

**BOARD OF EQUALIZATION
WASHOE COUNTY, NEVADA**

FRIDAY

9:00 A.M.

JANUARY 21, 2022

PRESENT:

Eugenia Larmore, Chair
James Ainsworth, Member
Barbara “Bobbi” Lazzarone, Member
Daren McDonald, Member

Janis Galassini, County Clerk
Trenton Ross, Deputy District Attorney
Jennifer Gustafson, Deputy District Attorney

ABSENT:

Dennis George, Member

The Board of Equalization convened at 9:02 a.m. in the Caucus Room of the Washoe County Administration Complex, 1001 East Ninth Street, Reno, Nevada. Following the Pledge of Allegiance to the flag of our Country, Chair Larmore called the meeting to order, the Clerk called roll, and the Board conducted the following business:

22-003E **AGENDA ITEM 4** Public Comment.

There was no response to the call for public comment.

22-004E **AGENDA ITEM 5** Election of Vice-Chair: Possible election of a vice-chair for the 2022 Washoe County Board of Equalization.

County Clerk Janis Galassini noted pursuant to Nevada Revised Statute, the Chair of the Washoe County Commission had designated Eugenia Larmore as Chair of the Board of Equalization. Chair Larmore accepted the designation.

Chair Larmore asked Member Ainsworth if he would be willing to serve as Vice-Chair and he accepted.

There was no response to the call for public comment.

On motion by Chair Larmore, seconded by Member McDonald, which motion duly carried on a 4-0 vote with Member George absent, it was ordered that Member Ainsworth be elected as Vice Chair.

22-005E **AGENDA ITEM 6** Swearing In: County Clerk to Administer Oath to Appraisal Staff.

County Clerk Janis Galassini swore in Chief Property Appraiser Rigo Lopez. She indicated the remaining appraisal staff would be sworn in at the meetings.

ORIENTATION AND TRAINING:

22-006E **AGENDA ITEM 7A** Washoe County Assessor's Office presentation and overview of assessment process for the 2022/2023 fiscal year.

Chief Property Appraiser Rigo Lopez supplied a handout which was provided to the Board and placed on file with the Clerk. He explained the Assessor's Office was responsible for valuing all real and personal property within Washoe County. He noted Nevada was not a market state, which meant when a parcel was sold, the assessed value would not be adjusted to the sale price. In Washoe County, roughly 186,000 parcels were reappraised every year; it was the responsibility of the Assessor's Office to discover, list, and value all properties. In addition, approximately 29,000 personal property assessments were conducted every year. Personal property related to assets used to conduct business, and businesses were required to complete declaration forms every year.

Mr. Lopez explained the handout was a copy of what was printed on the back of the assessment notices that were mailed out to property owners each year. He thought most people would be surprised at how many phone calls the Assessor's Office received in July and August when the Treasurer's Office sent out the tax bills. He asked the Board to keep in mind that the Assessor's Office did not mail out tax bills or collect taxes. However, they did value properties and provide the valuation to the Treasurer's Office whose responsibility it was to calculate the tax bills.

The handout, stated Mr. Lopez, provided an explanation about what taxable value was. He said the valuation of a piece of property was comprised of two components, the first of which was land. Although Nevada was not a market state, the land component was established at market value. The second component was the improvement value. He provided examples of improvements, such as a house, garage, deck, landscaping, driveways, or other types of construction on real property and said those types of improvements were all taxable. The Assessor's Office used a nation-wide costing service, Marshall and Swift, to determine the values which were updated every year. All improvements depreciated at 1.5 percent per year, up to 50 years, he said. He explained a home that was 50 years old, or older, would be valued at 25 percent because it would be depreciated by 75 percent and at its minimal improvement value. The land value would be added to the improvement value to determine the total taxable value.

Mr. Lopez noted the taxable value could not exceed the market value on any property. He recalled that during the recession, obsolescence was applied to many neighborhoods to reduce their assessed value since homes were selling for much less than the calculated valuation.

As the handout explained, stated Mr. Lopez, taxable value was defined as the full cash value (market value) of the land and the current replacement cost of the buildings and improvements. Pursuant to Nevada Revised Statute, the assessed value was set at 35 percent of the taxable value. The Treasurer's Office applied the tax rate to the assessed value to come up with the gross ad valorem tax bill.

Next Mr. Lopez spoke about the tax cap, which was the result of a bill passed by the State Legislature in 2005. Property taxes were capped at 3 percent for primary occupancies or 8 percent on vacant land and commercial parcels. This cap was applied only to the taxes, not the value. He noted there were sometimes value increases of 20 or 30 percent, which were okay if there was data to support it. There was sometimes confusion by taxpayers who argued their assessed values should not exceed a 3 percent increase; in these cases, staff offered the explanation that the cap only applied to the tax bill.

He stated a form related to primary occupancy was sent out to property owners two to three times a year. If those forms were returned to the Assessor's Office, they would have the information needed to identify the appropriate tax cap. If they were not returned, the high cap would be applied. Only one property could be claimed as a primary residence in Nevada. Mr. Lopez noted there had been some value increases of anywhere from 20 to 70 percent this year due to the state of the current market. He further remarked about the amount of construction and the increasing cost of rent.

He reminded the Board the Assessor's responsibility was to discover, list, and value. The Assessor's Office received copies of the permits issued in all three jurisdictions: Reno, Sparks, and Washoe County. He said it was important to know that all new construction fell outside the tax cap and described a scenario involving the addition of a new garage to an existing home. In this situation, the taxes on the home could increase by no more than 3 percent each year; however, the taxes on the new construction would increase by whatever the total value was with the applied tax rate.

Mr. Lopez stated the Assessor's Office had a staff of 18 appraisers who were busy reviewing the many new permits that had been issued. He thought the Board would be surprised to learn how much construction had been built without first obtaining permits. The Assessor's Office collected aerial photos of each property on a five-year cycle to facilitate the discovery process. He recalled a situation in which a property owner had constructed a brand-new home on the back side of his property without a permit. When questioned, the property owner stated he expected the construction would be discovered; he just did not know when. The Assessor's Office often received phone calls from neighbors informing them of new construction, which would then be investigated. The investigation process included contacting building departments to verify permits, because sometimes that information could be missed. He advised appraiser staff to be calm, respectful, and to explain the laws, statutes, and regulations the Assessor's Office had to abide by when dealing with property owners.

Mr. Lopez exclaimed his appreciation for the Board of Equalization, stating the Board conducted their own independent appraisals through their review of the information provided at the hearings. He said their decisions were respected. He noted the appraisers did their best and made efforts to talk with the property owners to address their concerns before the hearings took place. This sometimes resulted in stipulations which the Board would see reflected on the agendas. He stated, although not common, property owners that had signed stipulations retained the right to appeal to the State Board of Equalization. March 10 was the deadline to file with the State, while the County's deadline was January 15. If January 15 fell on a Saturday or a holiday, he explained, then it would roll to the next working day, which was the case this year.

As far as the number of appeals, Mr. Lopez stated the numbers were very similar to the previous year. At last count, he said, there were 67 appeals with 126 parcels. Of these, less than ten were residential appeals. He stated since the valuation was made up of two components, the land and the improvements, property owners had the right to appeal only one of those components if they wished. He believed a couple of appeals had been submitted for the land only and he reminded the Board that some property valuations increased significantly. He commented he felt the Assessor's Office had the data to support those increases. Sometimes appraisers would prepare Assessor Recommendations for adjustments which would be based on additional information received from the property owners. This was a result of efforts made to work with property owners before the hearings. He said petitioners could appeal to the State Board; however, the Assessor's Office did their best to resolve any issues.

Mr. Lopez stated he believed Nevada was the last state in the United States that used the modified cost approach; all the other states used the market approach. He believed the handout he provided would assist the Board in answering appellant questions and he invited questions from the Board.

Member McDonald asked a question related to inflation. He opined the Marshall & Swift model adjusted itself with the changes in construction costs and pricing. He wanted to know if that would affect someone's historical construction cost value. Mr. Lopez said it would and noted the recent increase in the cost of lumber. He said the Marshall & Swift costs were always about a year to a year and a half behind; surprisingly, the current improvement factor was less than 2 percent. He expected it would be a lot more next year. He said a lot of appeals were received from representatives who filed their petitions without including much data. Some businesses, such as Home Depot, Lowes, and Walmart had been appealing for five or six years. Though the changes in construction costs played a role, it was somewhat delayed due to the way Marshall & Swift calculated improvement values.

Chair Larmore thanked the Assessor's Office for the research and data they provided as it made the Board's job a lot easier. She expressed appreciation for their hard work.

Mr. Lopez acknowledged and thanked County Clerk Jan Galassini and her staff. He stated it was a pleasure to work with her office and noted it was truly a team effort.

There was no public comment or action taken on this item.

22-007E **AGENDA ITEM 7B** Washoe County Clerk's Office presentation and overview by Washoe County Clerk's Office of statutory responsibilities as Clerk of the Board and administrative and clerical practices; distribution of State Guidelines to County Board of Equalization Members.

County Clerk Jan Galassini introduced herself and her staff; including Chief Deputy Clerk Cathy Smith; Deputy Clerks Doni Gassaway, Carolina Stickley, and Evonne Strickland; and Department Programmer Analyst Jonathan Lujan. She expressed her appreciation for the Assessor's Office staff and the working relationship between the two departments.

She discussed the packet that was provided to the Board for this item, including the board roster. She requested board members to provide any updates to the information. She said the packet also included a meeting calendar and the last date indicated on that calendar would be set aside for continuances. She asked members to let her know if they had any conflicts as soon as possible so the Assessor's Office could begin scheduling the hearings and meet the 10-day notice requirement to the petitioners. An April calendar was also provided, which indicated one meeting date that was reserved for the purpose of approving minutes. She explained her staff worked diligently to complete the minutes for approval within the 45-day deadline, and stated any minutes that had not yet been approved by the last hearing date would be approved in April.

Chief Property Appraiser Rigo Lopez stated he would begin working on calendaring meetings with Chief Deputy Assessor Cori Burke and inquired whether it was okay with the Clerk if they determined they only needed certain dates. Ms. Galassini responded the Clerk's Office reserved all the dates they could because they never knew how many appeals to expect during the season. However, any dates that were not needed could be cancelled.

Mr. Lopez wondered if the Board could respond with any conflicts they might have. Ms. Galassini responded the meetings could go forward if there was a quorum and noted Mr. George indicated he had a conflict on February 9. She recommended avoiding that date.

Next, Ms. Galassini pointed out the Clerk/Assessor task list in the packet. She explained the Assessor's Office would prepare the agendas, but once the meeting started the responsibilities would shift to the Clerk. It was possible, she said, for changes such as withdrawals and stipulations to happen between the time of agenda posting and the hearing date. Those would be addressed at the beginning of each meeting.

She itemized other Clerk's Office responsibilities, adding that the Clerk was the independent record keeper of the Board of Equalization and the minutes produced would be provided to the State Board of Equalization for any appeals subsequently filed there. The Clerk was also responsible for arranging board member compensation, which amounted to \$125 for each meeting attended. The Clerk would swear in the witnesses and appraisers, mark and distribute evidence, record all hearings, provide documentation to the State, and send decision letters to all petitioners within ten days of their hearings.

She reminded the Board about the Clerk's Office website which contained a page dedicated to the Board of Equalization and board member biographies. She asked any members who wished to either create a biography or to update one, to provide their information.

Ms. Galassini noted, the State Board of Equalization hearing guidelines and the scripted motion language which were provided in the handout. She informed the Board copies of the scripted motion language would also be provided at the first meeting. She explained the scripts were helpful to the board members as well as her staff, as they could refer to them when composing minutes.

County owned laptops would be made available for use by board members if they wished and board members could talk with Mr. Lujan to reserve one. Ms. Galassini described the process for providing hearing evidence to board members on jump drives and mentioned the same information would also be made available online.

The Clerk's Office would provide snacks to the Board as well as coffee and tea. Ms. Galassini asked board members to let her know if they had any dietary restrictions. She commented the deadline to submit petitions had been January 18 and she surmised the Assessor's Office would know by the end of the week how many total petitions there would be. She stated any petitions that were postmarked after January 18 would be forwarded to the District Attorney's office for review and a determination on timeliness.

Mr. Lopez inquired whether there would be an option to attend the meetings via Zoom. Deputy District Attorney Jennifer Gustafson replied that would be discussed during a later agenda item.

Member Ainsworth asked about the new Board Records and Minutes Division Supervisor and Ms. Galassini responded Ms. Lauren Morris had been selected for the position. Ms. Morris would be starting on January 31. She further discussed the knowledge and experience of current staff related to the Board of Equalization.

There was no public comment or action taken on this item.

22-008E **AGENDA ITEM 7C** Washoe County District Attorney's Office training on Nevada Open Meeting Law and Ethics in Government Law.

Deputy District Attorney Jennifer Gustafson introduced herself and new Deputy District Attorney Trenton Ross. She indicated Mr. Ross would be presenting the information from the District Attorney's (DA) Office. She indicated they would both be present at the first meeting and then alternate for subsequent meetings.

Mr. Ross stated the presentation was meant to remind the Board of the importance of the Open Meeting Law (OML). He said the purpose of the OML was to provide for transparency in the deliberative process. He reviewed the slides in the PowerPoint presentation with the following titles: Nevada's Open Meeting Law; Legislative Intent of "OML", When Does the OML Apply?; Pillars of the OML; Public Body; Meeting NRS 241.015(3)(a)(1); What is a Quorum NRS 241.015(5); Methods of Holding Meetings; Special Note; Watch Out for "Walking Quorum" NRS 241.015(3)(a)(2); Exception: Attorney-Client Communications; Exception: Social Function NRS 241.015(3)(b)(1); Notice of Meeting NRS 241.020; Notice of Meeting cont...NRS 241.020; Agenda NRS 241.020; Agenda cont...NRS 241.020; Materials Available to the Public; Action-Voting Minimums; Minutes NRS 241.035; Corrective Action; Enforcement; Enforcement, cont...; OML Violations (x2); Advice; Sources of Information; and Any Questions.

Mr. Ross stated staff did a very good job of preparing the agendas and the minutes and commented about a recent bill regarding remote technology. He stated the important aspect of remote technology was to provide a way for the public to communicate for public comment, especially if they were providing testimony regarding their appeals.

Mr. Ross noted a quorum for this board would consist of three or more members and reminded board members not to reply to all to avoid serial communication. The point was to avoid the perception that they could be doing anything to circumvent the OML. Walking quorums, he said, were hard to prove, but should be avoided.

Ms. Gustafson explained more about walking quorums and provided an example of two board members having a conversation outside a public meeting. She said if one of those members then talked to another member about any item that the Board of Equalization had jurisdiction over, collectively a quorum would exist. This was a situation to be avoided.

Mr. Ross stated there was an exception when it came to speaking with the attorneys and he wanted to ensure the board members felt free to ask questions. However, he cautioned everyone again about replying to all. Ms. Gustafson further cautioned the Board from talking about board items during restroom breaks or at the dais after a meeting had concluded.

Mr. Ross spoke about meeting notice requirements, remarking there had been recent issues with other boards due to the occurrence of a holiday. Some of those

boards had to either cancel or reschedule their meetings. The posting requirements existed to allow the public ample notice on how they could participate, where the meeting would take place, when it would be, and how to access support materials. Mr. Ross advised the Board to stick to the agenda, because the public should have the ability to know what would be discussed at a meeting.

Ms. Galassini added that people who attended the meetings in person to present their cases would be heard in the order they arrived. This was to provide them the opportunity to leave the meeting as soon as they were done. She explained this meant some items would be taken out of order. Mr. Ross noted the agenda stated the Board could take things out of order and rearrange them for that reason. He also noted the importance of marking items as For Possible Action or For Discussion Only and explained the Board could only deliberate on Action Items.

Mr. Ross stated there would be a meeting in April to approve the minutes. He informed the Board if there was a mistake, they would have the opportunity to take corrective action; however, if they were following the rules and seeking advice from the attorneys, they should be fine. He encouraged the Board to ask questions. He also advised them to take the time to read the minutes to ensure they were comfortable with what was said, and the actions taken. Ms. Galassini remarked the audio would be recorded, so a board member could listen to a recording if they wished.

Mr. Ross talked about available sources of information and noted the Attorney General's Office occasionally issued new opinions. For instance, there were recent additions regarding the use of technology.

Next, Mr. Ross continued the PowerPoint presentation with the following slides: Where can I find the Code of Ethical Standards?; To Whom Does it Apply?; NRS 281A.400; NRS 281A.400, cont...(x2); Conflicts of Interest; Recusal; Ethics Acknowledgement; Any Questions.

Mr. Ross explained the board members would each have an ethics form to complete to ensure they were complying with the Code of Ethical Standards. He itemized some of the red flags the members should be aware of, including gifts and services, the use of their position to get unwarranted privileges, negotiating on behalf of the County, trying to gain for themselves, using confidential information to benefit their personal interests, pressuring others for their own personal interests, seeking government contracts, or improper use of government property.

In cases where a petitioner was someone they knew, he requested board members to please signal to the attorneys that they might have a conflict of interest. This would not always result in a member having to recuse themselves, but he advised the Board to try to identify any potential conflicts of interest ahead of time. Ms. Gustafson mentioned the board members had a duty to review the materials ahead of time. She reiterated that if a petitioner was someone they knew in a personal or business capacity they should contact either herself or Mr. Ross. This would provide the opportunity to determine whether they

would need to disclose that relationship or recuse themselves. It was helpful for the attorneys to have that information ahead of a meeting. Mr. Ross stated the action of recusal was a drastic measure, but in some scenarios it might be warranted.

Member Lazzarone requested the contact information for the attorneys. Ms. Gustafson replied she would ensure they all received it.

There was no public comment or action taken on this item.

22-009E **AGENDA ITEM 8** Discussion and possible adoption of rules and procedures to be used by the Board for hearings during the 2022 Board of Equalization meetings, including but not limited to, discussion and direction to staff on petitions filed after deadline date; and determination of method of holding future meetings (in-person, virtual, or hybrid options).

Chair Larmore stated the Board should discuss whether the meetings would be in person and wanted to know about the County's mask policy.

Deputy District Attorney Jennifer Gustafson stated everyone would need to wear a mask during the meetings. She believed the Omicron Virus would still be around in February and thought it would be a good idea for the Chair to announce the mask requirement at the start of each meeting. She agreed with the Chair that the Board should discuss whether they wished to hold the meetings only in person or provide a hybrid option allowing for Zoom participation.

Chair Larmore recalled the previous year was a hybrid with some members calling in on Zoom. She stated some appellants also called in on the phone. Technologically, she wanted to know if hybrid meetings were doable and asked the Board to provide their thoughts. Member McDonald stated he thought it would be a good idea to offer the option to petitioners. However, he recalled his experience participating via Zoom the previous year and thought his physical absence slowed the Board down somewhat because people showed up with last minute documents.

County Clerk Jan Galassini stated it was a bit clunky when the meeting was held both live and through Zoom, but she believed the public appreciated having the option.

Chair Larmore agreed and stated her preference that board members attend in person. She wondered about OML and if it was an issue if there was not an electronic option for participants. Ms. Gustafson responded it was acceptable to have a meeting that was only in person. There were multiple boards that did hybrid meetings; some only did only electronic meetings, but it was up to the Board. She recommended the Board take a vote.

Member Ainsworth stated he preferred the meetings to be in person due to difficulties that ensued when new information was presented, and Member Lazzarone agreed. Chair Larmore asked how the Board felt about allowing the petitioners to be on

Zoom. Member Ainsworth stated it was the petitioners who brought in additional information, which created the difficulties, and he thought they should come in person and wear masks. Member McDonald was inclined to allow petitioners the option to be in person or virtual. He thought the virtual option worked well and recalled only a couple of times when there were technical issues with the audio or video. Chair Larmore thought the Board had done a good job of moving on to other items when those issues were encountered. Member Lazzarone stated she appreciated seeing people in person but expressed concern over the potential for petitioners to come in person when they were sick. She thought it was important to provide a choice. Chair Larmore and Member Ainsworth concurred. Chair Larmore thought a hybrid version was the best option and encouraged the board members to attend in person as much as possible.

Member McDonald moved to conduct a hybrid model of virtual and in-person meetings. Member Ainsworth seconded the motion.

Member Lazzarone requested clarification. Chair Larmore re-stated her preference for board members to attend in person as much as possible to limit the interference that could be caused by technological issues. Member Lazzarone asked for a revision to the motion to include the requirement that board members attend in person.

Ms. Gustafson stated the board members would always have an option to call in telephonically or electronically. She recommended the Board to decide only on whether the meetings would be hybrid or in-person. She advised they could always have a policy to encourage board members to show up in person if possible.

Chair Larmore made the motion to have hybrid meetings and encouraged the board members to attend in person as much as possible. Member Lazzarone seconded the motion, which motion duly carried on a 4-0 vote, with Member George absent.

Ms. Gustafson stated under the OML there were several different ways to hold public comment. There were always opportunities for public comment at the beginning and end of a meeting; however, County policy was to also include public comment during each hearing item. She stated that was generally how it was done, and she asked the Board if this was an item they would like to discuss or if any of them had any issues with this policy.

Chair Larmore concurred that was how it was always done, and she did not think a vote on this policy would be required. Ms. Gustafson agreed a vote was not necessary, but she wanted to take the opportunity to remind the Board.

There was no public comment, or action taken on this item.

22-010E **AGENDA ITEM 9** Board Member Comments: This item is limited to announcements or topics/issues proposed for future agendas.

Member Ainsworth commented on the great job staff did to provide the information the Board needed to make its decisions. Member McDonald echoed Member Ainsworth's sentiments and stated he always appreciated the professionalism of the Assessor's Office staff.

Chief Property Appraiser Rigo Lopez stated he hoped the season would go as smoothly as the previous year.

Chair Larmore commented there might be some complicated commercial cases this year, but she anticipated a great season.

22-011E **AGENDA ITEM 10** Public Comment.

There was no response to the call for public comment.

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10:03 a.m. There being no further business to discuss, the meeting was adjourned without objection.

EUGENIA LARMORE, Chair
Washoe County Board of Equalization

ATTEST:

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

*Minutes Prepared by:
Catherine Smith, Chief Deputy County Clerk*