

BOARD OF EQUALIZATION, WASHOE COUNTY, NEVADA

THURSDAY

9:00 A.M.

FEBRUARY 3, 2011

PRESENT:

James Covert, Chairperson
James Brown, Member
Benjamin Green, Member
Linda Woodland, Member
Philip Horan, Alternate Member

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

The Board of Equalization convened at 9:00 a.m. in the Commission Chambers of the Washoe County Administration Complex, 1001 East Ninth Street, Reno, Nevada. Chairperson Covert called the meeting to order, the Chief Deputy Clerk called the roll and the Board conducted the following business:

11-0230E SWEARING IN

No members of the Assessor's staff needed to be sworn.

11-0231E WITHDRAWN PETITIONS

The following petitions scheduled on today's agenda had been withdrawn by the Petitioners prior to the hearing:

Assessor's Parcel No.	Petitioner	Hearing No.
122-162-08	FEIN, EDWARD	11-0034
130-201-01	ROWLAND FAMILY TRUST	11-0197
017-310-17	SIMONS TRUST, WILLIAM W	11-0508
017-310-18	SIMONS TRUST, WILLIAM J	11-0509
522-072-01	RUTTER, DAVID E & VICTORIA A	11-0541
089-151-30	BLUEWATERS FAMILY LTD PTSP	11-0549A
089-151-31	BLUEWATERS FAMILY LTD PTSP	11-0549B
130-241-01	TOT TRUST	11-0585
534-344-04	TOT TRUST	11-0589
534-290-13	TBTT LLC	11-0588
080-811-11	KUNDE, GREGORY	11-0597
125-511-12	GALLAGHER, THOMAS E & MARY K	11-0629

11-0232E REQUESTS FOR CONTINUANCE

The following requests for continuance until February 25, 2011 were granted:

Assessor's Parcel No.	Petitioner	Hearing No.
130-161-14	HAUPT, INA	11-0235
514-110-17	HUTCHINSON, GARY & MARY CLAIRE	11-0570

11-0233E CONSOLIDATION OF HEARINGS

The Board consolidated items as necessary when they each came up on the agenda.

**11-0234E PARCEL NO. 131-261-32 – WIEBE FAMILY REVOCABLE TRUST
- HEARING NO. 11-0086**

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 974 Sand Iron Drive, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Letter and supporting documentation, 25 pages.

Assessor

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

On behalf of the Petitioner, Warren Wiebe, Jr. was sworn in by Chief Deputy Clerk Nancy Parent.

On behalf of the Assessor and having been previously sworn, Pat Regan, Appraiser, oriented the Board as to the location of the subject property.

Mr. Wiebe said his issue was not with the subject's taxable value exceeding its market value. He stated his 2011/12 property valuation notice showed an increase of \$92,837, which was explained by Appraiser Lopez as being an issue with some properties not having their floor coverings costed properly. He stated Exhibit A presented indisputable evidence the cost of the floor coverings was \$54,456, which indicated the property's floor coverings were grossly overvalued. He said admittedly the floor coverings were only one portion of the valuation, and the argument could be made that any one aspect of the property could be overvalued and other aspects could be undervalued; thereby creating a taxable value that was less than the market value. He stated he requested the opportunity to review all of the calculations that figured into the

subject's taxable value, but he was informed that information was not available. He said to the extent there was clear evidence the property was grossly overvalued and in the absence of any evidence to allow him to refute or support the conclusion the remainder of the property was fairly valued, he requested a reduction of \$62,487 after accounting for the depreciation that would have applied to the floor coverings. He believed the floor coverings were overvalued by 126 percent.

Appraiser Regan said the comparable sales clearly indicated the subject property was not over its market value, which was not the issue. She stated the issue was with the costing errors for high value homes, which had to be corrected so everyone in the County was costed the same way. She said when the subject was constructed in 2005 by Mr. Wiebe, the Assessor's Office requested a construction letter to ensure the taxable value did not exceed the subject's market value. She stated the appellant provided the Assessor's Office with an itemized statement, which put the building costs in excess of \$2 million. She said the subject was put on the tax rolls at under \$1.5 million using *Marshall and Swift*. She explained *Marshall and Swift* was a broad-based costing system and there would be discrepancies. She advised the costing system provided a lump sum cost for the building, which included all of the individual components that were not broken out separately. Chairperson Covert asked if that would be a base value. Appraiser Regan replied it was the base value and then a property was assigned a quality class, and *Marshall and Swift* identified six quality classes. She stated *Marshall and Swift* gave a base-building cost based on all of the components *Marshall and Swift* lumped together. She said it was comprehensive and included in part planning, architect fees, and financing. Chairperson Covert stated he understood the quality class was also based on a physical inspection of a home. Appraiser Regan said the subject was inspected prior to the appellant moving into the home and everyone was in agreement regarding the quality class at that point. She stated the Assessor's Office felt the quality class for the subject was correct, and this was an element that came up this year with high-value homes.

Chairperson Covert asked Appraiser Regan to explain the costing adjustment again. Appraiser Regan explained new *Marshall and Swift* costing tables were downloaded in 2008 and the floor coverings were not picked up. She said many components, such as fireplaces, were tied to the quality of a home. She stated a tract home had a different quality for a fireplace and mantle than those for a high-value home. She said *Marshall and Swift* put factors on those items that were outside the base-lot costs, and the same parameters were used for every home in Washoe County that had the same quality class as the appellant's home. She advised that was how equalization was achieved.

Member Horan asked for an explanation of why there was a problem with the tables. Josh Wilson, Assessor, explained when the tables were input in 2009, the floor coverings were missed. He said the subject had a significant drop in value between 2008 and 2009, which clearly indicated when the error occurred. He stated the error was discovered when viewing the costing tables for this year's reappraisal. He said it was a difficult decision to increase improvement values in this declining market, but correcting the error was the right thing to do.

Member Horan said it was mentioned it was impossible to identify everything, such as light switches, but how could that be the case if the floor coverings could be identified. Appraiser Regan said *Marshall and Swift* gave a base-lot value for the building and had allowances for other specific items, such as floor coverings and appliances.

Chairperson Covert said the Assessor's Office was putting an amount on the floor coverings but now the appellant provided the actual cost of that specific item, which was lower than the allowance in *Marshall and Swift*. He said if the error was being corrected, why not correct it exactly. Appraiser Lopez clarified the Assessor's Office could not accept an individual's receipts because Nevada Revised Statute (NRS) 361.128 required the Assessor's Office to use *Marshall and Swift*, and there was also direction from Nevada Department of Taxation not to use individual receipts. Chairperson Covert said he understood that, but this was an error on the part of the Assessor's Office and the appellant was disputing the amount of the error. Mr. Wilson encouraged the Board to make an adjustment to the subject's taxable value the Board deemed appropriate. He stated the Assessor's Office would not adjust the appellant's floor coverings in the Assessor's mass appraisal costing system, because that would mean the Assessor's Office would not be following the regulations that required using *Marshall and Swift*.

Member Green asked Herb Kaplan, Deputy District Attorney, what would be the basis for the making such an adjustment. Mr. Kaplan said the Board could make any correction needed, but the basis for making an adjustment under NRS 361.357 would be the value exceeded the actual market value and under NRS 361.356 it would be a comparison to other properties. Member Green said the Board needed to be cautious because the appellant indicated the property was not over valued by the Assessor. He stated there was a difference for one component of the house. He said that could happen with any component, such as a retaining wall not being picked up from the construction worksheet when putting the house on the tax roll. He said he would feel differently about the situation if the appellant had not indicated his house was fairly priced regarding its assessment.

Member Brown said \$62,000 was a significant amount. Member Green stated it would not matter if it was \$300,000, because the house was not overvalued on the Assessor's rolls. Member Horan said he agreed with Member Green. He believed Member Green was asking if the Board chose to make a motion, what would be the basis for making such a motion. Mr. Kaplan said the petition was brought under NRS 361.356, but he did not feel the motion would fall under that category. He believed the Board had the ability to make a correction, and he would advise the Board to base any motion for an adjustment under NRS 361.345, which was the general authority of the Board.

Chairperson Covert said his question to Assessor's Office was to understand the process, which he now understood.

In rebuttal, Mr. Wiebe advised there was not an appropriate box to check on the petition to represent this situation, so he guessed and checked a box that might fit. He understood the Assessor's Office was restrained by the requirement to use *Marshall and Swift*. He said it came down to an issue of fundamental fairness, and it was clear relief was justified because there was a dramatic overvaluation of the floor coverings in *Marshall and Swift*.

Member Horan suggested the adjustment be granted under whatever statute was appropriate due to an error being made when the *Marshall and Swift* data was not downloaded into the Assessor's system properly. Chairperson Covert said the Assessor admitted there was an error, and the Board had to decide whether to uphold the Assessor's valuation or to make the appellant's suggested correction. Mr. Wilson explained the error occurred in 2008 and the costs were correct for this year based on the current *Marshall and Swift Cost Manual*. He said a zero dollar value was entered for the floor coverings in the costing table, while a per square foot floor covering allowance should have been entered. Chairperson Covert said the appellant benefited from the error in 2009 and 2010. Mr. Wilson replied absolutely. Member Brown said the \$62,487 difference was a correction from 2008. Mr. Wilson stated the correction was from 2009.

Member Horan said he was prepared to reduce the improvement value by \$62,487. Mr. Wiebe confirmed that was his request based on his calculations. Mr. Wilson said the floor covering allowance was currently \$19.62 a foot and last year it was zero. He stated if \$19.62 was multiplied by the square footage, it came to \$96,746. He said some of the difference might be attributable to *Marshall and Swift* changes that would occur every year when they updated their costs. He stated the replacement costs new and the 10.5 percent depreciation would have to be applied to the value of the floor coverings, which would arrive at a value of \$86,588 rounded up. Chairperson Covert said he would take the appellant's number and do the same calculation. Mr. Wilson said the \$62,487 was for the replacement costs new.

Chairperson Covert said a \$62,487 reduction would be way too much. Mr. Wilson said that was for the Board to decide. He stated mathematically the floor covering allowance appeared to have added \$86,588 to the depreciated replacement costs. He understood the appellant's testimony indicated he spent \$54,456 on the floor coverings when the house was built and the house was six or seven years old. He said *Marshall and Swift* adjusted for current construction costs, which was why this got so complicated. Chairperson Covert said he was trying to compare apples to apples. He stated the appellant said the floor covering cost was \$54,456, times the depreciation of .895, which would equal \$48,738. Chairperson Covert said \$37,850 was the difference between \$86,588 minus \$48,738. Mr. Wilson stated it also assumed the floor coverings the appellant put in had not been changed. Mr. Wiebe stated he was comfortable with that figure. Chairperson Covert said if the Board made an adjustment for the floor coverings, the adjustment would be a \$37,850 total reduction in the Assessor's value.

Member Horan asked how the change could be made to have the correction carry forward. Mr. Wilson explained decisions made by the Board were only

for a given year. He said the new *Marshall and Swift* costing tables would be loaded next year and the entire County would be recosted. Mr. Wiebe stated that meant he would be here every year making the same appeal, which he found unacceptable. Mr. Wilson said the Assessor's Office determined the appropriate quality class based on an interior inspection and *Marshall and Swift* provided the costs based on that quality class. Mr. Wiebe said he benefited in the past from the floor covering costs not being included for the subject, but the differential in the cost of the floor coverings would go on indefinitely. Members Green and Horan agreed the error would be perpetuated forever.

Member Green stated the Board was looking at a property where the appellant had indicated it was fairly priced. He said he did not understand why an adjustment was being considered. Member Brown stated it was because *Marshall and Swift* was not set in stone and the Board had the authority to tweak *Marshall and Swift* when things fell between the cracks. Member Green said what the Board did must be reasonable and consistent.

Mr. Kaplan counseled the Board could grant relief under NRS 361.357 when the value assigned exceeded full market value or NRS 361.356 where one property was being compared to another. He said no one would appeal the Board's decision if the Board chose to grant relief, but he advised he wanted to clarify his earlier statement because he believed there was no legal basis to do so. He stated if the Board wanted to make a motion, it should be made under NRS 361.345. He believed there might be a misunderstanding regarding the assigned current value and the testimony indicated it was a correct value according to *Marshall and Swift*. He stated it was not an error by the Assessor for this year. Member Green said the error was for last year, and he felt there was no evidence that indicated the appellant was over assessed last year. He stated the appellant indicated he was not over assessed for this year either. He understood the appellant coming forward stating there was an error in his fact sheet, but everyone could find pricing differences in their fact sheet. Member Horan indicated he was beginning to come around to Member Green's way of thinking.

With regard to Parcel No. 131-261-32, pursuant to NRS 361.356, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Horan, seconded by Member Brown, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2011-12. It was found that the Petitioner failed to meet his/her burden to show that the land and improvements were valued higher than another property whose use is identical and whose location is comparable.

**11-0235E PARCEL NO. 050-303-08 – MULLIN, BRUCE E & RHONDA A-
HEARING NO. 11-0596**

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 4515 Douglas Drive, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Letter dated January 14, 2011, 1 page.

Exhibit B: Letter dated February 3, 2011, 1 page.

Assessor

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

Exhibit II: Revised Page 1 of Assessor's Exhibit I, 1 page.

On behalf of the Petitioner, Rhonda Mullin was sworn in by Chief Deputy Clerk Nancy Parent.

On behalf of the Assessor and having been previously sworn, Howard Stockton, Appraiser, oriented the Board as to the location of the subject property.

Ms. Mullen said the wrong property was identified as the subject on the map on page 5 of Exhibit I. Rigo Lopez, Sr. Appraiser, confirmed the map was incorrect, but the evidence packet was based on the actual subject.

Ms. Mullen said she was disputing the \$140,000 land value because 4875 Gray Starling Court sold on January 14, 2010 for \$71,000. She stated it was larger than the subject and had an unobstructed view of Washoe Lake, Washoe Valley, and the Sierra mountains. She said she contacted her loan company for information about refinancing and was informed the subject's value was \$339,000. She said on January 31, 2011, her neighbor, Michael Clark, was granted a \$40,000 land reduction. She requested the subject be adjusted to reflect the current land values.

Appraiser Stockton said the homes in the subject's neighborhood were typically on 4-5 acre lots with wells and septic systems, and it was a horse community. He stated the subject's square footage was adjusted to account for a 400 square foot garage conversion into a living room. He said after talking with the appellant, the Assessor's Office determined the market would recognize the conversion as finished living space. He reviewed the comparable sales on page 1 of Exhibit II. He stated the land value of \$140,000 was well supported based on the market data for the area, and the recommendation was to uphold the Assessor's value.

Member Horan said the appellant indicated a property on Poco Lena Court received a reduction in its land value. Appraiser Stockton confirmed the Board granted Parcel No. 050-303-15 a \$40,000 reduction in its land value on Monday. Member Horan asked if that reduction had any relevance to the subject property. Appraiser Stockton replied there was some relevance, but the Board heard and made no adjustment to another property's land value in the same neighborhood on Monday. Member Green asked if Parcel No. 050-303-15 had extensive stables. Appraiser Stockton replied it did.

In rebuttal, Ms. Mullin commented Appraiser Stockton was very gracious when she called him with questions. She stated she believed comparables LS-2 and LS-3 were more valuable properties because they bordered the state park.

Member Green said there was a lot of money in the stables for Parcel No. 050-303-15, but he could not remember why the land value was lowered. He stated Parcel No. 050-303-15 did not look much different than the subject property when looking at the map. Appraiser Stockton said the discussion on Parcel No. 050-303-15 was about the amount of money in the horse amenities, and the Assessor's Office recommended applying obsolescence to the improvement value. He said the appellant made the case the Gray Starlight sale was reflective of the land values in that market. He believed the Board felt that sale should be weighted more than it was in the reappraisal.

Member Green said not many sales were happening in the area east of Washoe City. Member Horan said he would uphold the Assessor's valuation based on today's testimony.

With regard to Parcel No. 050-303-08, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Horan, seconded by Member Green, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2011-12. It was found that the Petitioner failed to meet his/her burden to show that the full cash value of the property is less than the taxable value computed for the property.

**11-0236E PARCEL NO. 040-620-22 – JPS/MKS TRUST –
HEARING NO. 11-0592**

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 1460 Huffaker Lane, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Estimated improvement costs, 1 page.

Assessor

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

On behalf of the Petitioner, James Shoen was sworn in by Chief Deputy Clerk Nancy Parent.

On behalf of the Assessor and having been previously sworn, Pat Regan, Appraiser, oriented the Board as to the location of the subject property.

Mr. Shoen directed several procedural questions to the Assessor's staff. After an objection to the questioning by Josh Wilson, Assessor, Chairperson Covert explained the appellant was to present his evidence to the Board so they could determine if the subject property warranted an adjustment based on the evidence presented. He stated the appellant's questions should have been asked of the Assessor's Office prior to today's hearing. Mr. Shoen advised his questions were those that came up since he last talked with Appraiser Regan.

Mr. Shoen stated he was appealing the 2011/12 taxable values for the land and improvements. He said according to Exhibit I, it appeared the Assessor's Office agreed with his requested land value. Appraiser Regan explained an adjustment was made because the adjacent parcel immediately to the east of the subject shared a driveway with the appellant's parcel. She stated the subject currently had a size adjustment because it was an oversized parcel. The recommendation was to take the adjustment off of the size, which would take the subject down to the base-lot value for a 2.5 acre parcel. Mr. Shoen stated he agreed with that recommendation regarding the land portion of the property.

Mr. Shoen stated he disagreed with *Marshall and Swift* regarding the quality class of his 21-year old property. He believed he was not receiving all of the reduction for the statutory depreciation, even though it was depreciated at 1.5 percent per year. He stated he had to look backward to understand how the \$437,159 taxable improvement value was determined. He believed the starting number must have been \$638,188 to which the 1.5 percent depreciation was applied to arrive at the \$437,159 value. He stated due to changes in the economy, construction costs were less than what they were a few years ago. He said a friend who was a contractor provided him with a letter (Exhibit A), which indicated the estimated costs to replace the improvements would be \$560,440, due to much lower labor costs. Chairperson Covert advised the Board's task was to ensure the subject property was not valued above the market, not above its replacement value. Mr. Shoen understood the current market value of the land and the current replacement costs of the building, minus the 1.5 percent depreciation, would arrive at the total taxable value. He stated at the same time, everyone was told if the total taxable value was less than the property's current fair market value it was not over assessed, but he could not find that statement anywhere in the assessment process. Chairperson Covert explained that information was found in the Nevada Revised Statutes (NRS's). Mr. Shoen believed the assessment process and the NRS's were in conflict, which Appraiser Regan was aware of. He said the Assessor's Office used that statement with taxpayers on a regular basis to prevent them from getting to this position.

Mr. Shoen stated he did not know why the NRS's existed. He said he did not believe the assessment process stated the Assessor's Office did not have to follow the process for assessing property. He stated if the subject's new taxable land value of \$350,000 was used and the building's current taxable value of \$638,000 (prior to implementing the depreciation) would bring the total taxable value to \$988,000. He questioned whether the property would sell at that price today. He said he bought the

property in 1997 for approximately \$700,000. He stated the County raised the value on the buildings, except for one year, from \$418,000 to \$638,000.

Chairperson Covert stated he did not see those numbers for the subject in the evidence. He said the adjustment brought the land to \$350,000 and the improvements were at \$437,159 for a total taxable value of \$787,159. Mr. Shoen said essentially the Assessor had taken away all of his statutory depreciation reduction and had taken it from almost everyone else in the County. He said in reality, a big portion of the total taxable value was related to the building, which had already been reduced by 31.5 percent. He said what the Assessor was really saying was the replacement value of his house was \$638,000, but because it was so old it would be given 31.5 percent in depreciation. He said if the \$350,000 land value was added it would come to almost \$1 million, while he bought it for \$700,000 13 years ago and the only change made was to the carpeting. He said to think it was worth \$300,000 more than when it was bought 13 years ago was silly based on what happened here and around the country over the last three years. He felt something was wrong with the appraisal process, and he did not agree with it.

Member Brown stated the appellant said the property had appreciated \$300,000, while the appellant only paid \$700,000. He said the assessment would be \$787,159 with the recommended land adjustment, so the total taxable value only went up \$87,159. Mr. Shoen said that assumed he was not given any value for the statutory depreciation, which he felt he was entitled to.

Appraiser Regan reviewed the improved sales and land sales on page 1 of Exhibit I, which supported the recommended base-lot value of \$350,000.

In rebuttal, Mr. Shoen stated IS-3 was the most comparable to the subject. Chairperson Covert stated the appellant's land was considerably larger, but the land was not in dispute. He noted the subject property had 700 square feet more than IS-3. Mr. Shoen said his question would be what the current taxable value was for IS-3. Chairperson Covert stated the Assessor's Office used the sales as comparables to support the Assessor's position. Mr. Shoen stated the comparable total value of sales of property were not applicable in this instance because the process to come to a taxable value on the subject was based on the site value and the current replacement cost of the buildings, minus the 1.5 percent depreciation. He believed either he was categorized wrong or *Marshall and Swift* was wrong, because everything on the property could be built new for \$560,440 and would be nicer than what he currently had. He requested the taxable improvement value be reduced to \$383,902.

Chairperson Covert commented the appellant's argument was with his Senator and Assemblyman because the Assessor followed the NRS regulations regarding valuing properties, which was not based on replacement value. Mr. Shoen said he must be arguing with *Marshall and Swift* then. Chairperson Covert explained *Marshall and Swift* was a nationally recognized method of evaluation. Mr. Shoen said they were off a little bit in his case, and he believed his request was not unreasonable. He stated he got irritated whenever he talked with the Assessor's Office because they said the total taxable

value was less than what the house could be sold for, so goodbye. He felt that was not appropriate nor was it right. He said regardless of the rule that applied to that, it could not be used as some type of a benchmark to hide behind for not doing a proper job of the appraisal process.

With regard to Parcel No. 040-620-22, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Brown, seconded by Member Woodland, which motion duly carried, it was ordered that the taxable land value be reduced to \$350,000 due to a size adjustment for an easement and the taxable improvement value be upheld, resulting in a total taxable value of \$787,159 for tax year 2011-12. With that adjustment, it was found that the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

10:37 a.m. The Board recessed.

10:50 a.m. The Board reconvened with all members present.

11-0237E PARCEL NO. 046-143-18 – CHU, YUN –
HEARING NO. 11-0662

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 161 Jamil Court, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Zillow comparables, 8 pages.

Assessor

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

Chairperson Covert recused himself due to Mr. Yun Chu being his next door neighbor, and he turned the gavel over to Member Green.

On behalf of the Petitioner, Mr. Chu was sworn in by Chief Deputy Clerk Nancy Parent.

On behalf of the Assessor and having been previously sworn, Pete Kinne, Appraiser, oriented the Board as to the location of the subject property.

Mr. Chu said the last recent land sale at 178 Nottingham Court in St. James Village was for \$75,000 and had a tax assessment of \$141,036 as shown in Exhibit A. He said based on the 47 percent drop in the land values in St. James Village, his land's

taxable value should be \$75,051. He stated he had not lived in the home for the last few years, which meant it had been neglected and was no longer livable. He advised the roof needed major repairs, the appliances no longer worked, and the hot-water heater and the furnace did not function very well. He said a house right across the parkway sold for \$103 per square foot and had some appliance problems, but no roofing problems.

Mr. Chu said his neighbor's property, IS-5, was the most current comparable sale at \$103 per square foot. He said his home was assessed at \$137,706 and his home and his neighbor's were of the same quality, so his new improvement value should be \$286,496 and the total taxable value should be \$361,547.

Appraiser Kinne reviewed his comments on page 1 of Exhibit I regarding the comparable sales. He stated the comparable sales supported the subject's total taxable value and the recommendation was to uphold.

Member Woodland asked if IS-5 was a distressed sale due to the vandalism it sustained. Appraiser Kinne replied it was a distressed sale, and the property would be inspected in March or April to see if the vandalism had been repaired.

In rebuttal, Mr. Chu said he would be willing to pay \$150,000 to bring up the condition of the subject's house. He stated the property values in St. James Village had gone down in a straight line without even stopping since 2009. He said Reno's economic engine was not like the one in Los Angeles or Sacramento, California, and he believed the real estate market in Reno would keep going down for at least two more years. He also believed it would come back within a decade, but it would not go back to the high prices experienced before the collapse.

Mr. Chu advised all of the sale prices in St. James Village were 20 to 30 percent lower than their assessed price because St. James Village crashed the most. He said 218 N. Burnham was a better home than his, but it sold for 26 percent less than the assessed price. He stated if the Board wanted to give him 26 percent that would be fine.

Member Woodland asked if Mr. Chu lived in the home. Mr. Chu said he was in the real estate business, and he lost quite a bit of money in Reno. He explained he always lived where the money was, which was currently in Los Angeles, California.

Member Horan asked if Appraiser Kinne had any comments regarding Mr. Chu's comparable property at 218 N. Burnham. Appraiser Kinne said that property had a superior quality class, but was similar in size. He stated he put the most emphasis on IS-3 and IS-4 because they were very comparable to the subject property. Mr. Chu said Appraiser Kinne said 218 N. Burnham was an older sale, but three out of five of the Assessor's comparables were older than that sale. Member Green asked if there was a reason that sale was not used. Appraiser Kinne said he used the best four comparables. Member Green asked if it was an arms-length transaction. Appraiser Kinne indicated that was how it was shown. Member Horan asked if it was on the same street as IS-2. Appraiser Kinne replied it was and it was a 6 quality class.

Member Brown asked if it was true Mr. Chu would entertain an offer of \$361,547 for the subject property. Mr. Chu replied he would if it was cash. He said he was willing to fix up the property and then see how much it could be sold for.

Member Green believed the Board should consider the 218 N. Burnham sale. Member Woodland suggested providing some relief on the improvements, but she would not change the land value because it had already gone down quite a bit. Member Green felt \$360,000 would be too low.

With regard to Parcel No. 046-143-18, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion duly carried with Chairperson Covert abstaining, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced by \$15,000 to \$378,445, resulting in a total taxable value of \$492,445 for tax year 2011-12. With that adjustment, it was found that the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

11:18 a.m. Chairperson Covert assumed the gavel

11-0238E PARCEL NO. 125-241-02 – HARRINGTON LIVING TRUST –
HEARING NO. 11-0267

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 853 Jennifer Street, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Comparable property information and photographs, 4 pages.
Exhibit B: Maps, photos, and comparable property information, 25 pages.

Assessor

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

On behalf of the Petitioner, Maria and Richard Harrington were sworn in by Chief Deputy Clerk Nancy Parent.

On behalf of the Assessor and having been previously sworn, Pat Regan, Appraiser, oriented the Board as to the location of the subject property.

Ms. Harrington said the subject property's values had not gone up terribly since it was purchased, nor was its appraisal similar to that of nearby properties. She said

the Assessor's Office indicated the property was in average condition, but the pictures showed no improvements had been made to the property. She said the property was purchased with the intent for her and her husband to modernize and move into it, but it was still a rental because they ran into problems with the Tahoe Regional Planning Agency (TRPA).

Ms. Harrington said several of the pictures showed neighboring homes with garages, all of which were in better condition than the subject and had much lower assessments. She noted the subject had a very small lot with an extremely steep slope and there was no more coverage available than what it had currently. She noted the notes in the Assessor's packet took into consideration that it was more expensive to build on a property with steep slopes. She stated there was a 20 foot drop from the road to the main living area of the house.

Ms. Harrington said the Assessor's Office applied a 30 percent increase in value due to the view but, as depicted in one of the pictures, the view from the deck attached to the main level of the house was obscured by trees. She believed there might have been a view in 1982 before the trees grew. She said there was no other parking other than the dilapidated parking area. She stated the Record Card indicated the subject property had five bedrooms and four baths, but it had three bedrooms, a den, and four dinky little bathrooms. She said the current tenant was the tenant when the property was purchased, and she had a copy of the rental agreement, which indicated the number of bedrooms and baths. She stated the property was also 100 feet from the highway.

Chairperson Covert asked if the picture showing the view of the lake was the only view of the lake from the property. Ms. Harrington confirmed that was true. She explained there was a nice view of the lake if someone stood on the road, but once they got 30 feet below the road there was only that sliver of a view.

Appraiser Regan said the three improved sales were in the subject's immediate neighborhood. She explained IS-1 had the same quality class, was built in the same year, and was the most similar in terms of backing up to the Mt. Rose Highway. She noted it had a smaller living area and sold recently for \$380,000. She stated the other two comparables were of slightly lower quality, but bracketed the subject in living area. She said the price per square foot and the sales provided supported the value of the subject property.

Appraiser Regan said in addressing the appellant's issues, the subject property had an average quality class, which was not the same thing as saying it was an average quality house. She noted statutory depreciation was applied to the property. She said she would not have put a view amenity on the parcel when she conducted her view analysis if the view she saw was like that provided in the appellant's photo. She stated the Assessor's Office would be comfortable with the Board removing the view amenity from this parcel. She advised the issue of five bedrooms versus three did not make a difference in costing because they were included in the overall square footage. Chairperson Covert asked if it should be corrected. Appraiser Regan confirmed it would be.

Appraiser Regan advised IS-1 did not have a view, and she would put the most weight on that sale based on the appellant's testimony. She believed IS-1's attached garage would offset the smaller square footage. Chairperson Covert asked if that would be correct, because a garage was important in an area that received five feet of snow. Appraiser Regan said to her it would be. Member Green asked if 10 percent was added for the view. Appraiser Regan explained 10 percent was taken off for traffic because the property backed up to the Mt. Rose Highway, there was a 10 percent reduction for size, and a 30 percent view amenity was added. She explained if the view amenity was removed, the recommended land value would be \$172,000.

In rebuttal, Ms. Harrington said regarding the condition of the house, it was apparent the access to the house was horrible and snow was thrown on the stairs when the road was plowed. She noted the building had not been improved since 1982. She stated she brought pictures of her neighboring houses and their appraisals except for the comparable on Jennifer, which she just received from the Assessor. She felt her property was not even close to the comparables. She said she asked for a building value of \$90,000, and she would be happy if they could get that out of the property with the way values were going down and with TRPA making any improvements almost impossible. She said because TRPA would not give them the go ahead for a garage and because of the property's steep slope, the property was less valuable. Chairperson Covert asked if the roof was made from shake-shingles. Ms. Harrington confirmed it was and that it needed replacement. She indicated making repairs to the property was also difficult because of the steep slope.

Member Woodland said the appellant was asking for a total property value of \$362,900 and with the view reduction it would be \$327,728, which was less than what the appellant was asking for. Ms. Harrington said the Assessor's Office was saying their comparables were comparable to her property. She felt there was no place in Incline Village that looked like her property. She said the house was in sad shape, but its taxable value was still up with the neighbors. She stated it was hard to keep the renters happy with no garage and the little parking area. She said guest parking was nonexistent in the winter because the street was steep.

Member Green asked what the property's value would be if the quality class was changed from 3.5 to 3.0. Appraiser Regan said that change would have to go through the Assessor's costing system, but she suggested the Board request the Assessor's Office inspect the home based on the appellant's testimony and the photos. She stated if an inspection of the property warranted a change, it would be taken to the State Board of Equalization as a recommendation. She said any inspection would have to be done prior to the March 10, 2011 filing deadline for appeals to the State.

Mr. Harrington stated no other house in the area compared to the general condition of the subject, and it would require approximately \$250,000 to bring the house up to the condition of the other houses in the neighborhood. He advised the snow coming off of the roof took out the railing each year, which affected the value because it would

have to be disclosed when trying to sell the property. He explained being a licensed contractor in California since 1968 contributed to his \$250,000 estimate. He said the property was purchased with the idea of adding a garage and another story, but now TRPA said there was a spring on the property, which would only allow them to build on 100 square feet if the existing house was demolished and rebuilt and any additions must use the same footprint. He advised the stairs to the house need to be replaced and the parking area was getting close to needing replacement. He emphasized the house's condition did not compare to any other house.

Chairperson Covert recommended the appellant and the Assessor's Office get together because the Assessor would make an adjustment if they felt the quality class was less than what they indicated.

Member Green said he would like to adjust the land to \$172,000 and drop the house to \$125,000 for a total value of \$297,000. Chairperson Covert suggested adjusting the view by \$64,500 and adjusting the improvements by \$15,500 for the lack of a garage, which would bring the total value down to \$312,228. Ron Sauer, Chief Property Appraiser, clarified the land would be \$172,000, the improvements would be \$140,728, and the total would be \$312,728.

Chairperson Covert confirmed there would be a further reduction if the Assessor's Office reduced the quality class.

With regard to Parcel No. 125-241-02, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion duly carried, it was ordered that the taxable land value be reduced to \$172,000 due to the removal of the 30 percent view premium and the taxable improvement value be reduced to \$140,728 due to the removal of the garage, resulting in a total taxable value of \$312,728 for tax year 2011-12. It was further ordered that the Assessor's Office meet with the Petitioner to inspect the property to determine whether or not the quality class is correct before March 10, 2011. With that adjustment, it was found that the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

**11-0239E PARCEL NO. 130-241-23 – V PARK LLC –
HEARING NO. 11-0170**

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 1170 Vivian Lane, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Letter and supporting documentation, 56 pages.

Exhibit B: Comparables, Presentation of Analysis, and photos, 9 pages.

Exhibit C: Building Envelope Plan, 1 page.

Assessor

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

On behalf of the Petitioner, Maryanne Ingemanson was sworn in by Chief Deputy Clerk Nancy Parent.

11:50 a.m. Member Horan left for the remainder of the day.

On behalf of the Assessor and having been previously sworn, Pat Regan, Appraiser, oriented the Board as to the location of the subject property.

Ms. Ingemanson said the owner's opinion of value listed as \$421,212 on the petition was used by the bookkeeper because of a recent sale of the property, which was not an arms-length transaction. She advised that number was erroneous and should not be addressed. She stated Exhibit A included an appraisal, which the Assessor's Office disagreed with. She said frankly she agreed with the Assessor's Office because the appraisal was not done as accurately as might have been expected.

Ms. Ingemanson believed all of the Assessor's comparable data could be dismissed, but she wanted to address other comparables that were missing from the Assessor's packet. She said the comparable marked Exhibit A1 in Exhibit B was a slightly smaller adjacent parcel that sold for \$4,425,000 shortly after the appraisal was submitted and had a taxable land value of \$790,500.

Ms. Ingemanson said Exhibit A also included a new appraisal completed by Donald R. Parker of Gyphon Valuation Consultants, Inc., which was done subsequent to the first appraisal. She noted pages 34 and 35 presented his credentials. She said the firm specialized in providing extremely detailed asset valuations for companies and individuals nationwide, and were subject to scrutiny by accountants and attorneys. She stated additionally many were reviewed by the Security and Exchange Commission (SEC) and the Internal Revenue Service (IRS). She felt the Assessor had an obligation to make adjustments to the assessed taxable value when the Assessor's Office was presented with the facts for a particular parcel being appealed.

Ms. Ingemanson said the appraisal noted there were significant unique differences that did not burden the comparable shown in A1 of Exhibit B nor the property known as Twin Tops, which was adjacent to the subject. She stated all three properties shared the same pier and had a common-area beach. She stated the Assessor maintained the 14-foot wide common-area walkway to the beach, which ran the length of the subject, was not a detriment because it was owned by the Vivian Lane Association. She noted the beach was also used for year-round storage of personal water craft, so the homeowners could access their boats moored in the littoral field in front of the subject. She said in addition to the Vivian Lane homeowners using the beach access, it was also used by the

general public wanting to get to the beach. She commented Coney Island would come to mind during the summer weekends. She stated the Assessor's Office acknowledged this detriment in the past and applied a 15 percent discount to the lot value.

Ms. Ingemanson discussed the land value for all three properties and noted Twin Tops was the most comparable to the subject because it was subject to Tahoe Regional Planning Agency (TRPA) regulations when building a new house. She advised the subject was .52 acres, while Twin Tops was .84 acres and had four improvements. She stated access to the common-area beach from Twin Tops was not funneled into a 14-foot wide walkway.

Ms. Ingemanson advised the Vivian Lane property owners were members of the Vivian Lane Association and were subject to the recorded CC&R's, which included setback regulations, which were more restrictive than those of the Washoe County Building Department. She also advised the CC&R's were rigorously enforced. She said one homeowner had a plan approved by TRPA, but it was denied by the Association's Architectural Committee and the project was abandoned. She noted the existing improvement was then cosmetically improved.

Ms. Ingemanson said LSFO1 on page 4 of Exhibit I was slightly more than a mile from the subject, but it was located in the most prestigious address in Incline Village and had the highest priced real estate. She stated the parcel would not be subject to the TRPA and homeowner association restrictions.

Ms. Ingemanson stated TRPA regulations did not allow certain sized trees to be removed and construction was not allowed under a tree's canopy. She said the photos of the subject's trees in Exhibit B illustrated the negative impact of that regulation on the subject. She said Exhibit C contained the architect's plan, which indicated the location of the trees. She stated the buildable area contained two large trees and would require construction to go around them. She noted there was another smaller area with two trees separated from the main building envelope and the two areas could not be combined. She said the location of the trees and not being able to build under their canopies created difficult construction challenges.

Ms. Ingemanson stated the Assessor put the base-lot value at \$930,000 for this area. She said if the 15 percent discount was put back on the subject, the subject's base-lot value would be \$1,234,418. The A1 comparable's base lot value was \$790,500 and Twin Tops was \$1,023,000. She stated Twin Tops was not subject to CC&R's, but was subject to the TRPA requirements, had the same pier, and the same kind of common-area beach access. She said theoretically if the two properties had the same base-lot value, the subject would be the same as Twin Tops at \$1,023,000. She stated if that figure was reduced by the 15 percent for the common-area access running the full length of the subject property, which the Assessor had agreed previously was a huge detriment to the property, the taxable land value would drop to \$869,550. She said any amount of construction could be called a remodel if there was an existing footprint and a remodel would not be attacked as severely as construction on vacant land. She requested a

reduction to \$869,550 to equalize the subject's land value to the comparable property values that were directly adjacent to the subject.

Member Woodland asked what the improvements were on the subject. Ms. Ingemanson replied the only improvements were a swing set and a sandbox area.

Appraiser Regan said the subject's improvements were the landscaping. She stated her summary on page 1 of Exhibit I addressed the first appraisal submitted. She believed everyone was in agreement the appraiser went to the wrong neighborhoods to find comparable land values. She said the problem with the new appraisal was the appraiser's credentials, because she could not find where it stated he was a real estate appraiser. She stated everything he did was based on the first appraisal, which the appellant said was erroneous.

Appraiser Regan stated the appellant's A1 comparable was catty corner to the subject parcel, not adjacent, and was not a lakefront house, so it was not considered to have the same lake influence as the subject. She said it had the same base-lot value, but it had a 15 percent downward size adjustment making the land value \$790,000. She said Twin Tops was adjacent to the subject and had the same base-lot value, but it had an historical adjustment of minus 20 percent for a sewer easement, which was why it was slightly less than the subject's taxable value of \$1,073,000.

Appraiser Regan stated the appellant placed a lot of emphasis on the CC&R's, and both appraisals provided by the appellant made reference to the subject being located in a very exclusive neighborhood. She noted the subject's neighborhood had the second highest base-lot values in Incline Village after the lakefront properties, and the CC&R's protected that exclusivity. She noted TRPA put restrictions in place to protect the scenic view and every parcel on the Lake was subject to those restrictions. She stated the appellant said because the subject was truly vacant, it would be subject to more considerations from TRPA than a teardown would. She advised the parcel had a house on it when it was purchased by the appellant, but it was torn down in 1991. She said conversations she had with a planner for TRPA indicated the parcel was not being viewed as a vacant parcel because there had been a house on the parcel and the owners banked the residence. She explained that meant TRPA would always have to acknowledge there had been a house on the parcel, so the right to build there was grandfathered. She said the planner stated TRPA would have to do a full study, but the owners might be asked to plant trees elsewhere if it was demonstrated the building pad minimized the number of trees being removed. She stated the planner advised that would typically not be considered a denial, because the parcel had privileges that were banked or grandfathered.

In rebuttal, Ms. Ingemanson said regardless of what the TRPA planner stated, TRPA had already indicated what trees it would not allow to be cut. She acknowledged there had been an old house on the subject parcel, which was removed, but the trees had grown since then and the recent canopy rule changed things. She said TRPA would often allow a tree to be removed if it interfered with the architect's plan, which changed with the adoption of the canopy rule. She stated the trees were a big problem

when attempting to take advantage of the subject property's full potential. She advised Mr. Parker did millions of dollars in real estate appraisals across the United States.

Member Brown asked if the tree issue prohibited building a sizeable dwelling. Ms. Ingemanson replied there were three major problems. One problem was the home could not be built next to the Lake, but had to be built halfway up the lot. The second problem was the home's size was constrained, and the third problem was the difficulty of working a floor plan around the two huge trees in the middle of the building pad. Chairperson Covert asked how far up trees could be trimmed for fire-retardant purposes. Ms. Ingemanson said up to 30 feet.

Chairperson Covert stated he agreed with the Assessor's recommendation. Members Green and Woodland said they also agreed with the Assessor.

With regard to Parcel No. 130-241-23, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion duly carried with Member Horan absent, it was ordered that the Assessor's taxable values be upheld for tax year 2011-12. It was found that the Petitioner failed to meet his/her burden to show that the full cash value of the property is less than the taxable value computed for the property.

12:29 p.m. The Board recessed.

1:14 p.m. The Board reconvened with Member Horan absent.

11-0240E PARCEL NO. 122-132-06 – DEVENISH TRUST, CLIVE & VERONICA – HEARING NO. 11-0196

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 563 Dale Drive, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Petition and attachments, 3 pages.

Exhibit B: Spreadsheet, 1 page.

Exhibit C: Photos of view, 4 pages.

Exhibit D: Photos of carpet, 13 pages.

Assessor

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

On behalf of the Petitioner, Clive Devenish was sworn in by Chief Deputy Clerk Nancy Parent.

On behalf of the Assessor and having been previously sworn, Pat Regan, Appraiser, oriented the Board as to the location of the subject property.

Mr. Devenish said he talked with Appraiser Regan after he received his assessment and noticed his building's taxable up went up, but he filed an appeal because he still had issues after their conversations. He stated after comparing many properties to his, he decided his property was out of equalization with those of his neighbors.

Mr. Devenish reviewed his comments in Exhibit A. He said the photos in Exhibit C depicted the view of Lake Tahoe from his property. He stated there was no rational reason why his building value went up, he opposed the data used by the Assessor, and he vehemently disagreed with the Assessor's findings. He stated the majority of his home's flooring was subflooring covered by carpet as shown in Exhibit D, while only a small area upstairs was covered in hardwood. He understood the Board made a determination with an earlier appellant that they would not address the actual price paid for floor coverings, so it would be difficult to plead that his flooring was not worth what the Assessor's Office claimed it was worth.

Mr. Devenish said his comparables were true comparables, while the Assessor's comparables were outside his neighborhood. He stated the view factor on the subject was skewed because the view had never been better than it was when the house was first built, which was now a filtered view. He requested his building value be reduced to \$689,742 and his land value be reduced to \$420,000 to put his property in equalization with 539 Dale Drive. He said that would make his total taxable value \$1,109,742 and would put his property in equalization with his neighbors.

Appraiser Regan said the improved sales were inferior in quality class to the subject. She stated the appellant was looking at equalization instead of the value. Mr. Devenish said the Assessor's comparable sales were not really comparable, but the Assessor's comparables were sales, while the appellant was looking at his neighborhood to try to get equalization from a tax perspective. Chairperson Covert asked if the appellant's comparables were roughly all of the same age. Appraiser Regan replied they were. She stated all but one of the comparables were below the high-value cutoff. They never saw a decrease in their taxable value due to the floor covering value being dropped, which affected the appellant who had been paying the true *Marshall and Swift* value for their floor coverings. Chairperson Covert asked if the appellant's comparables were of a significantly lower quality class. Appraiser Regan replied they were with the highest being a 6.0.

Member Green asked if the view should be revisited. Chairperson Covert asked if an appraiser could go on a property to look at a view. Appraiser Regan said all view decisions must be made from the street and an appraiser could not go into a home to look at a view even if asked to do so by the property owner. She stated the Assessor's Office recognized the view premiums were judgment calls. Member Green asked if she had a recommendation for the lot after looking at the appellant's photos. Appraiser Regan

said she might bring it down to an average view, which would be consistent with the appellant's neighbor. Rigo Lopez, Sr. Appraiser, stated he was reluctant to adjust the view based on the photos, and he wanted to look at the subject property. He said he did not want to get into the habit of making judgment calls based on photos. Chairperson Covert said Appraiser Regan indicated the Assessor's Office could not go on the property to look at the view. Appraiser Lopez said the lot and the street would be walked, and an adjustment would be made if warranted.

Member Green suggested the Assessor's Office also look at the quality class. Appraiser Lopez said they could if Mr. Devenish agreed. Mr. Devenish felt it was important the Assessor's Office look at the houses he listed because they had been extensively remodeled. Member Green explained the quality was established at the time of construction and it would only be changed if someone came forward or the Assessor saw a change in the quality during a reappraisal. Chairperson Covert said the Assessor also picked up building permits.

Appraiser Regan said because most of the appellant's neighbors had weighted average years, it indicated the Assessor's Office recognized the house was updated. She stated the Assessor's Office looked at what it cost to construct the house when establishing a quality class.

In rebuttal, Mr. Devenish stated he believed comparables were comprised of several factors such as the square footage, the quality of the house, the size of the lot, and the sales price. He believed his comparables were more on the mark than Appraiser Regan's comparables.

Member Green commented appraisers used sales that were as relevant by date as possible. He said if there had been any recent sales, those sales would have been included. He stated Appraiser Regan had to look at a comparable neighborhood when looking for comparable sales, because nothing on the subject's street sold.

Member Green said he was in favor of adjusting the land to \$420,000. Chairperson Covert agreed.

With regard to Parcel No. 122-132-06, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion duly carried with Member Horan absent, it was ordered that the taxable land value be reduced to \$420,000 due to a view adjustment and the taxable improvement value be upheld, resulting in a total taxable value of \$1,354,849 for tax year 2011-12. It was further ordered that the Assessor's Office meet with the Petitioner to inspect the property before March 10, 2010. With that adjustment, it was found that the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

11-0241E PARCEL NO. 047-087-06 – BOWEN, MINDY –
HEARING NO. 11-0595

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 200 Black Pine Court, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Letter and photos, 5 pages.

Assessor

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

On behalf of the Petitioner, Mindy and Richard Bowen were sworn in by Chief Deputy Clerk Nancy Parent.

On behalf of the Assessor and having been previously sworn, Pete Kinne, Appraiser, oriented the Board as to the location of the subject property.

Mr. Bowen read his prepared statement, page 1 of Exhibit A, regarding the subject's assessment.

Chairperson Covert asked if the garage was located under the house. Mr. Bowen replied the majority of the living space was above the garage because of the lot's slope. Chairperson Covert asked if the stairwell in the garage went up into the house. Mr. Bowen replied it did. Chairperson Covert asked if there was any storage. Mr. Bowen said there was not.

Appraiser Kinne said on January 24, 2011 an interior inspection was conducted on the subject where it was determined the correct square footage of the basement was 99 square feet. He stated there was a recommendation on page 2 of Exhibit I to correct the improvement value based on that correction. Chairperson Covert asked if the appellant was aware of the recommendation. Mr. Bowen confirmed he was, but still felt the area was not a basement. Chairperson Covert asked how the Assessor's Office defined a basement. Appraiser Kinne advised *Marshall and Swift* defined a basement as being below the grade. He stated the subject's basement was illustrated on page 5 of Exhibit I, which stated it was a basement plan. Chairperson Covert said a basement was defined as being below the grade regardless of what it was used for. Appraiser Kinne said that was correct.

Appraiser Kinne reviewed his comments regarding the comparables on page 2 of Exhibit I. He noted the base-lot value in the Galena Forest area was from \$120,000-\$150,000 depending on the parcel's size. He said the breaking point was at

about an acre, and anything greater than an acre had a base-lot value of \$150,000. He explained the \$120,000 base-lot value was for lots from one-half acre to an acre.

Member Green asked how someone got into the subject's basement, which appeared to be an approximately 100 square foot area next to the garage. Appraiser Kinne replied the basement area was accessed through the garage. Mr. Bowen clarified the landing was 4.6 feet by 10 feet and it was under the stairwell going into the house.

Chairperson Covert said the space looked like an indoor entry into the house from the garage. Appraiser Kinne replied the finished area was below grade, so it was valued as a finished basement. He said a basement had a lower value per square foot than a regular room.

In rebuttal, Mr. Bowen thanked Appraiser Kinne for the comparables he provided, which he believed helped his case. He stated IS-1, IS-2 and IS-3 all had three plus car garages and the subject had a two-car garage. He said he discarded IS-3 because it was on an acre of land, and he agreed IS-2 was the most comparable. He stated IS-2 was a bigger house on a level lot and had a huge four-car garage. He noted he did not know anything about LS-4 because it was in a gated community, but two of the remaining lots were one acre and one was a half-acre, but they were all level. He said the disadvantage of purchasing the subject was the lot's extreme slope. He stated it was his contention the subject's land was not equal to the comparables, and he was requesting a land value of \$100,000.

Chairperson Covert noted LS-1 had a \$120,000 base-lot value and it was around 1.25 acres. Appraiser Kinne clarified the \$120,000 base-lot value was for .5 up to 1.25 acres. Chairperson Covert also noted the subject did not have a topography adjustment. Appraiser Kinne said based on his inspection, he did not notice nor was he made aware of any topography issues.

Mr. Bowen said the slope was indicated by the number of stairs seen in the photos. Chairperson Covert replied a topography adjustment would be for a much steeper slope.

Ms. Bowen stated she wanted the subject's improvement value reduced by \$902 due to it being valued as having the wrong basement size, and she wanted to be reimbursed for the amount she had overpaid since the house was built in 2004. Chairperson Covert explained the Board only dealt with the subject's taxable value. Josh Wilson, Assessor, stated there was a provision under Nevada Revised Statute (NRS) 361.768 to correct a factual error by going back three years. He noted he would ask Appraiser Kinne to prepare the Roll Change Request (RCR) for the basement because it was a factual error. He advised it might not materially change the taxable value due to the abatement, but it would be corrected.

Member Green felt there was room for an adjustment in the improvements. Chairperson Covert agreed that the taxable value was above market.

With regard to Parcel No. 047-087-06, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion duly carried with Member Horan absent, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced by \$27,759 in obsolescence and \$907 to correct the basement size to \$290,000, resulting in a total taxable value of \$410,000 for tax year 2011-12. With that adjustment, it was found that the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

**11-0242E PARCEL NO. 160-835-11 – DWAYNE A DAVIS & CARRIE
FOUNTAIN-DAVIS LIV TRUST – HEARING NO. 11-0548**

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 1820 Granite Chief Drive, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Letter and supporting documentation, 8 pages.

Exhibit B: Letter and supporting documentation, 24 pages.

Assessor

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

On behalf of the Petitioner, Dwayne Davis and Carrie Fountain-Davis were sworn in by Chief Deputy Clerk Nancy Parent.

On behalf of the Assessor and having been previously sworn, Rigo Lopez, Sr. Appraiser, oriented the Board as to the location of the subject property. He clarified he believed the staff member in the Assessor's Office referred to as "Butch" in the January 26, 2011 letter from the appellant, page 1 of Exhibit B, was himself because he called Ms. Fountain-Davis.

Mr. Davis stated he was only disputing the taxable value of the improvements. He said during one of his conversations with the Assessor's Office he was told there was a comparable on the subject's street that sold for x value, which was why the assessed value was legitimate. He stated during another conversation he was told the Assessor's Office did not use comparables at all. He said page 2 of Exhibit B provided comparable homes, which were identical to the subject property. He stated he was requesting a total taxable value of \$191,809 to bring the subject's value inline with the average of the identical comparables. He noted the comparables were built between 2001 and 2002 and they all had patio covers as did the subject. He said Exhibit B contained photos of the patio covers.

Appraiser Lopez said he read the letter submitted with the petition, so he could talk with the appraiser about any issues. He felt Ms. Fountain-Davis believed the Assessor's Office was hanging its hat on one sale after reading the letter. He said he hoped to clarify things, but obviously that did not happen. He stated he tried to explain improvements were established based on the replacement costs new, minus the applicable depreciation. He said the Assessor's comparables on page 1 of Exhibit I had exactly the same floor plan and quality class and only the age differed slightly. He stated some of the comparables had air conditioners and some did not, which would create a difference in the valuations. He said even though they were all the same model, square footage and garage space, those other differences accounted for the different improvement values.

Chairperson Covert asked if the patio cover was an option at the time of construction. Appraiser Lopez explained a lot of these homes had options, but many times something was added after the inspection by the Assessor's Office. He said the Assessor's Office did obtain copies of all of the building permits issued throughout the year, but building permits were not always taken out.

Member Greene asked if there would be a difference between a three and a four bedroom home if the square footage was the same. Appraiser Lopez said they had the same value in costing because the replacement cost new was based on the square footage.

Member Green asked which comparable the Assessor's Office felt was the best. Appraiser Lopez said they were all foreclosure sales, and he was trying to emphasize a difference in the improvement values would always exist. He stated the sales supported a lower value for the subject. Member Green said the appellant supplied some good comparables, which supported an over assessment. Appraiser Lopez stated the appellant provided a comparison of the improvement values, which would always be different if the improvements and the age of construction were not the same.

Chairperson Covert asked if air conditioning was an option when the subject was built. Mr. Davis said it was standard when the home was purchased and became optional the next year. He stated all of the properties he provided as comparables had forced air and air conditioning and all had patio covers. He noted one property had two patio covers, and he found it hard to believe his one patio cover was larger than the two on that property.

Chairperson Covert explained a home built even one year earlier would have a different value due to depreciation. Mr. Davis said he understood, but the difference was more than 1.5 percent. He stated the market seemed to be going down, but his improvement value went up even though the total value went down due to the land going down.

Member Woodland asked about the land going down and the improvements going up. Josh Wilson, Assessor, indicated the allocation ratio for

estimating land values was lowered from 25 percent to 20 percent. He said analysis indicated the land was contributing less towards the total than it had previously. He stated last year if a neighborhood had obsolescence, there would be more obsolescence on the improvements, but the amount of obsolescence was reduced due to lowering the land. He said that increased the improvement value even though the land value decreased, while the total stayed roughly the same. He stated this neighborhood did not have any obsolescence. He felt the taxpayer's request to reduce the value was reasonable, but Appraiser Lopez was trying to demonstrate differences would always occur.

With regard to Parcel No. 160-835-11, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion duly carried with Member Horan absent, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced by \$9,408 in obsolescence to \$150,000, resulting in a total taxable value of \$194,000 for tax year 2011-12. With that adjustment, it was found that the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

**11-0243E PARCEL NO. 125-373-21 – EDWARDS, ROBERT –
HEARING NO. 11-0067**

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 943 Jennifer Street, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

None.

Assessor

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

On behalf of the Petitioner, no one was sworn in by Chief Deputy Clerk Nancy Parent.

On behalf of the Assessor and having been previously sworn, Pat Regan, Appraiser, oriented the Board as to the location of the subject property. She said she would stand on the written record. She stated the appellant was appealing because his assessment had not been set back to 2002 per the lawsuits originating in Incline Village. She said the recommendation was to uphold the Assessor's values.

Chairperson Covert indicated the appellant supplied no evidence other than the statement on the petition.

With regard to Parcel No. 125-373-21, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Green, which motion duly carried with Member Horan absent, it was ordered that the Assessor's taxable values be upheld for tax year 2011-12. It was found that the Petitioner failed to meet his/her burden to show that the full cash value of the property is less than the taxable value computed for the property.

**11-0244E PARCEL NO. 128-052-09 – MILLER, JUDITH L TRUSTEE –
HEARING NO. 11-0095**

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 970 Mica Court, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

None.

Assessor

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

On behalf of the Petitioner, no one was sworn in by Chief Deputy Clerk Nancy Parent.

On behalf of the Assessor and having been previously sworn, Pat Regan, Appraiser, oriented the Board as to the location of the subject property. She stated there was a recommendation on page 1 of Exhibit I with which the appellant was in agreement.

With regard to Parcel No. 128-052-09, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Brown, seconded by Member Woodland, which motion duly carried with Member Horan absent, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced to \$635,173 due to an adjustment in the quality class, resulting in a total taxable value of \$855,173 for tax year 2011-12. With that adjustment, it was found that the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

**11-0245E PARCEL NO. 126-151-29 – CARCIONE, JOSEPH W JR &
ROBERTA M – HEARING NO. 11-0238**

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 321 Ski Way, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

None.

Assessor

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

On behalf of the Petitioner, no one was sworn in by Chief Deputy Clerk Nancy Parent.

On behalf of the Assessor and having been previously sworn, Pat Regan, Appraiser, oriented the Board as to the location of the subject property. She explained the property was not valued on a commercial basis because it was rented. She noted the recommendation on page 1 of Exhibit I was to uphold the Assessor's values, which was supported by the comparable sales.

With regard to Parcel No. 126-151-29, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion duly carried with Member Horan absent, it was ordered that the Assessor's taxable values be upheld for tax year 2011-12. It was found that the Petitioner failed to meet his/her burden to show that the full cash value of the property is less than the taxable value computed for the property.

11-0246E PARCEL NO. 122-080-21 – CARCIONE, JOSEPH W JR &
ROBERTA M – HEARING NO. 11-0239

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 525 Lakeshore Boulevard, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

None.

Assessor

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

On behalf of the Petitioner, no one was sworn in by Chief Deputy Clerk Nancy Parent.

On behalf of the Assessor and having been previously sworn, Pat Regan, Appraiser, oriented the Board as to the location of the subject property. She reviewed the comparables and the recommendation to uphold as shown on page 1 of Exhibit I.

Chairperson Covert noted the appellant did not provide any evidence beyond the statement on the petition.

With regard to Parcel No. 122-080-21, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion duly carried with Member Horan absent, it was ordered that the Assessor's taxable values be upheld for tax year 2011-12. It was found that the Petitioner failed to meet his/her burden to show that the full cash value of the property is less than the taxable value computed for the property.

**11-0247E PARCEL NO. 152-661-01 – HAVILL TRUST –
HEARING NO. 11-0529**

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 6305 Trailblazer Court, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Letter and comparable sales, 2 pages.

Assessor

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

On behalf of the Petitioner, no one was sworn in by Chief Deputy Clerk Nancy Parent.

On behalf of the Assessor and having been previously sworn, Pat Regan, Appraiser, oriented the Board as to the location of the subject property. She said the appellant was in agreement with the Assessor's recommendation on page 2 of Exhibit I to reduce the subject's quality class.

With regard to Parcel No. 152-661-01, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion duly carried with Member Horan absent, it was ordered that the taxable land value be reduced to \$58,500 due to an adjustment in the view premium and the taxable improvement value be reduced to \$434,505 due to an adjustment in the quality class, resulting in a total taxable value of \$493,005 for tax year 2011-12. With that adjustment, it was found that the land and

improvements are valued correctly and the total taxable value does not exceed full cash value.

**11-0248E PARCEL NO. 162-252-01 – BADER, DARRYL & ANGELA –
HEARING NO. 11-0568**

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 11005 Dixon Lane, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Comparable sales data, 49 pages.

Assessor

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

On behalf of the Petitioner, no one was sworn in by Chief Deputy Clerk Nancy Parent.

On behalf of the Assessor and having been previously sworn, Pat Regan, Appraiser, oriented the Board as to the location of the subject property. She said the appellant was in agreement with the Assessor's recommendation shown on page 1 of Exhibit I.

With regard to Parcel No. 162-252-01, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Brown, seconded by Member Woodland, which motion duly carried with Member Horan absent, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced by obsolescence to \$1,090,000, resulting in a total taxable value of \$1,340,000 for tax year 2011-12. With that adjustment, it was found that the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

**11-0249E PARCEL NO. 122-191-08 – CAMPI, CURTIS –
HEARING NO. 11-0628**

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 236 Allen Way, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

None.

Assessor

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

On behalf of the Petitioner, no one was sworn in by Chief Deputy Clerk Nancy Parent.

On behalf of the Assessor and having been previously sworn, Pat Regan, Appraiser, oriented the Board as to the location of the subject property. She stated the appellant was in agreement with the Assessor's recommendation on page 1 of Exhibit I to reduce the subject's quality class.

With regard to Parcel No. 122-191-08, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion duly carried with Member Horan absent, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced to \$287,062 due to an adjustment in the quality class, resulting in a total taxable value of \$656,812 for tax year 2011-12. With that adjustment, it was found that the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

11-0250E PARCEL NO. 050-520-47 – TOT TRUST –
HEARING NO. 11-0587

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located in Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Letter, 1 page.

Assessor

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

On behalf of the Petitioner, no one was sworn in by Chief Deputy Clerk Nancy Parent.

On behalf of the Assessor and having been previously sworn, Pat Regan, Appraiser, oriented the Board as to the location of the subject property. She stated page 1 of Exhibit I had a recommendation with which the appellant was in agreement.

With regard to Parcel No. 050-520-47, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Brown, seconded by Member Woodland, which motion duly carried with Member Horan absent, it was ordered that the taxable land value be reduced to \$88,500 due to the property not having a well or a septic system, resulting in a total taxable value of \$88,500 for tax year 2011-12. With that adjustment, it was found that the land is valued correctly and the total taxable value does not exceed full cash value.

BOARD MEMBER COMMENTS

There were no Board Member comments.

PUBLIC COMMENT

There were no public comments.

* * * * *

3:02 p.m. There being no further hearings or business to come before the Board, on motion by Member Woodland, seconded by Member Brown, which motion duly carried with Member Horan absent, the meeting was adjourned.

JAMES COVERT, Chairperson
Washoe County Board of Equalization

ATTEST:

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

Minutes prepared by Jan Frazetta, Deputy Clerk