

INCLINE VILLAGE / CRYSTAL BAY PROPERTY TAX REFUNDS FAQ'S

A series of legal challenges to property tax assessments for properties in the Incline Village/Crystal Bay area of Washoe County began in 2003. The litigations were initiated by various groups of taxpayers and involved decisions of the Washoe County Board of Equalization, and the Nevada State Board of Equalization. The following Frequently Asked Questions (FAQs) are related to the case Village League to Save Incline Assets, Inc., et.al. vs. State of Nevada, et.al., Case No. CV03-06922, Supreme Court Case No. 80092. Recent actions related to the case include:

On October 21, 2019, Judge Kathleen Drakulich issued an order in favor of Village League to Save Incline Assets, Inc., et.al. in the Village League to Save Incline Assets, Inc., et.al. vs. State of Nevada, et.al., Case No. CV03-06922.

On November 12, 2019, the Washoe County Board of County Commissioners authorized the filing of an appeal of the District Court's Order. The appeal was filed, and the parties were referred to Supreme Court's Settlement Program.

On August 4, 2020, the Washoe County Board of County Commissioners approved an Agreement between Washoe County and the League to Save Village Assets, Inc., the terms of which included dismissal by Washoe County of the appeal of the District Court's decision.

On October 5, 2020, a hearing was held by the District Court to consider the Agreement and Judge Drakulich issued an Interim Order of Approval for the Agreement on October 13, 2020.

In anticipation of this order, the Treasurer's Office has been working to establish the process provided for in the Agreement and expects to begin issuing refunds July 1, 2021.

See below for important information for Incline Village/Crystal Bay property owners.

Q. What is the process for claiming a refund?

A. A claim form must be submitted to the Treasurer's Office as soon as possible, but no later than 5/01/2023 in order to claim a refund. Upon verification of a valid claim, adjustments will be made to the 2003/04, 2004/05, and 2005/06 assessed values, and refunds will be determined based on those changes.

Q. How do I submit a claim?

A. Claim forms may be printed and mailed or submitted via the Treasurer's website. You may also request a Claim Form be sent to you via email or USPS. Instructions for filling out the Claim Forms can be found on the Incline Village Crystal Bay Claims webpage.

Q. If I file a claim will I get a refund?

A. The Treasurer's Office will validate all claims to ensure that refunds are issued only to appropriate individuals/entities. Only those claims deemed valid will receive a refund.

Q. What if there are multiple owners at the same time – who will get the refund?

A. If multiple parties share ownership, a single party may submit a claim on behalf of all co-owners, with the other owners' written consent. A Consent to Claim Form is provided on the Incline Village Crystal Bay Claims web page that will allow the refund to be paid to the party submitting the claim. Otherwise the refund will be issued to all owners.

Q. How is my refund calculated?

A. Once a claim is verified, for affected parcels:

- The 2003/04, 2004/05, and 2005/06 assessed value is adjusted to the corrected value, as noted on the parcel list shown on the IVCB Claims webpage.
- New tax amounts are calculated based on the revised assessed value times tax rate, for the 2003/04 and 2004/05 tax years. The 2005/06 year is calculated in the same manner and checked to determine if the tax amount is more than allowed under NRS 361.4722–361.4724 (abatement provisions).
- In the event of an overpayment, refunds will be made to eligible claimants for the 2003/04, 2004/05, 2005/06 tax years, pursuant to the court order. Any resulting refunds for subsequent years, due to the abatement laws, will be refunded based on standard procedures.
- In the event of ownership changes, the refund will be prorated based on the number of days of ownership during the tax year. The ownership of the property as of 11:59:59 pm will be considered the owner for the entire day.
- If any penalty has been paid for tax years that receive an adjusted tax amount, the penalty is also adjusted to reflect the lower tax amount.

**This is a general description of the calculation process. Each parcel may have unique circumstances that could impact the results of the calculation. Such circumstances may include, but are not limited to – exemptions, supplemental tax bills, destruction of improvements on a parcel, newly constructed improvements on a parcel.

Q. Does my parcel qualify for an adjusted 2003/04, 2004/05, and 2005/06 assessed value?

A. A list of qualifying parcels can be found on the IVCB Claims webpage.

Q. I owned the property in 2003/04, 2004/05 and/or 2005/06. Will I get a refund, or does it go to the current owner?

A. A refund is made to the party who owned the property for these tax years.

- In the event of ownership changes, the refund will be prorated based on the number of days of ownership during the tax year. The party and/or parties who owned the property as of 11:59:59 pm will be considered the owner for the entire day.

Q. When can I expect to get my refund?

A. Refunds are scheduled to begin on July 1, 2021 and be completed by June 21, 2024. Refunds for verified claims by current owners who have owned the property since 2005/06, will be processed first. Once those refunds are completed, and no later than January 1, 2022, we will begin processing remaining verified claims. In general, we will attempt to process refunds in the order in which claims are received (within the two specified groups). Some parcels may require further research such as ownership changes etc., therefore, we cannot guarantee they will be completed in the exact order received. Refunds are required to be completed at an average of no less than 300 per month but may be processed more quickly. It is difficult to estimate when a specific parcel may be processed.

Q. I'm expecting a refund. Should I keep paying my taxes?

A. Yes. To maintain a clear audit trail, the Treasurer's Office will not apply refunds to the current taxes owing. The Treasurer strongly encourages Incline Village/Crystal Bay residents to continue to pay their taxes in a timely manner. Delinquencies will accrue penalty and interest pursuant to NRS 361.483.

Q. Will I be paid interest on my refund?

A. Yes. Interest will be paid on refunds at the rate of 6.0% simple interest.

Q. Why do I have to complete a W-9 form?

A. We are not able to pay the interest until we have a completed and verified W-9 form that would allow us to comply with IRS requirements. Taxpayers will be issued a 1099 for interest paid out over \$600.00. We recommend that any taxpayer with federal tax questions contact their tax advisor.

Q. Can I submit a W-9 ahead of time?

A. We request the W-9 be submitted at the same time as your claim. For those who have not submitted their W-9 at that time, the tax portion of the refund will be sent, along with a W-9 form which will need to be returned in order to receive the interest portion. You can also find blank W-9 forms on the Incline Village Crystal Bay Claims website.

- You can submit the forms online, or by mail to:

ATTN: INCLINE Claims
Washoe County Comptroller
1001 E. Ninth St., Building D – Room 200
Reno, NV 89512

or by fax to (775) 328-6120.

Q. Can my refund be applied to the current taxes owing?

A. No. The order provides for refunds, not credits. Each owner may determine for themselves whether to use those funds toward a future property tax obligation.

Q. Who do I talk to if I have questions after receiving my refund?

A. If you need help understanding how your refund was calculated, contact the Washoe County Treasurer's Office at ivcbclaims@washoecounty.us or (775) 328-2510 and we will explain the process and how it impacted your parcel.

Q. I am a previous owner. How do I provide a current address for my refund check to be sent to?

A. When submitting your claim there is a section to provide your current address.

Q. Why didn't the County prepare and set money aside for this?

A. The County's limited resources require it to annually balance its budget to fund vital public services such as law enforcement, public health, judicial services, human services, animal services, road maintenance, libraries, and the maintenance of its facilities and infrastructure. Setting aside money to fund this possible liability could have resulted in the reduction of services to the public and possibly cutting employee jobs at a time when we are addressing the impacts of a growing population that needs our services, including emergency response such as the 2017 flooding events and the recent impacts of the COVID-19 pandemic on public health and the economy. The County will adjust its budgets in the coming years and, will also set aside additional revenue, if available, for the payment of the refunds.

Q. Will I need to amend my federal and/or state tax return for previous years?

A. While we cannot provide you with tax advice, if you itemized your tax returns for previous years, claiming what you paid for property taxes, it would be advisable for you to consult your tax professional.

Q. How can I donate my refund back to the County?

A. Donations to the County are authorized and managed pursuant to Washoe County Code 15.140–15.160 and must be accepted by the Washoe Board of County Commissioners. If you wish to donate all or any portion of your refund to the County, please cash your refund check and submit your donation with your personal check. To maintain a clear audit trail, the Treasurer's Office will not submit refunds as a donation, even upon written request. For additional questions regarding donation, please contact: Danielle Carlton at (775) 328-2545 or dcarlton@washoecounty.us.

Q. What if I disagree with the eligibility, status, calculation or processing of my claim?

A. Most concerns can be answered quickly by email or phone. For any issues that we are not able to resolve in this manner, there is an established dispute resolution process. To begin that process, submit a signed and dated complaint in writing to Washoe County Treasurer Attn: IVCB Disputes PO Box 30039 Reno NV 89520-3039. You may also submit a dispute resolution request to our office in person or via email to ivcbclaims@washoecounty.us. We will make best efforts to resolve your concerns promptly, usually within thirty (30) days. In the event we are unable to resolve your concern, the complainant may submit for non-binding mediation, or may file a motion in the Equalization Action.