit were difficult to isolate in the models, but one could isolate the totality of what the adjustment should be based on the significance of the variable. He emphasized the modifiers used by the Assessor's Office as a result of multiple regression analysis nearly doubled the amount allotted for replacement cost new.

Mr. Wilson recalled testimony from the Department of Taxation that questioned why he had not petitioned the Tax Commission to adjust *Marshall and Swift* costs by the amount derived from abstraction; because that taxable value amount was being lost. He said he did not necessarily agree and thought market value clearly served as the upper limit when the taxable value system was established. He believed the legislative intent was for land to be at full cash value and improvements to be methodically calculated by all county assessors using the same manual with the appropriate local multipliers and current cost multipliers. Mr. Wilson remarked that he was torn between those at the Department of Taxation who felt his values were too conservative and the taxpayers who felt the values were not determined appropriately. He noted he had not heard that the values were excessive.

In response to a statement in Exhibit A that removing the replacement cost new of improvements did not equate to land value, Mr. Wilson indicated that was not

what was done. He explained the replacement cost new was significantly modified before it was subtracted in order to account for full contributory value.

Mr. Wilson mentioned a reference in Exhibit A to the 2005-06 Ratio Study conducted by the Department of Taxation. He pointed out the study included 17 Incline Village and Crystal Bay properties. He commented that the Lake Tahoe Special Study had never drawn any conclusions and contained no indication that values were excessive. He recalled analysis from the study that suggested property values were too low. He thought the analysis had been faulty because it only segregated Incline Village and Crystal Bay into four market areas, but acknowledged it had some merit. He said the analysis determined an allocation ratio on lakefront properties that was somewhere around 80 percent, which illustrated how valuable the land was in relation to its total taxable value.

He objected to a statement in Exhibit A that, "The Assessor has no incentive to comply absent the deterrent of a rollback to earlier constitutionally determined values." Mr. Wilson stated he had plenty of incentive; he wanted to give clear direction to his staff, he did not want to continue spending as much in overtime as he had this month, and he wanted to value property better, among other things. He pointed out he had worked hard, attended meetings, drafted language for discussion in various workshops, and submitted changes to the draft regulations slated for adoption by the Nevada Tax Commission. He believed everybody involved felt it was appropriate to put the general concept of mass appraisal terminology into the regulations and, consequently, much work had been done from his draft. Mr. Wilson indicated the Assessor's Office had complied with the regulations. He said he would continue to participate and to seek clarification in the regulation-making process. He remarked he had no desire to continue the battle and there was not one person on his staff who did not want to get beyond this and value property appropriately.

Mr. Wilson called attention to the following statement on page 33 of Exhibit A, which was attributed to Dr. Marvin Wolverton in a footnote: "This kind of mistake made by the Washoe County Assessor is well known and has been analyzed and reported previously by appraisal experts." He pointed out Dr. Wolverton had never provided any backup material to support his claims. When asked whether he had verified any of the sales he was given to analyze, Mr. Wilson indicated Dr. Wolverton claimed to be relying on information provided to him by a taxpayer, Todd Lowe. Mr. Wilson said he invited Dr. Wolverton to look at the dataset because anyone of his caliber and expertise should realize that sales verification is one of the most crucial parts of an analysis.

Mr. Wilson read another statement from page 33 of Exhibit A: "The Assessor continues to develop and use indefensible methods that overstate the value of land and differ from appraisals of other assessors in Nevada and of several appraisal experts." He commented the Board had found very few, if any, instances at Incline Village and Crystal Bay where the estimated land value of the County Assessor was excessive as measured by the market. With the exception of one dated lakefront land sale,

he noted there did not seem to be any comparable sales submitted to support the statement.

Mr. Wilson noted he received a copy of Petitioners' Exhibit A about one hour prior to the hearing. He pointed out the Board had previously granted continuances to Ms. Fulstone under similar circumstances.

Mr. Wilson referenced a comparison of lakefront property taxes from 2002 to 2007 on page 36 of Exhibit A, which compared one Washoe County property to three Douglas County properties. He indicated the last Douglas County property should be excluded because it was unclear as to how comparable the property was and, because there had been no sale, there was no established market value for the property. Since there was no sale on the property in Washoe County, he pointed out that resulted in taxable values being compared to market values.

Mr. Wilson asked that the Assessor's response to appeals based on non-equalization of similarly situated properties, which he previously presented to the Board, be placed into the record as Exhibit I. He noted he had done an effective tax rate study as part of that presentation, which demonstrated a mean effective tax rate of 0.6 percent for the Lake Tahoe portion of Washoe County. He explained the effective tax rate was the amount of each 2007-08 tax bill divided by the 2007 sales price.

When a similar calculation was performed on the first two Douglas County properties on page 36 of Exhibit A, Mr. Wilson obtained effective tax rates of 0.29 percent. Although no taxable values were shown on the chart, he said he had previously looked up the information for the Douglas County properties and the amount of abatement dollars on each was larger than its tax bill. He clarified that Douglas County reappraised their lakefront properties after the 2004 basis of the property tax cap. As a result, their assessment levels were very similar to those of Washoe County, but their effective tax rates were significantly lower. Mr. Wilson believed this to be an unintended consequence of the property tax cap.

Mr. Wilson referenced the information on page 173 of Exhibit A, which showed a purchase price of \$10.5 million for the subject property in November 2003.

Member Covert commented, if abstraction was used first and front foot was used to back up that methodology, then front foot became a tool. If it was done in reverse, then front foot would be a method. Mr. Wilson said he believed front foot was a unit of comparison similar to price per square foot.

Member Krolick recalled the discussion of flag-shaped lots in relation to the front-foot value and asked how the approach worked when used on larger estate parcels. He observed that each of the lakefront lots was truly unique and it was difficult to capture all of their attributes without doing a fee appraisal on each one. Ms. Regan explained there was a diminishing effect for depth on the larger estate-type parcels. She indicated the land on the Lake had more value and, because Lakeshore Boulevard was

such a busy street in the summer, property owners needed to have depth on their lots in order to allow some privacy. In the case of the estate parcels, a buyer was getting privacy and seclusion in addition to the lakefront benefit. Member Krolick stated the front-foot formula was skewed depending on the parcel. Ms. Regan referred to the chart of lakefront adjustments on page 41 of Exhibit A. She said depth contributed less to the value of a lakefront lot as the lot became deeper, and that is what the adjustment for front foot to depth ratio was designed to address.

Member Krolick asked how the adjustments in the chart worked when they were compared to actual sales. Ms. Regan said she did not believe value was at issue for the subject property because, after removal of the pier premium, the Assessor's recommended total taxable value of \$6.1 million was much less than the 2003 purchase price of \$10.5 million. She referenced the land analysis conclusions on page 2 of Exhibit III. She explained statistical analysis was done that included 22 lakefront sales, 15 of which were located in the Incline Village lakefront. She said the adjustments for front foot to depth ratio, depth and size were based on the land sales analysis. She identified the typical lot as having 100 feet of lakefront width and 300 feet of depth, as well as a sandy beach. Ms. Regan emphasized the adjustment based on the front foot to depth ratio was established because the statistical model showed the non-lakefront portion of land to have a diminishing effect on value for lots that had increasing depth. Because there was only one vacant land sale and one fully obsolete sale, she indicated the analysis primarily looked at abstractions. She observed she came from a fee appraiser background and, when there was a small amount of data, the available data had to be reconciled in a way that made sense. She noted the second to the last sentence on page 2 of Exhibit III, which stated that "A base lot value of \$5,800,000 is concluded." Ms. Regan pointed out the base lot value was then converted to a front-foot value to provide a useful unit of comparison. She commented that lakefront sales listings typically included the amount of front footage or the price per front foot because that was recognized as an important feature at Lake Tahoe. She likened the unit of comparison to the dollars per square foot unit used in commercial property appraisals and stated it was done that way because that was what the market recognized as a unit of comparison.

Member Covert questioned whether the upward adjustment of 15 percent implied the subject property had more than 100 feet of width. He also asked if lots had more value because they were shallow or because they were deep. Ms. Regan clarified there was more than one adjustment. She said the typical lot had 100 feet of lakefront width and 300 feet of depth. She said the subject property, which was reasonably "buildable," had a downward adjustment of 10 percent for overall size, and there was also an upward adjustment of 15 percent based on a ratio of front foot width to depth. Appraiser Ron Shane, previously sworn, pointed out the data abstracted from the land analysis of 22 improved sales produced a coefficient of 1.246 for replacement cost new, which would result in a high land value when the full contributory value was subtracted from the sales price. Based on what the data revealed, he said the Assessor's Office came up with market-based adjustments for replacement cost new, overall lot size, ratio of the lot's front foot to depth, and lot depth. He noted the adjustments were market based and provided reasonable results when applied to valuation.

Member Covert asked whether lakefront properties lost or gained property as the Lake level rose or fell. Mr. Wilson indicated the Assessor's Office relied on parcel maps to determine the amount of front footage. Member Krolick believed the maps were drawn to the high water mark.

Ms. Regan indicated it was the Assessor's recommendation to reduce taxable land value by removing the \$550,000 pier premium and to uphold the taxable improvement value of the subject property.

Ms. Fulstone referred to page 173 of Exhibit A. She pointed out the 2003 sales price of \$10,500,000 was not a true market price because there were several factors involved, including special financing, the seller's commitment to remodel certain parts of the property, some furniture and a boat. She asserted that, although the total taxable value was not in excess of the property's full cash value, it was in excess of the properly calculated taxable value and the Petitioners certainly objected to the valuation on that basis.

Ms. Fulstone reviewed the adjustments applied to the subject property based on the chart provided on page 41 of Exhibit A. She noted there was no support from the Assessor's Office for the 10 percent downward adjustment for a rocky beach and the 5 percent upward adjustment for the Shoreline Circle location. She questioned whether those adjustments were determined by the regression analysis. She stated she could do the math based on the Assessor's chart of adjustments but had no backup to explain why the adjustments were appropriate.

Although the Assessor would like to be able to use different parameters as indications of value, Ms. Fulstone observed that was not the way the regulations currently read. She characterized the alternative methods allowed by regulation as inferior to the comparable sales approach. She noted the Assessor obtained higher values than what was available from the comparable sales each time he used an abstraction model or used teardowns to support value.

Ms. Fulstone said the results obtained by the Assessor's land analysis were faulty. She indicated the use of a fully obsolete sale resulted in the value being based on the least comparable type of sale. She pointed out the scarcity of land skewed results by placing a scarcity premium on the value of vacant land and, since none of the property owners in Incline Village and Crystal Bay actually owned vacant land or could take advantage of the scarcity premium, they should not be assessed for it. She indicated land was not being valued as though it were actually vacant and available to sell as vacant land. She suggested it should be given the full cash value of land sitting under a house, not the full cash value of vacant land in a scarcity of vacant land market. Rather than specifying items such as soft costs and entrepreneurial profit, Ms. Fulstone suggested the Assessor had simply redefined full contributory value so it would work within his regression model. She stated the resulting abstracted value was therefore not reflective of actual value.

She explained the Assessor had used an allocation analysis for Incline Village condominiums that was based on sales of single family homes and placed the land value at 30 percent. Although she was not proposing allocation as an appropriate way to value properties, Ms. Fulstone pointed out an allocation of 30 percent would significantly reduce the taxable land value on the lakefront single family properties. If the Assessor was able to pick and choose analyses that resulted in higher land values, she asserted he was not reaching taxable value and was being unfair to the taxpayer.

With respect to the Assessor's effective tax rate argument, Ms. Fulstone said any kind of analysis done in relation to sales was a false analysis because Nevada dealt with taxable value and not full cash value. She noted the taxable value would never be a specific percentage of full cash value. She explained any three sales chosen would result in three different percentages because improvements were not valued at full cash value. If one used a mathematical analysis for $A+B=C$, she pointed out A was the same percentage of C every time only if B was calculated the same way every time. However, when B was calculated under *Marshall and Swift* the result was not full cash value. She stated the same argument applied to the effective tax rate because that type of analysis was used in a full cash value system but had no significance in a taxable value system.

Ms. Fulstone indicated the idea of the taxable value system was to reduce property taxes. She talked about the tax shift of 1980 and suggested the idea had been to hold the land value and tax improvements under *Marshall and Swift*. She said one could look at land in all kinds of ways but the value of land did not really change unless there was something such as a zoning change or a change affecting the view. She stated the only real difference in land value was appreciation and, if one looked at properties on Shoreline Circle and compared them with past values and the market at Lake Tahoe, the result would not rise to the \$5.8 million base lot value. With respect to the assertion that front foot was only a unit of comparison, Ms. Fulstone pointed out it was not possible to know how the base lot value of \$5.8 million was obtained because the only thing provided was a front-foot value. She noted one vacant land sale, one teardown, and a regression analysis that produced adjustments with respect to front-foot value, but no other basis for the base lot value. She disagreed that front-foot value was recognized by the market as a unit of comparison.

Ms. Regan clarified the following mathematical formula for the front foot to depth ratio adjustment: 100 feet of lakefront width divided by 178 feet of lot depth resulted in a ratio of 0.5618 for the subject property, which was then located on the chart on page 41 of Exhibit A to determine the adjustment. She noted the typical lot included heavy traffic on Lakeshore Boulevard. She stated the Assessor's Office had been consistent with adjustments throughout Incline Village. She explained the lakefront lots located on circles off of Lakeshore Boulevard were considered to be slightly superior to the typical lot because of less traffic, so an upward location adjustment was applied. She pointed out the typical lot also included a sandy beach and the downward adjustment for a rocky beach acknowledged that as a detriment to the subject property.

Member Krolick asked about parcels with streams running through them. Ms. Regan replied that she would have to look at a specific parcel.

Chairperson McAlinden referred to the \$10.5 million purchase price for the subject property and asked whether the market price was adjusted by the Assessor's Office. Ms. Regan pointed out the comments provided by Ms. Fulstone on page 173 of Exhibit A. She said it was difficult to put a price on special financing terms. She defined the coding of "1GCR" as "1 Good with Conditional," and stated the Assessor's Office had not deducted any personal property from the sales price. Member Covert asked whether it was considered an arms-length sale. Ms. Regan said the sales price was verified with the title company, as well as the buyer.

Mr. Wilson commented he did not know what was meant by a "scarcity factor." He noted that market price was a function of supply and demand. He indicated the Assessor's Office was not redefining full contributory value, but would need a methodology for measuring line items for things such as hard costs and soft costs if they were to be calculated. He said his Office could identify how far the *Marshall and Swift* costs seemed to differ from market costs and it was his opinion that the market costs accounted for all of the individual line items combined. He emphasized the Assessor's Office was nearly doubling the amount allotted to replacement cost new before abstracting a land value. With respect to the effective tax rate, he pointed out the Constitution required a uniform rate of taxation. Although he mentioned the Douglas County properties because they were included in Ms. Fulstone's materials, he stated it was his opinion that the tax levy for those properties was significantly lower than the majority of properties in the State of Nevada. He stated his intent had been to demonstrate that properties were equalized in response to the argument stated on the Petitioners' appeal form. Mr. Wilson agreed with Ms. Fulstone's comment that land value appreciated and pointed out that was why the full cash value of land increased.

Chairperson McAlinden closed the public hearing.

Member Covert stated he did not believe that most of the Petitioners' arguments were appropriate for the County Board, although he understood they had to be made so that the Petitioners' representative could take the appeal on to the next level. He said the decision of the County Board adequately discharged their responsibility.

Based on the evidence presented by the Petitioner and the Assessor's Office, and the recommendation of the Assessor's Office, on motion by Member Woodland, seconded by Chairperson McAlinden, which motion duly carried with Member Green absent, it was ordered that the land value for Parcel No. 122-162-10 be reduced to \$5,220,000 to adjust for removal of the pier premium, and the improvement value of \$912,701 be upheld, resulting in a total taxable value of \$6,132,701. The Assessor was directed to make the appropriate adjustment and the Board found, with this adjustment, that the land and improvements were valued correctly and the total taxable value did not exceed full cash value.

5:41 p.m. Chairperson McAlinden declared a brief recess.

5:52 p.m. The Board reconvened with Member Green absent.

08-1492E **PARCEL NO. 122-252-04 - MIHALKO, GEORGE R & TAYLOR H**
TR - HEARING NO. 08-0922

A Petition for Review of Assessed Valuation was received from George R. and Taylor H. Mihalko protesting the taxable valuation on land located at 932 Lakeshore Boulevard, Incline Village, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A, Arguments and documentation submitted by Petitioner's representative, 183 pages.

Exhibit B, Incline Village/Crystal Bay form letter, 5 pages.

Assessor

Exhibit I, Assessor's response to Non-Equalization – residential, 34 pages.

Exhibit II, Appraisal Record Card, 2 pages.

Exhibit III, Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 11 pages.

Appraiser Cori Delguidice, previously sworn, oriented the Board as to the location of the subject property.

Suellen Fulstone, previously sworn, represented the Petitioners. She asked the Board to incorporate the record from the previous hearing into the current hearing (see minute item 08-1491E), so that she would not have to repeat specific arguments related to equalization and methodologies. She indicated the subject property was not valued on a front-foot basis but the other arguments and issues would be the same.

Ms. Fulstone noted the base lot value for all non-lakefront properties along Lakeshore Boulevard was \$1.1 million. She commented that the Assessor's 2008 valuation was a 49 percent increase from the subject property's 2003 taxable land value of \$750,000, although nothing about the property had changed. She referred to previous testimony before the Board that appreciation at Lake Tahoe was somewhere between 17 and 25 percent. She referred to I-13 and I-14 on the map on page 10 of Exhibit III and said the paired sales of the same property in July 2005 and May 2007 represented 30 percent appreciation when extrapolated to a 60-month period of time. She stated the Assessor's values on nearby lots, (with Board adjustments removed), appreciated by 8 percent over the same five-year period. Ms. Fulstone indicated it was not reasonable for one area to be up by 49 percent and another to be up by 8 percent. She said it was unfair and not reflective of taxable value. She requested the Board apply 30 percent appreciation to the subject property, resulting in a taxable land value of \$975,000. Based on the legal

arguments, she further requested the land value be rolled back to 2003. Ms. Fulstone observed it was difficult for the taxpayer to provide evidence to the Board under a taxable value system because one could not simply do a fee appraisal on the properties, and taxpayers had to rely on the Assessor's information to make their arguments.

Member Covert observed the appreciation argument was probably valid but wondered whether the base value from 2003 was correct. Ms. Fulstone stated the 2003 value was unlawful in light of the *Bakst* decision, but it was the only value she had to work with.

Ms. Delguidice read from the land sale analysis conclusions provided on page 2 of Exhibit III. She observed one property that sold twice in 2004, which would illustrate appreciation of 3.76 percent per month. She stated the base lot value of \$1.1 million was well supported by all three methods; i.e., vacant land sales, fully obsolete sales and the abstraction model. She emphasized there was one newer vacant land sale in October 2007 at \$1.5 million, which provided a very good indication of value. She asked that the Assessor's response to appeals based on non-equalization of similarly situated properties, which was previously presented to the Board, be placed into the record as Exhibit I. Ms. Delguidice pointed out it was the job of the Assessor's Office to analyze and interpret the market data, not to set rates of appreciation. She pointed out the subject property was at the very low end of value for the market.

Member Covert commented that he did not think it appropriate to take a sales price differential that occurred over a five-month period of time during the peak of the market and apply it to an annualized rate of appreciation. Ms. Delguidice agreed and said it illustrated the point that one could come up with different data depending on what paired sales were selected.

Member Krolick asked if there were any traffic adjustments for Lakeshore Boulevard. Ms. Delguidice indicated the base lot value on Lakeshore Boulevard took into account that all of the properties were equally affected by the traffic, so no adjustments were necessary. She clarified that traffic adjustments were made in Incline Village for properties backing to the Mount Rose Highway and State Route 28.

Member Krolick recalled a previous hearing where a few Lakeshore Boulevard properties were used as comparables for parcels located in a different area. Ms. Delguidice stated the Lakeshore sales had been included as further defense for some properties located on Pine Cone Circle and Shoreline Circle, but those values were adjusted upward to reflect their more secluded locations.

Member Krolick inquired as to whether there was any adjustment for the subject property backing to condominiums. Ms. Delguidice said no adjustment was made because the lot was 0.46 acres, which was typical compared to the base lot, and the sales price reflected the location at the time of purchase. She pointed out there were five sales included in the analysis for properties that also backed the condominiums, and their sales prices ranged from \$2.3 to \$5.5 million.

Member Covert recalled adjustments that he thought were for seclusion on lakefront properties. He said he was not sure there was a difference between adjustments for traffic, noise or seclusion. Ms. Delguidice explained the lakefront and non-lakefront parcels on Lakeshore Boulevard were considered to be in different neighborhoods. She acknowledged discussion during a previous hearing that houses on deep lakefront lots were situated closer to the Lake and further from Lakeshore Boulevard. She said the land sales analysis for the properties already took the heavy traffic into consideration.

Ms. Fulstone referred to a sale/resale of the same property, designated as L-2 and L-3 on page 3 of Exhibit III. She pointed out that sale L-3 occurred five or six months after L-2 and the property was on the market for 168 days. She characterized the sale as speculative because both parties were real estate agents, and said she was not sure whether the prices represented actual vacant land values. She called attention to the Assessor's notation of "2QC", which meant "2 questionable conditions." Ms. Fulstone referenced page 183 of Exhibit A, which she identified as a combination of two maps showing the Lakeshore Boulevard area. She pointed out that parcel L-1, although it was on Lakeshore Boulevard, was not comparable because it occupied a very different location on Lakeshore Boulevard from that of the subject property. She asserted that the appreciation determined by the paired sales represented by L-2 and L-3 should be the basis for valuing the subject property.

With respect to the last vacant land sale provided by the Assessor's Office, Ms. Fulstone noted it was a better located and significantly larger parcel than the subject property. She suggested that values on properties located across the street would demonstrate it was a higher value area. She qualified her comments by saying the Assessor admitted there were not enough vacant land sales to establish value and she did not want her discussion of the vacant land sales to be construed as an admission of their validity.

Chairperson McAlinden closed the public hearing.

Chairperson McAlinden noted the total taxable value of \$1,796,029 on the subject property was less than the Petitioners' August 2004 purchase price of \$2.3 million. She said she did not understand the request to roll the value back to 2003, when the property was not purchased by the Petitioners until 2004.

With respect to equalization, Member Krolick said he could accept the base lot value of \$1.1 million. He said the property backed vacation rental condominiums, which was about "as bad as it could get," and he thought an adjustment was warranted. Member Covert agreed, although he did not have a recommendation as to the amount. Chairperson McAlinden referred to the appraiser's comment that the condominiums were there when the Petitioners purchased the property. She said she heard arguments about traffic noise but no evidence was presented about backing to condominiums. Member Krolick pointed out the noise was already accounted for in the concept of the base lot value.

Member Krolick moved to apply a 5 percent downward adjustment to the taxable land value because the property backed to condominiums. The motion was seconded by Member Covert.

Chairperson McAlinden questioned whether all properties backing to the condominium would then be adjusted. Member Krolick replied that he only had the one property before him. He noted the Board had made adjustments to base lot values for various attributes of other properties, and he thought an adjustment for backing to the condominium complex was consistent with previous decisions. Chairperson McAlinden said she had not heard a preponderance of evidence to support the adjustment.

Member Krolick's motion failed on a 2-2 vote, with Chairperson McAlinden and Member Woodland voting "no," and Member Green absent.

Member Woodland commented she did not hear evidence about noise presented on behalf of the Petitioners.

Member Krolick asked for clarification from legal counsel and said it was his understanding the Board's decision was to be based on a compilation of all evidence, including testimony and written evidence. Deputy District Attorney Herb Kaplan clarified the evidence was to be presented by the parties. He said the Board members brought with them whatever knowledge they possessed and Board member comments could be helpful but were not evidence. Chairperson McAlinden read from NRS 361.345: "The county board of equalization may not reduce the assessment of the county assessor unless it is established by a preponderance of the evidence that the valuation established by the county assessor exceeds the full cash value of the property or is inequitable."

Based on the evidence presented by the Petitioner and the Assessor's Office, and the finding that the land and improvements were valued correctly and the total taxable value did not exceed full cash value, on motion by Chairperson McAlinden, seconded by Member Woodland, which motion carried on a 3-1 vote with Member Green absent and Member Krolick voting "no," it was ordered that the taxable value of the land and improvements for Parcel No. 122-252-04 be upheld.

**08-1493E PARCEL NO. 123-260-11 - ANDERSON, J ROBERT & CAROLE K
- HEARING NO. 08-0212**

A Petition for Review of Assessed Valuation was received from J. Robert and Carole K. Anderson protesting the taxable valuation on land located at 455 Lakeshore Boulevard, Incline Village, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A, Incline Village/Crystal Bay form letter, 14 pages.

Exhibit B, Documents and arguments, 111 pages.

Exhibit C, Petitioner's request for information, 1 page.

Assessor

Exhibit I, Assessor's response to Non-Equalization – condos, 34 pages.

Exhibit II, Appraisal Record Card, 2 pages.

Exhibit III, Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 7 pages.

Appraiser Cori Delguidice, previously sworn, oriented the Board as to the location of the subject property.

Suellen Fulstone, previously sworn, represented the Petitioners. She identified the property as a condominium and asked the Board to incorporate the record from a previous hearing into the current hearing (see minute item 08-1491E), so that she would not have to repeat specific arguments related to equalization and methodologies.

Ms. Fulstone discussed the development of the allocation methodology used by the Assessor in valuing condominiums. She explained allocation was one of the alternative methodologies authorized by NAC 361.119, but was limited to comparison with similarly situated properties. She suggested the Assessor's use of single family home sales throughout Area One was inappropriate for a condominium analysis. Ms. Fulstone indicated there was a problem in that there were no regulations for condominium analysis, which was a unique type of ownership not really contemplated by the Legislature when it adopted the current taxable value system. She pointed out there was no land attributed to a condominium. She observed there were statutes passed in the last legislative session requiring the inclusion of common areas that also required the Tax Commission to develop regulations for that purpose, but the Tax Commission had not done that yet. She stated, to her knowledge, the Assessor had not made any attempt to incorporate common areas into the valuation of condominiums.

Ms. Fulstone stated the Assessor's Office used a single family analysis to develop a 30 percent allocation figure for land value, which was then doubled to 60 percent for lakefront condominiums. She indicated the analysis was developed in three parts: time adjustment, allocation analysis and paired sales analysis.

Although time adjustment was not allowed under *Bakst*, Ms. Fulstone said she was arguing its factual basis rather than its legality. She referred to page 17 of Exhibit B, which contained a list of sales and re-sales used to estimate time adjustment. She indicated there were 23 land sales over a 30-month period, only one of which was located at Lake Tahoe, and it was not a condominium. Ms. Fulstone emphasized that allocation had to be used with similarly situated properties, according to the authorization and the definition in the regulations. She pointed out the analysis included properties that varied from 0.12 to 80 acres, and not one of the properties had the same MDS zoning as the subject property. She noted the acreage, zoning and location of the sales were "all over the place." Ms. Fulstone discussed the Assessor's allocation analysis, provided on page

18 of Exhibit B. She pointed out a property on Flowering Sage Trail that reflected an increase at the rate of 0.37 percent per month on the time adjustment chart (Sale #17) and another property on Flowering Sage Trail that used a time adjustment of 0.95 percent, resulting in a land value that was 44.5 percent of the sales price. She called attention to Sale #8, which was located in Arrowcreek and produced a time adjusted land value that was more than 40 percent of the market value. She did not believe any of the land values in Arrowcreek represented more than 40 percent of their market value. She noted the Assessor assigned a taxable land value of \$261,000 to the same property. Ms. Fulstone stated the time adjustment analysis was unreliable and the allocation analysis did not use similar properties in relation to condominiums. She pointed out several examples of properties that were not similar to the subject. She remarked that the allocation analysis was not authorized and not appropriate as the basis for valuing condominiums at Lake Tahoe.

Ms. Fulstone noted that paired sales analysis was used by the Assessor's Office to double the land allocation to 60 percent for lakefront condominiums, although the Supreme Court specifically named paired sales analysis as unconstitutional and nothing had changed in the regulations since that time. She stated it could not be used to value property as a matter of law. She noted there were land values at different amounts for condominium units located at different levels of the complex. She commented that the land portion of the subject property was valued at \$458 per square foot and asserted there were no land sales in Incline Village or probably in all of Washoe County for that amount. She pointed out the analysis used only one sale at Lake Tahoe, on Tomahawk Road, which had a sales price of \$22.46 per square foot and could not be used as the basis for valuing the nonexistent land under the condominium unit at \$700,000.

County Assessor Josh Wilson, previously sworn, asked that the Assessor's response to appeals based on non-equalization of similarly situated properties, which he previously presented to the Board, be placed into the record as Exhibit I.

Mr. Wilson observed that Ms. Fulstone's argument started out by saying the land on condominiums could not be valued because the regulations did not authorize a methodology for doing that, and then went on to characterize the allocation method as erroneous for use on condominium properties. He pointed out the regulations did mention full cash value. Based on the Sales Ratio Study chart provided on page 14 of Exhibit I, it was his opinion that the allocation ratio of 30 percent for Lake Tahoe condominiums was conservative. He explained the sales ratios were derived by taking the 2008-09 taxable value and dividing it by the 2007 sales price. Based on 118 sales of condominium properties at Lake Tahoe, the average ratio was 51.6 percent and the median ratio was 49.9 percent. He stated the same type of analysis done on single family residences at Tahoe, using a sample of 128 sales, produced an average of 68.3 percent and a median of 68.8 percent. Mr. Wilson pointed out it was preferable to use the median because the average was more affected by outlying values. He noted the coefficient of dispersion for the ratios was below the 20 percent threshold established by the International Association of Assessing Officers (IAAO).

Mr. Wilson indicated the land for condominiums had to be valued and condominium properties had traditionally been valued using allocation. He said all condominiums throughout Washoe County were valued utilizing the 30 percent allocation ratio. He commented that the single family analysis, where the ratio of a land sale was compared to the total purchase price of an improved property, was not possible for condominium properties. He stated he would like to further explore the use of regression analysis and abstraction for condominiums, but did not believe that would result in a lower land value. Mr. Wilson suggested the allocation ratio of land to buildings would probably be higher if the full contributory value of improvements could be subtracted from a sales price. He said that might make sense because condominium property owners had the utility of all the common property within a complex that was currently not being taxed pursuant to NRS 361.333. Based on his understanding of NRS 361.227, he indicated the land and buildings on condominiums still had to be valued separately.

Ms. Delguidice reviewed the improved comparable sales provided on page 1 of Exhibit III. With respect to land value, she indicated an allocation analysis was used and the allocation percentage was adjusted from 30 percent to 60 percent for lakefront condominiums, based on paired sales analysis. She pointed out that abstraction analysis indicated an allocation ratio of 75 percent was more appropriate. Based on the sales data, she stated taxable value did not exceed full cash value and the property was equalized with similarly situated properties.

Member Covert observed the comparable sales were very comparable for the condominiums and asked whether condominium units turned over more rapidly than single family homes. Ms. Delguidice replied that half of the parcels in Incline Village were condominium units, so it was natural there would be more sales. She pointed out it was easier to find comparables because there were similar units within the same complex.

Ms. Fulstone indicated the statutory standard in Nevada for ad valorem taxation was taxable value, not full cash value. She said it was not appropriate for the Assessor to try to support an unsupportable opinion of taxable value using the full cash value of comparable improved sales. She acknowledged the statutory provision that taxable value should not exceed full cash value, but indicated it was to prevent an unconstitutional taking of a taxpayer's property and said it was considered the exception rather than the rule. She asserted the Assessor's taxable land value on the subject property was in excess of its properly determined taxable value. Ms. Fulstone stated it was the Board's responsibility to review taxable value, but it was not enough for the Board to determine the taxable value did not exceed full cash value. She pointed out there was no support for the taxable land value. She suggested the taxable value was unlawful and could not be sustained if the true taxable value was a different number than what the Assessor had provided or if the Assessor had not determined the number using methodologies as directed by the Tax Commission. With respect to the Assessor's ratio between taxable value and sales prices, she likened it to comparing apples and oranges. She said taxable value was not supposed to be a percentage of full cash value and there would be an error in the system if turned out to be a set percentage. She indicated she did

not know of any reason why allocation had to be used for the valuation of condominiums, as suggested by the Assessor. She pointed out there was a *Bakst* problem with the valuation of condominiums, in that the Tax Commission had not adopted regulations, which left the Assessor on his own, and that was an impermissible situation. She indicated it was equally impermissible to value the nonexistent land portion of condominiums.

Chairperson McAlinden asked what value should be placed on the subject property. Ms. Fulstone said it was her proposal that the methods were unlawful in their entirety, but she recognized the Board was not going to deal with that issue. She stated she was not restricted by the Tax Commission and was just making arguments about value and how to properly calculate value, which she believed the Assessor had not done. She suggested the only thing the Board could do was to roll values back to 2002-03, which was the last valuation that was not being contested in the courts.

Member Covert commented it appeared the *Bakst* decision was as much of a problem for the taxpayers as it was for the Assessor. Ms. Fulstone remarked that taxpayers probably wished the courts were not limited to the issues before them. She said taxpayers tended to look at the decision and assume the problem had been solved, and then wonder why the Assessor did not just use that decision. She acknowledged the Court decided the narrow decision before it, which left a lot of things undecided. Ms. Fulstone characterized *Bakst* as a narrow decision with a broad application. She defined the principle that the Assessor must follow regulations and the Tax Commission must develop them as the broad issue.

Mr. Wilson clarified he had not said the Assessor's Office had to value condominium land using allocation. He said the Assessor's Office was required to establish an estimate of land value on condominiums and his Office had chosen to utilize allocation, which had been the past practice of the Washoe County Assessor's Office as long as he could remember. He observed that he had heard a lot of discussion about what was wrong but had not heard much about what was right.

Member Covert inquired about the number of stories in the condominium building. Ms. Delguidice indicated it was an eight-story building. She confirmed with Member Covert that the higher units had better views and; therefore, higher values. She said the subject property was located on the second floor. She stated the street level was on the fifth floor because the complex was on a cliff, so the subject unit was actually below street grade. Member Covert asked what premium values were applied. Ms. Delguidice stated the land values for the third through seventh floors were \$1.46 million.

Chairperson McAlinden closed the public hearing.

Member Covert commented that he would support a motion to uphold value because the Board had nothing else to go on. Member Krolick agreed and stated the County Board was not the proper forum for reviewing the legal issues.

Based on the evidence presented by the Petitioner and the Assessor's Office, and the finding that the land and improvements were valued correctly and the total taxable value did not exceed full cash value, on motion by Member Woodland, seconded by Chairperson McAlinden, which motion duly carried with Member Green absent, it was ordered that the taxable value of the land and improvements for Parcel No. 123-260-11 be upheld.

7:01 p.m. Member Krolick left the meeting.

08-1494E **PARCEL NO. 130-202-23 - JOLLEY, IAN M & ROSALIND TR - HEARING NO. 08-0048**

A Petition for Review of Assessed Valuation was received from Ian M. and Rosalind Jolley protesting the taxable valuation on land located at 1067 Mill Creek Road, Incline Village, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A, Arguments and documentation, 114 pages.

Exhibit B, Appreciation on sales, 1 page.

Exhibit C, Sales on Mill Creek, 1 page.

Exhibit D, Petitioner's authorization for representation, 1 page.

Assessor

Exhibit I, Assessor's response to Non-Equalization – residential, 34 pages.

Exhibit II, Appraisal Record Card, 2 pages.

Exhibit III, Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 8 pages.

Appraiser Cori Delguidice, previously sworn, oriented the Board as to the location of the subject property.

Suellen Fulstone, previously sworn, represented the Petitioners. She asked the Board to incorporate the record from a previous hearing into the current hearing (see minute item 08-1491E), so that she would not have to repeat specific arguments related to equalization and methodologies. She indicated the analysis was similar to that of the Mihalko hearing (see minute item 08-1492E), although the subject property had more paired sales in its analysis.

Ms. Fulstone identified a base lot value of \$600,000 for the Mill Creek Subdivision, which was where the subject property was located. She said she found four sales within the Subdivision from 2004 to 2006, as well as a teardown. She referred to Exhibit C, which showed higher sales prices for more recently built homes. She indicated the value determined by the regression analysis was skewed because 28 of the 32 sales used in the analysis had sales prices over \$1 million. She said this illustrated the problem

with trying to make one regression analysis fit an entire area with many very different properties. Ms. Fulstone suggested one way to look at improved sales numbers was to measure appreciation, as shown by the list of Mill Creek sales provided in Exhibit C. She clarified that the list showed re-sales and appreciation based on the Assessor's values. She acknowledged it was a rough calculation of market appreciation, but illustrated that the subject property's taxable land value should be adjusted downward to at least \$512,000. Ms. Fulstone indicated she would not repeat all of her legal arguments.

Ms. Delguidice reviewed the comparable improved sales provided on page 1 of Exhibit III. She noted that I-43 backed to Tahoe Boulevard and was significantly inferior to the subject property. She indicated that most of the weight was put on the abstraction model, which used 32 sales to support a taxable land value of \$600,000. She asked that the Assessor's response to appeals based on non-equalization of similarly situated properties, which was previously presented to the Board, be placed into the record as Exhibit I. Ms. Delguidice stated the taxable value did not exceed full cash value and the property was equalized with similarly situated property.

Member Covert inquired about adjustments to the subject property. Ms. Delguidice said the subject property was typical for the neighborhood in terms of size and location, and had no special issues related to view or topography.

Ms. Fulstone pointed out the land analysis was a demonstration of why one could not use a single vacant land sale as an indication of value. She noted there was a vacant land sale located on Tramway Road with a sales price of \$502,000 in August 2002. She referenced the Assessor's notation of "QC" or "questionable conditions" with respect to verification of the sale, as shown on page 39 of Exhibit A. Ms. Fulstone stated the seller was a principle of the buyer. She indicated the Assessor had never valued the comparable property with a taxable land value that was anywhere close to \$500,000. She noted land values of \$225,000 in 2002, \$320,000 the following year, and just over \$400,000 last year. She stated it was not a valid land sale and could not contribute any evidence in support of the taxable land value for the subject property. She indicated it did not matter if there were comparable properties because the issue was taxable value, and no evidence had been offered by the Assessor's Office to support a taxable land value of \$600,000.

Member Covert agreed the one vacant land sale was probably irrelevant.

Chairperson McAlinden closed the public hearing.

Member Covert observed that he would support a motion to uphold value because the Board had nothing better to go on.

Based on the evidence presented by the Petitioner and the Assessor's Office, and the finding that the land and improvements were valued correctly and the total taxable value did not exceed full cash value, on motion by Member Woodland, seconded by Chairperson McAlinden, which motion duly carried with Members Green

and Krolick absent, it was ordered that the taxable value of the land and improvements for Parcel No. 130-202-23 be upheld.

08-1495E PARCEL NO. 123-250-10 - TAHOE SHORELINE PROPERTIES
LLC - HEARING NO. 08-1502

A Petition for Review of Assessed Valuation was received from Tahoe Shoreline Properties, LLC, protesting the taxable valuation on land located at 453 Lakeshore Boulevard, Incline Village, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A, Letter of agreement with Assessor's recommendation, 1 page.

Assessor

Exhibit I, Assessor's response to Non-Equalization – residential, 34 pages.

Exhibit II, Appraisal Record Card, 2 pages.

Exhibit III, Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 9 pages.

The Petitioner was not present to present testimony.

Appraiser Pat Regan, previously sworn, oriented the Board as to the location of the subject property. She reviewed the Assessor's recommendation to remove the pier premium on the subject property pursuant to NAC 361.624, which would reduce the taxable land value to \$2,380,000, and asked the Board to uphold the taxable improvement value. She indicated the Assessor's Office would stand on its written presentation.

Ms. Regan asked that the Assessor's response to appeals based on non-equalization of similarly situated properties, which was previously presented to the Board, be placed into the record as Exhibit I.

Chairperson McAlinden commented she saw no evidence submitted by the Petitioner to demonstrate that taxable value exceeded full cash value or that inequity existed pursuant to NRS 361.356.

Chairperson McAlinden closed the public hearing.

Based on the evidence presented by the Petitioner and the Assessor's Office, and the recommendation of the Assessor's Office, on motion by Member Covert, seconded by Chairperson McAlinden, which motion duly carried with Members Green and Krolick absent, it was ordered that the land value for Parcel No. 123-250-10 be reduced to \$2,380,000 to remove the pier premium and the improvement value of \$356,223 be upheld, resulting in a total taxable value of \$2,736,223. The Assessor was

directed to make the appropriate adjustment and the Board found, with this adjustment, that the land and improvements were valued correctly and the total taxable value did not exceed full cash value.

08-1496E EQUALIZATION OF PROPERTIES WITHIN GEOGRAPHIC VICINITY (LAKEFRONT PROPERTIES WITH PIERS LOCATED IN LAKE TAHOE IN THE INCLINE VILLAGE/CRYSTAL BAY AREA) PURSUANT TO NAC 361.624

The following exhibits were submitted into evidence:

Assessor

Exhibit I, Assessor’s response to Non-Equalization – residential, 34 pages.
Exhibit II, Table of Incline Village and Crystal Bay lakefront properties with piers not previously adjusted.

On motion by Chairperson McAlinden, seconded by Member Covert, which motion duly carried with Members Green and Krolick absent, the Board consolidated the following hearings:

Parcel No.	Owner
122-100-20	Nevada Pacific Devel Corp
122-100-23	Lemelson, Dorothy Tr
122-162-11	Shulman, Jay S & Louise
122-162-15	Booth, Corwin & Caroline H Tr
122-162-17	Russell, Dion P Tr
122-162-18	Duffield, David A Tr
122-162-21	Abbasi, Sohaib & Sara Tr
122-181-19	Paul, Charles F Tr
122-181-24	Spirit Of The Lake LLC
122-181-33	Bechtolsheim, Andreas V
122-181-37	Taylor, Kjerstin L M Tr Etal
122-181-61	Croom, George E Jr Tr
122-181-69	Nevada Pacific Devel Corp
122-251-05	Ellison, Ernest O
122-251-07	Baker Associates Limited
122-251-08	Winnipeg Supply & Fuel Co Inc
122-251-10	Lemos-Petalas, Chryssanthly Tr
122-251-13	Nightingale, Jacqueline E Tr Etal
123-021-04	Stack, James L Jr Tr
123-032-11	Duffield, David A Tr
123-032-17	Duffield, David A Tr
123-051-01	Hester Iii, Walter F Tr
123-101-04	Vickers, Fred H
123-101-15	Van Dyck, Cristina

Parcel No.	Owner
123-131-03	Knafelc, Frank F & Myrlen A Tr
123-132-01	Miller, Otto J
123-145-12	Gloy, Thomas H Tr
123-145-13	Duc, Daniel A & Lynn K
123-151-06	Nevada State Of
130-230-05	Tahoe Estates LLC
130-230-07	Tahoe Estates LLC
130-230-09	Wong, Robert Tr
130-230-14	Sandler, Richard V Tr
130-241-19	Hart, Dennis M Sr Tr Etal
130-241-39	Del Arroz, Manuel M & Juanita
130-241-40	Del Arroz, Manuel M & Juanita
130-241-53	Buckingham, Judith A Tr
130-312-22	1145 Lakeshore Boulevard

Appraiser Pat Regan, previously sworn, explained the consolidated properties were all lakefront parcels in the Incline Village and Crystal Bay areas. She said the Assessor's recommendation was to reduce taxable land value by removing the pier premiums as listed on the chart in Assessor's Exhibit II. She indicated the pier premiums ranged from \$275,000 for a one-half pier interest to \$550,000 for a full pier interest. She asked that the Assessor's response to appeals based on non-equalization of similarly situated properties, which was previously presented to the Board, be placed into the record as Exhibit I.

Chairperson McAlinden closed the public hearing.

A discussion ensued about the formulation of a motion. Herb Kaplan, Deputy District Attorney, suggested the Board accept Exhibit II as the Assessor's recommendation.

Based on the evidence presented by the Assessor's Office, on motion by Member Covert, seconded by Member Woodland, which motion duly carried with members Krolick and Green absent, it was ordered that the land values be reduced as listed in Assessor's Exhibit II to remove the pier premiums. The Assessor was directed to make the appropriate adjustments and the Board found, with these adjustments, that the land and improvements were valued correctly and the total taxable value did not exceed full cash value.

08-1497E ROLL CHANGE REQUEST (DECREASE) – PARCEL NO. 055-292-29 – WATSON, BOBBY & CAROLYN – RCR NO. 366F07

The following exhibit was submitted into evidence:

Assessor
Exhibit I, Assessor's roll change request #366F07, 1 page.

Appraiser Pat Regan, previously sworn, indicated the Assessor's roll change request was to correct an error in the 2007-08 taxable improvement value. She explained the residence had been assessed for a finished basement and a field inspection determined the basement was not finished. Removal of the basement finish would reduce the taxable improvement value by \$51,812.

Chairperson McAlinden closed the public hearing.

Based on the evidence submitted by the Assessor's Office, on motion by Member Woodland, seconded by Member Covert, which motion duly carried with Members Green and Krolick absent, it was ordered that the 2007-08 taxable improvement value for Parcel No. 055-292-29 be reduced to \$662,559 and the taxable land value be upheld, resulting in a total taxable value of \$1,004,606. The Assessor was directed to make the appropriate adjustments and the Board found, with these adjustments, that the land and improvements were valued correctly and the total taxable value did not exceed full cash value.

08-1498E ROLL CHANGE REQUEST (DECREASE) – PARCEL NO. 125-511-26 – ADVANCE DESIGN & CONSTRUCTION – RCR NO. 341F07

The following exhibit was submitted into evidence:

Assessor

Exhibit I, Assessor's roll change request #341F07, 1 page.

Appraiser Cori Delguidice, previously sworn, indicated the Assessor's roll change request was to correct an error in the square footage of the residence, which would reduce the 2007-08 taxable improvement value by \$297,272.

Chairperson McAlinden closed the public hearing.

Based on the evidence submitted by the Assessor's Office, on motion by Member Covert, seconded by Member Woodland, which motion duly carried with Members Green and Krolick absent, it was ordered that the 2007-08 taxable improvement value for Parcel No. 125-511-26 be reduced to \$1,376,290 and the taxable land value be upheld, resulting in a total taxable value of \$2,174,399. The Assessor was directed to make the appropriate adjustments and the Board found, with these adjustments, that the land and improvements were valued correctly and the total taxable value did not exceed full cash value.

08-1499E ROLL CHANGE REQUEST (INCREASE) – PARCEL NO. 003-813-19 – BEARDSLEY, STEPHEN & CAROLINA – RCR NO. 331F07

The following exhibit was submitted into evidence:

Assessor

Exhibit I, Assessor's roll change request #331F07, 1 page.

Chief Deputy County Clerk Nancy Parent stated the Clerk's Office notified the taxpayers of the hearing date and time by certified mail, pursuant to the Board's request and pursuant to NRS 361.345.

Appraiser Pat Regan, previously sworn, indicated the Assessor's roll change request was to correct an error in the 2007-08 taxable improvement value. She explained the improvements valued at \$261,879 were never placed on the tax roll after construction of the residence.

Chairperson McAlinden closed the public hearing.

Based on the evidence submitted by the Assessor's Office, on motion by Member Covert, seconded by Member Woodland, which motion duly carried with Members Green and Krolick absent, it was ordered that the 2007-08 taxable improvement value for Parcel No. 003-813-19 be increased to \$261,879 and the taxable land value be upheld, resulting in a total taxable value of \$361,879. The Assessor was directed to make the appropriate adjustments and the Board found, with these adjustments, that the land and improvements were valued correctly and the total taxable value did not exceed full cash value.

08-1500E **AGENDA ITEM 9 – ASSESSOR'S RECOMMENDATIONS -#5 – MOUNTAIN CREST PHASE 1**

The following exhibit was submitted into evidence:

Assessor

Exhibit I, Assessor's Recommendation – 5 (AR-5), 5 pages.

On motion by Chairperson McAlinden, seconded by Member Covert, which motion duly carried with Members Green and Krolick absent, the Board consolidated hearings for Agenda Item 9 including Roll Change Request Nos. A.R. 1 through A.R. 35.

Appraiser Steve Clement, previously sworn, indicated the Assessor's recommendation was to reduce the base lot value to \$160,000 for parcels located in Phase I of the Mountain Crest Subdivision.

In response to a question by Member Woodland, Mr. Clement stated a subdivision discount was not applicable.

Chairperson McAlinden closed the public hearing.

Based on the evidence submitted by the Assessor's Office, on motion by Member Woodland, seconded by Member Covert, which motion duly carried with Members Green and Krolick absent, it was ordered that Assessor's Recommendations-5 be accepted to reduce taxable land values for the following Parcel Numbers: 232-462-02, 232-462-03, 232-462-04, 232-462-05, 232-462-06, 232-462-07, 232-471-01, 232-471-02, 232-471-03, 232-471-04, 232-471-05, 232-471-06, 232-471-07, 232-471-08, 232-471-09, 232-471-10, 232-471-11, 232-471-14, 232-471-15, 232-471-16, 232-471-17, 232-471-18, 232-471-19, 232-471-20, 232-472-02, 232-472-03, 232-472-04, 232-472-05, 232-472-06, 232-472-07, 232-472-09, 232-472-10, 232-472-11, 232-472-12, 232-472-13. The Assessor was directed to make the adjustments listed in Exhibit I, and the Board found, with these adjustments, that the land and improvements were valued correctly and the total taxable value did not exceed full cash value.

DISCUSSION – AGENDA ITEMS 5, 6 AND 7

Herb Kaplan, Deputy District Attorney, indicated it was permissible for a public body to remove agenda items at any time.

The Board was provided with copies of a letter faxed to the Clerk's Office by Suellen Fulstone on February 27, 2008 that requested copies of any documentation pertaining to Agenda Item 5, as well as the response from Chief Deputy Clerk Nancy Parent indicating there was no documentation provided to the Board.

Chairperson McAlinden said she could not remember why she placed Item 5 on the agenda, but thought the issues had been resolved through the course of the Board's other business. Member Woodland agreed. Chairperson McAlinden removed Item 5 from the agenda.

Chairperson McAlinden said Item 6 was placed on the agenda by Member Krolick, who was no longer present. She recalled previous discussion about properties being affected by traffic noise from different directions. She pointed out the Assessor's Office already handled traffic adjustments by identifying major arterials and said she did not want to pursue the issue further. Mr. Kaplan did not believe the Board could dictate what would essentially be a regulation. Chairperson McAlinden removed Item 6 from the agenda.

Mr. Kaplan said Agenda Item 7 had been resolved as well and the Assessor's Office already agreed to add taxable values to their cover sheet. Chairperson McAlinden removed Item 7 from the agenda.

08-1501E PUBLIC COMMENT

In response to the call for public comment, Suellen Fulstone thanked the Board for all of the courtesies extended to her and her clients through the course of the February 2008 hearings.

08-1502E **AGENDA ITEM 10 – ASSESSOR’S RECOMMENDATIONS -#9 – MOUNTAIN CREST PHASE 2**

The following exhibit was submitted into evidence:

Assessor

Exhibit I, Assessor’s Recommendation – 9 (AR-9), 7 pages.

On motion by Chairperson McAlinden, seconded by Member Woodland, which motion duly carried with Members Green and Krolick absent, the Board consolidated hearings for Agenda Item 10 including Roll Change Request Nos. A.R. 1 through A.R. 56.

Appraiser Steve Clement, previously sworn, indicated the Assessor’s recommendation was to reduce the base lot value to \$160,000 for parcels located in Phase II of the Mountain Crest Subdivision and to also apply a 30 percent subdivision discount to all properties in the consolidated group that were owned by Coleman-Toll.

Chairperson McAlinden closed the public hearing.

Based on the evidence submitted by the Assessor’s Office, on motion by Member Covert, seconded by Member Woodland, which motion duly carried with Members Green and Krolick absent, it was ordered that Assessor’s Recommendations-9 be accepted to reduce taxable land values for the following Parcel Numbers: 234-281-01, 234-281-02, 234-281-03, 234-281-04, 234-281-05, 234-281-06, 234-281-07, 234-281-08, 234-281-09, 234-281-10, 234-282-01, 234-282-02, 234-282-03, 234-282-04, 234-282-05, 234-282-06, 234-282-07, 234-282-08, 234-291-01, 234-291-02, 234-291-03, 234-291-04, 234-291-05, 234-291-06, 234-291-07, 234-291-08, 234-291-09, 234-291-10, 234-291-11, 234-291-12, 234-291-13, 234-292-01, 234-292-02, 234-293-01, 234-293-02, 234-293-03, 234-293-04, 234-301-01, 234-301-02, 234-301-03, 234-301-04, 234-301-05, 234-302-01, 234-302-02, 234-302-03, 234-302-04, 234-302-05, 234-302-06, 234-302-07, 234-302-08, 234-302-09, 234-302-10, 234-302-11, 234-302-12, 234-302-13, 234-302-14. The Assessor was directed to make the adjustments listed in Exhibit I, and the Board found, with these adjustments, that the land and improvements were valued correctly and the total taxable value did not exceed full cash value.

08-1503E **AGENDA ITEM 11 – ASSESSOR’S RECOMMENDATIONS -#10 – MOUNTAIN CREST PHASE 3**

The following exhibit was submitted into evidence:

Assessor

Exhibit I, Assessor’s Recommendation – 10 (AR-10), 5 pages.

On motion by Chairperson McAlinden, seconded by Member Woodland, which motion duly carried with Members Green and Krolick absent, the Board

consolidated hearings for Agenda Item 11 including Roll Change Request Nos. A.R. 1 through A.R. 25.

Appraiser Steve Clement, previously sworn, indicated the Assessor's recommendation was to reduce the base lot value to \$160,000 for parcels located in Phase III of the Mountain Crest Subdivision and to also apply a 20 percent subdivision discount to all properties in the consolidated group that were owned by Coleman-Toll.

In response to a question by Chairperson McAlinden, Mr. Clement explained the discount percentage was determined by the number of parcels in a subdivision and the estimated period of time for the builder to sell the properties.

Chairperson McAlinden closed the public hearing.

Based on the evidence submitted by the Assessor's Office, on motion by Member Covert, seconded by Member Woodland, which motion duly carried with Members Green and Krolick absent, it was ordered that Assessor's Recommendations-10 be accepted to reduce taxable land values for the following Parcel Numbers: 234-541-01, 234-541-02, 234-541-03, 234-541-04, 234-541-05, 234-541-06, 234-542-01, 234-542-02, 234-542-03, 234-542-04, 234-542-05, 234-542-06, 234-542-07, 234-543-01, 234-543-02, 234-543-03, 234-543-04, 234-543-05, 234-543-06, 234-543-07, 234-543-08, 234-543-09, 234-543-11, 234-543-12, 234-543-13. The Assessor was directed to make the adjustments listed in Exhibit I, and the Board found, with these adjustments, that the land and improvements were valued correctly and the total taxable value did not exceed full cash value.

08-1504E CONSOLIDATION OF HEARINGS

Chairperson McAlinden made a motion to consolidate the remaining parcels under Agenda Item 12. The motion was seconded by Member Covert and passed on a 3-0 vote with Members Green and Krolick absent.

The Assessor's Office staff requested that two parcels be removed from the consolidation because there were recommendations to reduce their valuations. Herb Kaplan, Deputy District Attorney, pointed out it was not clear upon what basis the hearings were being consolidated. Chairperson McAlinden suggested the consolidation be done under a new motion, to include only those parcels with no Assessor's recommendation that stated non-equalization as the reason for filing the appeal. Mr. Kaplan agreed with that approach.

DISCUSSION – CONSOLIDATED HEARINGS – “NON – EQUALIZATION” AS THE REASON STATED FOR APPEAL (ALSO SEE MINUTE ITEMS 08-1505E THRU 08-1511E)

Based on “non-equalization of similarly situated properties” as the Petitioners' stated reason for filing each appeal, on motion by Chairperson McAlinden,

seconded by Member Woodland, which motion duly carried with Members Green and Krolick absent, the Board consolidated the following hearings:

Assessor's Parcel No.	Petitioner	Hearing No.
021-223-26	Covec, Paul & Joanne	08-1282
021-224-19	Covec, Paul & Joanne	08-1281
021-243-02	Covec, Paul & Joanne	08-1280
040-423-09	Covec, Paul & Joanne	08-1283
126-510-03	Carlson, William & Marie-May	08-0346
130-381-07	Campbell, Joseph L & Andrea L	08-0218
131-090-08	Gilmore, Edward & Margaret	08-1336

None of the Petitioners were present to offer testimony for the consolidated group of parcels.

Appraiser Cori Delguidice, previously sworn, oriented the Board as to the locations of the subject properties. She indicated the Assessor's Office would stand on its written presentations. She asked that the Assessor's response to appeals based on non-equalization of similarly situated properties, which was previously presented to the Board, be placed into the record for each of the properties in the consolidated group. The presentation was identified as Exhibit I for residential properties and Exhibit II for condominiums.

Chairperson McAlinden closed the public hearing.

Chairperson McAlinden commented she saw no evidence submitted by the Petitioner to demonstrate that taxable value exceeded full cash value or that inequity existed pursuant to NRS 361.356.

Please see 08-1505E through 08-1511E below for details concerning the petition, exhibits and decision related to each of the properties in the consolidated group.

08-1505E PARCEL NO. 021-223-26 - COVEC, PAUL A & JOANNE W TR - HEARING NO. 08-1282

A Petition for Review of Assessed Valuation was received from Paul A. and Joanne W. Covec protesting the taxable valuation on land located at 2970 Cisco Way, Reno, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A, Letter in support of appeal, 2 pages.

Assessor

Exhibit I, Assessor's response to Non-Equalization – residential, 34 pages.

Exhibit II, Appraisal Record Card, 2 pages.

Exhibit III, Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 9 pages.

The Petitioners were not present to offer testimony.

The Board considered arguments for seven parcels at the same time, based on "non-equalization of similarly situated properties" as the Petitioners' stated reason for filing each appeal. Please see above for a summary of the discussion concerning the consolidated group of hearings.

Based on the evidence presented by the Petitioner and the Assessor's Office, and the finding that the land and improvements were valued correctly and the total taxable value did not exceed full cash value, on motion by Chairperson McAlinden, seconded by Member Covert, which motion duly carried with Members Green and Krolick absent, it was ordered that the taxable value of the land and improvements for Parcel No. 021-223-26 be upheld.

08-1506E PARCEL NO. 021-224-19 - COVEC, PAUL A & JOANNE W TR - HEARING NO. 08-1281

A Petition for Review of Assessed Valuation was received from Paul A. and Joanne W. Covec protesting the taxable valuation on land located at 3025 Gracia Del Dios Drive, Reno, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A, Letter in support of appeal, 2 pages.

Assessor

Exhibit I, Assessor's response to Non-Equalization – residential, 34 pages.

Exhibit II, Appraisal Record Card, 2 pages.

Exhibit III, Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 10 pages.

The Petitioners were not present to offer testimony.

The Board considered arguments for seven parcels at the same time, based on "non-equalization of similarly situated properties" as the Petitioners' stated reason for filing each appeal. Please see above for a summary of the discussion concerning the consolidated group of hearings.

Based on the evidence presented by the Petitioner and the Assessor's Office, and the finding that the land and improvements were valued correctly and the total taxable value did not exceed full cash value, on motion by Chairperson McAlinden,

seconded by Member Covert, which motion duly carried with Members Green and Krolick absent, it was ordered that the taxable value of the land and improvements for Parcel No. 021-224-19 be upheld.

08-1507E PARCEL NO. 021-243-02 - COVEC, PAUL A & JOANNE W TR -
HEARING NO. 08-1280

A Petition for Review of Assessed Valuation was received from Paul A. and Joanne W. Covec protesting the taxable valuation on land located at 3560 Parque Verde Lane, Reno, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A, Letter in support of appeal, 2 pages.

Assessor

Exhibit I, Assessor's response to Non-Equalization – residential, 34 pages.

Exhibit II, Appraisal Record Card, 2 pages.

Exhibit III, Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 9 pages.

The Petitioners were not present to offer testimony.

The Board considered arguments for seven parcels at the same time, based on "non-equalization of similarly situated properties" as the Petitioners' stated reason for filing each appeal. Please see above for a summary of the discussion concerning the consolidated group of hearings.

Based on the evidence presented by the Petitioner and the Assessor's Office, and the finding that the land and improvements were valued correctly and the total taxable value did not exceed full cash value, on motion by Chairperson McAlinden, seconded by Member Covert, which motion duly carried with Members Green and Krolick absent, it was ordered that the taxable value of the land and improvements for Parcel No. 021-243-02 be upheld.

08-1508E PARCEL NO. 040-423-09 - COVEC, PAUL A & JOANNE W TR -
HEARING NO. 08-1283

A Petition for Review of Assessed Valuation was received from Paul A. and Joanne W. Covec protesting the taxable valuation on land located at 987 Quail Hollow Drive, Reno, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A, Letter in support of appeal, 2 pages.

Assessor

Exhibit I, Assessor's response to Non-Equalization – residential, 34 pages.

Exhibit II, Appraisal Record Card, 2 pages.

Exhibit III, Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 9 pages.

The Petitioners were not present to offer testimony.

The Board considered arguments for seven parcels at the same time, based on "non-equalization of similarly situated properties" as the Petitioners' stated reason for filing each appeal. Please see above for a summary of the discussion concerning the consolidated group of hearings.

Based on the evidence presented by the Petitioner and the Assessor's Office, and the finding that the land and improvements were valued correctly and the total taxable value did not exceed full cash value, on motion by Chairperson McAlinden, seconded by Member Covert, which motion duly carried with Members Green and Krolick absent, it was ordered that the taxable value of the land and improvements for Parcel No. 040-423-09 be upheld.

**08-1509E PARCEL NO. 126-510-03 - CARLSON, WILLIAM W & MARIE-
MAY TR - HEARING NO. 08-0346**

A Petition for Review of Assessed Valuation was received from William and Marie May Carlson protesting the taxable valuation on land located at 1307 Arosa Court, Incline Village, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A, Letter and information in support of appeal, 8 pages.

Exhibit B, Incline Village/Crystal Bay form letter, 3 pages.

Exhibit C, Additional documentation, 7 pages.

Assessor

Exhibit II, Assessor's response to Non-Equalization – condo, 34 pages.

Exhibit III, Appraisal Record Card, 2 pages.

Exhibit IV, Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 11 pages.

The Petitioners were not present to offer testimony.

The Board considered arguments for seven parcels at the same time, based on “non-equalization of similarly situated properties” as the Petitioners’ stated reason for filing each appeal. Please see above for a summary of the discussion concerning the consolidated group of hearings.

Based on the evidence presented by the Petitioner and the Assessor’s Office, and the finding that the land and improvements were valued correctly and the total taxable value did not exceed full cash value, on motion by Chairperson McAlinden, seconded by Member Covert, which motion duly carried with Members Green and Krolick absent, it was ordered that the taxable value of the land and improvements for Parcel No. 126-510-03 be upheld.

**08-1510E PARCEL NO. 130-381-07 - CAMPBELL, JOSEPH L & ANDREA L
TR - HEARING NO. 08-0218**

A Petition for Review of Assessed Valuation was received from Joseph L. and Andrea L. Campbell protesting the taxable valuation on land and improvements located at 198 Country Club Drive, #6, Incline Village, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A, Letter in support of appeal, 1 page.

Exhibit B, Letter in support of appeal, 1 page.

Assessor

Exhibit II, Assessor’s response to Non-Equalization – condo, 34 pages.

Exhibit III, Appraisal Record Card, 2 pages.

Exhibit IV, Assessor’s Hearing Evidence Packet including comparable sales, maps and subject’s appraisal records, 8 pages.

The Petitioners were not present to offer testimony.

The Board considered arguments for seven parcels at the same time, based on “non-equalization of similarly situated properties” as the Petitioners’ stated reason for filing each appeal. Please see above for a summary of the discussion concerning the consolidated group of hearings.

Based on the evidence presented by the Petitioner and the Assessor’s Office, and the finding that the land and improvements were valued correctly and the total taxable value did not exceed full cash value, on motion by Chairperson McAlinden, seconded by Member Covert, which motion duly carried with Members Green and Krolick absent, it was ordered that the taxable value of the land and improvements for Parcel No. 130-381-07 be upheld.

08-1511E PARCEL NO. 131-090-08 - GILMORE, EDWARD C & MARGARET L TR - HEARING NO. 08-1336

A Petition for Review of Assessed Valuation was received from Edward C. and Margaret L. Gilmore protesting the taxable valuation on land located at 954 Fairway Boulevard, Incline Village, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A, Incline Village/Crystal Bay form letter, 2 pages.

Exhibit B, Letter authorizing representation, 1 page.

Assessor

Exhibit II, Assessor's response to Non-Equalization – condo, 34 pages.

Exhibit III, Appraisal Record Card, 2 pages.

Exhibit IV, Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 8 pages.

The Petitioners were not present to provide testimony.

Chairperson McAlinden called attention to additional information submitted by the Petitioners, which included a letter authorizing representation by Suellen Fulstone. Ms. Fulstone, previously sworn, indicated she had no information about the Gilmores' property, although she was willing to incorporate arguments she had made on behalf of other petitioners into the record. Chairperson McAlinden observed the Petitioners' information included a form letter but no evidence that was specific to the subject property.

Herb Kaplan, Deputy District Attorney, said he did not believe the letter represented authorization for the Petitioners to be represented at this hearing. It appeared to him that it was a misunderstanding and possibly a request for the subject property to be represented in the class petition.

Ms. Fulstone said she thought the letter was based on a misunderstanding that the Village League to Save Incline Assets had tried to correct. Because it was a reappraisal year, she indicated petitioners were to represent themselves unless they had made specific arrangements directly with her. She did not think the letter had anything to do with the class petition, but agreed that she was not really authorized to represent the Petitioners at this hearing because she had not had any direct contact with them.

The Board members deferred to Mr. Kaplan's advice. Chairperson McAlinden noted the Petitioners' information was included as part of the record.

The Board considered arguments for seven parcels at the same time, based on "non-equalization of similarly situated properties" as the Petitioners' stated reason for

filing each appeal. Please see above for a summary of the discussion concerning the consolidated group of hearings.

Based on the evidence presented by the Petitioner and the Assessor's Office, and the finding that the land and improvements were valued correctly and the total taxable value did not exceed full cash value, on motion by Chairperson McAlinden, seconded by Member Covert, which motion duly carried with Members Green and Krolick absent, it was ordered that the taxable value of the land and improvements for Parcel No. 131-090-08 be upheld.

08-1512E PARCEL NO. 122-181-59 - SCARPA, STEVEN J - HEARING NO. 08-0831

A Petition for Review of Assessed Valuation was received from Steven J. Scarpa protesting the taxable valuation on land located at 827 Lakeshore Boulevard, Incline Village, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A, Letter from Petitioner's attorney, 1 page.

Assessor

Exhibit I, Assessor's response to Non-Equalization – residential, 34 pages.

Exhibit II, Appraisal Record Card, 2 pages.

Exhibit III, Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 8 pages.

The Petitioner was not present to offer testimony.

Appraiser Pat Regan, previously sworn, oriented the Board as to the location of the subject property. She indicated it was the recommendation of the Assessor's Office to remove the pier premium of \$550,000 on the subject property, thereby reducing the taxable land value to \$4,060,000, and to uphold the taxable improvement value. Ms. Regan asked that the Assessor's response to appeals based on non-equalization of similarly situated properties, which was previously presented to the Board, be placed into the record as Exhibit I.

Chairperson McAlinden closed the public hearing.

Based on the evidence presented by the Petitioner and the Assessor's Office, and the recommendation of the Assessor's Office, on motion by Member Covert, seconded by Member Woodland, which motion duly carried with Members Green and Krolick absent, it was ordered that the land value for Parcel No. 122-181-59 be reduced to \$4,060,000 to remove the pier premium and the improvement value of \$55,838 be upheld, resulting in a total taxable value of \$4,115,838. The Assessor was directed to

make the appropriate adjustment and the Board found, with this adjustment, that the land and improvements were valued correctly and the total taxable value did not exceed full cash value.

**08-1513E PARCEL NO. 212-032-08 - PERKINS, SHEEN R TR - HEARING
NO. 08-1394**

A Petition for Review of Assessed Valuation was received from Sheen Perkins protesting the taxable valuation on land and improvements located at 370 Anselmo Drive, Reno, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A, Information in support of appeal, 6 pages.

Assessor

Exhibit I, Updated Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 9 pages.

Exhibit II, Appraisal Record Card, 2 pages.

Exhibit III, Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 9 pages.

The Petitioner was not present to present testimony.

Appraiser Ginny Dillon, previously sworn, oriented the Board as to the location of the subject property. She indicated the Assessor's recommendation was to reduce the taxable improvement value to \$262,013, which was commensurate with a reduction in quality class from 3.0 to 2.0. She stated the Petitioner was in agreement with the recommendation.

Chairperson McAlinden closed the public hearing.

Based on the evidence presented by the Petitioner and the Assessor's Office, and the recommendation of the Assessor's Office, on motion by Member Woodland, seconded by Member Covert, which motion duly carried with Members Green and Krolick absent, it was ordered that land value of \$95,743 for Parcel No. 212-032-08 be upheld and the improvement value be reduced to \$262,013, resulting in a total taxable value of \$357,756. The Assessor was directed to make the appropriate adjustment and the Board found, with this adjustment, that the land and improvements were valued correctly and the total taxable value did not exceed full cash value.

08-1514E PARCEL NO. 038-341-02 - ALLEN, JAY S - HEARING NO. 08-1148

A Petition for Review of Assessed Valuation was received from Jay Allen protesting the taxable valuation on land located at 30 Bitterbrush Road, Reno, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A, Letter in support of appeal, 3 pages.

Assessor

Exhibit I, Appraisal Record Card, 2 pages.

Exhibit II, Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 8 pages.

The Petitioner was not present to offer testimony.

Appraiser Keith Stege, previously sworn, oriented the Board as to the location of the subject property.

Chairperson McAlinden closed the public hearing.

Based on the evidence presented by the Petitioner and the Assessor's Office, and the finding that the land was valued correctly and the total taxable value did not exceed full cash value, on motion by Member Woodland, seconded by Chairperson McAlinden, which motion duly carried with Members Green and Krolick absent, it was ordered that the taxable value of the land for Parcel No. 038-341-02 be upheld.

08-1515E PARCEL NO. 079-481-41 - ANDRIES, VINCENT J ETAL - HEARING NO. 08-1434

A Petition for Review of Assessed Valuation was received from Vincent J. Andries protesting the taxable valuation on land located at 2755 Antelope Valley Road, Reno, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A, Letter in support of appeal, 1 page.

Assessor

Exhibit I, Appraisal Record Card, 2 pages.

Exhibit II, Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 7pages.

The Petitioner was not present to provide testimony.

Appraiser Keith Stege, previously sworn, oriented the Board as to the location of the subject property.

Chairperson McAlinden closed the public hearing.

Member Covert commented he saw no evidence submitted by the Petitioner.

Based on the evidence presented by the Petitioner and the Assessor's Office, and the finding that the land was valued correctly and the total taxable value did not exceed full cash value, on motion by Member Covert, seconded by Chairperson McAlinden, which motion duly carried with Members Green and Krolick absent, it was ordered that the taxable value of the land for Parcel No. 079-481-41 be upheld.

08-1516E PARCEL NO. 080-481-34 - MCPHILLIAMY, JOSEPH P - HEARING NO. 08-0449

A Petition for Review of Assessed Valuation was received from Joseph P. McPhilliamy protesting the taxable valuation on land located at 535 Budger Way, Reno, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A, Letter in support of appeal, 2 pages.

Assessor

Exhibit I, Appraisal Record Card, 2 pages.

Exhibit II, Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 8 pages.

The Petitioner was not present to offer testimony.

Appraiser Cori Delguidice, previously sworn, oriented the Board as to the location of the subject property. She indicated the Assessor's Office would stand on its written presentation.

The Board reviewed written information submitted by the Petitioner. Chairperson McAlinden commented it was difficult to read. Member Covert stated it did not actually contain any evidence.

Chairperson McAlinden closed the public hearing.

Based on the evidence presented by the Petitioner and the Assessor's Office, and the finding that the land and improvements were valued correctly and the total taxable value did not exceed full cash value, on motion by Member Woodland, seconded by Chairperson McAlinden, which motion duly carried with Members Green and Krolick absent, it was ordered that the taxable value of the land and improvements for Parcel No. 080-481-34 be upheld.

**08-1517E PARCEL NO. 124-071-05 - WALLACE, GEORGE N - HEARING
NO. 08-1688**

An email was received from George N. Wallace protesting the taxable valuation on land located at 504 Jensen Circle, Incline Village, Washoe County, Nevada.

Chairperson McAlinden commented there was no actual appeal form filed by the Petitioner, although an email was faxed to the Clerk's Office on February 14, 2008.

Based on NRS 361.340(11) and the finding that the appeal for Parcel No. 124-071-05 was filed after January 15, 2008, on motion by Chairperson McAlinden, seconded by Member Covert, which motion duly carried with Members Green and Krolick absent, it was ordered that the Board had no jurisdiction to hear the petition for the 2008-09 tax year.

08-1518E BOARD MEMBER COMMENTS

Member Woodland thanked the members of the Board, Chairperson McAlinden, the County Clerk's Office, Deputy District Attorney Herb Kaplan, and all of those in the Assessor's Office for providing an easy transition during her first year as a Board Member.

Member Covert indicated he had learned a great deal this year and thanked everyone involved.

Chairperson McAlinden stated the Assessor and his staff had acted admirably. She thanked Mr. Kaplan for his good humor and good advice. She thanked the Clerk's Office for their professionalism and due diligence.

08-1519E APPROVAL OF MINUTES

Chief Deputy Clerk Nancy Parent explained the Board's past practice regarding approval of the minutes had been to have the Clerk's Office send draft copies of the completed minutes to all Board members and to send original signature pages to the Chairperson. She stated the Board Members were generally given a specified period of time in which to review the minutes and contact the Chair with any changes or corrections. If no changes were to be made, the Chair would then indicate approval of the minutes by signing the original pages and returning them to the Clerk's Office.

The Board directed the Clerk's Office to follow the same practice. They specified a period of 14 days for Board Members to review the minutes and notify the Chair of any changes or corrections.

* * * * *

8:30 p.m. There being no further hearings or business to come before the Board, on motion by Chairperson McAlinden, seconded by Member Covert, which motion duly carried with Members Green and Krolick absent, the meeting was adjourned.

BENJAMIN GREEN, Vice Chairman
Washoe County Board of Equalization

ATTEST:

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

*Minutes prepared by
Lisa McNeill, Deputy Clerk*